

**PING AN OF CHINA ASSET MANAGEMENT FUND**

*société d'investissement à capital variable – organisme de placement collectif en valeurs mobilières  
sous forme de société anonyme*  
4, rue Peternelchen, L-2370 Howald  
R.C.S. Luxembourg: B 226818  
(the "Company")

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**NOTICE TO THE SHAREHOLDERS OF THE COMPANY**

**Ping An of China Asset Management Fund – Emerging Market Income Fund**

**Ping An of China Asset Management Fund – China High Yield Private Strategy Bond Fund**

**Ping An of China Asset Management Fund – China Green Bond Fund**

**Ping An of China Asset Management Fund – China A-shares AI Multi-Factor Fund**  
(each a "Sub-Fund" and collectively the "Sub-Funds")

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**Warning: This document is important and requires your immediate attention. If in doubt, please seek professional advice. The Board accept full responsibility for the accuracy of the information contained in this notice (the "Notice"). The Board have taken reasonable care to ensure that the information contained herein is true and accurate in all material respects as at the date hereof and to the best of the knowledge and belief of the Board, there are no other material facts the omission of which would make any statement misleading. Capitalized terms not otherwise defined herein shall have the meaning given to them in the prospectus of the Company dated February 2021 (the "Prospectus") and the Supplement for Hong Kong Investors dated June 2021 (the "Hong Kong Supplement") (together, the "Hong Kong Offering Documents").**

Dear Shareholder,

As the Board of Directors, we hereby give you notice of the following changes which will become effective as from 30 June 2023 (the "**Effective Date**").

**1. Amendments to China High Yield Private Strategy Bond Fund**

Currently, the Sub-Fund's investment objective is to invest primarily in high yield securities issued by sovereign, sovereign agencies and/or companies having their main operations in Mainland China. As from the Effective Date, in order to adapt to the evolving markets and to capitalise on more opportunities, the Board has decided to broaden the geographic scope of the Sub-Fund's primary investments to Greater China, being Mainland China, Macau, Hong Kong and Taiwan. Further, to broaden the Sub-Fund's ability to make ancillary investments outside Greater China, the Board has decided that the primary investment threshold will be reduced from at least 70% to at least 60% of net assets.

This means that as from the Effective Date, the investment objective and investment strategy shall be revised as follows:

*"Investment Objective*

*The Sub-Fund aims to achieve absolute return from investment income and long term capital appreciation by primarily investing in high yield securities issued by or linked to sovereign, sovereign agencies and/or companies having their main operations in ~~Mainland~~ Greater China.*

*Investment Strategy*

*The Sub-Fund will invest at least ~~60~~70% of its net assets in debt securities (including, amongst others, bonds, convertible bonds, high yield corporate bonds, corporate debt and notes giving exposure to loans) issued by or linked to sovereign and/or sovereign agencies in Mainland Greater China or companies having their main operations in Mainland-Greater China..."*

As a result of the changes above, shareholders will be subject to the concentration risk of the Sub-Fund investing in Greater China.

Save as disclosed above, the changes will not result in any other changes to the features and risks applicable to the Sub-Fund. Save for the change above, there are no changes in the operation and/or manner in which the Sub-Fund is being managed, nor any effects on existing Shareholders. There are also no matters or impacts arising from the change that may materially prejudice the existing Shareholders' rights or interests.

## **2. Amendments to China Green Bond Fund**

Currently, the Sub-Fund's primary investment strategy is to invest at least 70% of its net assets in fixed income instruments predominantly issued by issuers including sovereigns, quasi-sovereigns, supranationals, financial institutions as well as corporates in Greater China. To broaden the Sub-Fund's ability to make ancillary investments outside Greater China, the Board has decided that this threshold will be reduced from at least 70% to at least 60% of net assets.

This means that as from the Effective Date, the investment strategy shall be revised as follows:

*"The Sub-Fund will invest at least ~~60~~70% of its net assets in ~~green~~ fixed income instruments predominantly issued by issuers including sovereigns, quasi-sovereigns, supranationals, financial institutions as well as corporates in Greater China, including in Mainland China on the China Interbank Bond Market (the "**CIBM**") via the Bond Connect and/or a ~~RMB~~ Qualified Foreign Institutional Investor ("**QFII**"). Such fixed income securities shall include urban investment bonds (城投債), which are debt instruments issued by local government financing vehicles ("**LGFVs**") and traded in the PRC exchange-traded bond markets and inter-bank bond market. The Sub-Fund may also diversify its investment strategy by investing the rest of its net assets into other global markets that are consistent with the investment objective. The Sub-Fund will not invest in more than 60% of its net assets in Mainland China securities via a QFII. At least 70% of the Sub-Fund's assets shall qualify as green fixed income instruments."*

The above-mentioned changes will not result in any changes to the features and risks applicable to the Sub-Fund.

## **3. Amendments to China A-Shares AI Multi Factor Fund**

Currently, the Sub-Fund will primarily invest at least 70% of its net assets in A-Shares of companies issued in the People's Republic of China and listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange ("**China A-Shares**") through the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Programs ("**Stock Connect**"). To diversify the Sub-Fund's investment in China A-Shares, as from the Effective Date, the Sub-Fund shall be able to invest in China A-Shares also via the qualified foreign institutional investor ("**QFII**") regime.

This means that as from the Effective Date, the investment strategy shall be revised as follows:

*"The Sub-Fund will primarily invest at least 70% of its net assets in A-Shares of companies issued in the People's Republic of China ("**PRC**") and listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange ("**China A-Shares**") ~~through~~ via the qualified foreign institutional investor ("**QFII**") regime and/or the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Programs ("**Stock Connect**")."*

The abovementioned changes will not result in any material change to the key features and risks profile of the Sub-Fund. Shareholders should note that by also accessing the China A-Shares market via the QFII, the Sub-Fund will also be subject to the risks associated with QFII. Please refer to the Prospectus for descriptions on the key risks associated with QFII.

#### **4. Changes associated with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended (the SFDR)**

The Hong Kong Offering Documents will be amended to comply with the SFDR, including to include as Annex 1 the template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of SFDR and Article 6, first paragraph, of Regulation (EU) 2020/852.

Without limiting the generality of the foregoing, the Annex 1 with respect to China Green Bond Fund will disclose that:

- the Sub-Fund does not invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy; and
- the Sub-Fund will invest up to 5% of its NAV in transitional and enabling assets.

#### **5. Miscellaneous changes**

The Hong Kong Offering Documents will also be updated to reflect the following changes:

- amendments to elaborate that with respect to Below Investment Grade investments:
  - where the credit ratings from different rating agencies are different, the lowest rating will apply;
  - "unrated" means no rating is available from either Standard & Poor's, Fitch or Moody's; and
  - Below Investment Grade investments include investments that the Investment Manager otherwise determines to be of comparable quality notwithstanding a credit rating of above BB+ (by Standard & Poor's or an equivalent agency);
- the new registered office of the Company being 4, rue Peterelchen, L-2370 Howald, Grand Duchy of Luxembourg;
- the appointment of the new Corporate and Domiciliary Agent, being ONE corporate;
- the new composition of the Board which is now composed as follows:
  - Mr Ran LI;
  - Mr John ALLDIS; and
  - Mr Siu Kay Gordon TSUI.
- the new composition of the board of directors of the Management Company;
- updates to elaborate that each Sub-Fund's investment in ancillary liquid assets shall be limited to 20% of its net asset value;
- certain other legal, regulatory and editorial updates

Save as otherwise disclosed in this notice, the changes detailed in this notice will not (i) result in a material change to the features and risks applicable to the Sub-Funds, (ii) result in other changes in the operation and/or manner in which the Sub-Funds are being managed and therefore there will be no material impact to existing Shareholders, or (iii) materially prejudice the existing Shareholders' rights or interests. The aggregate costs and expenses relating to the above changes are estimated to be approximately HKD 120,000 and will be allocated and borne by each relevant Sub-Fund by reference to each of their respective net asset values.

If as a consequence of the above changes, you do not wish to remain invested in the Company, you may redeem your shares free of charge within one month from the date of this notice, by submitting a request to the Hong Kong Representative in accordance with the procedures contained in the Hong Kong Offering Documents. Please note that your distributors or similar agents might charge you transaction fees. You are advised to contact your distributors or similar agents should you have any questions.

The above changes will be reflected in a revised version of the Hong Kong Offering Documents and product key facts statements of the Sub-Funds. The current version of the Hong Kong Offering Documents are available free of charge during usual business hours on any Business Day in Hong Kong at the office of the Hong Kong Representative at Suite 2301, 23<sup>rd</sup> Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

If you have any questions on the above, please feel free to contact the Management Company at its registered office in Luxembourg or the Hong Kong Representative at Suite 2301, 23<sup>rd</sup> Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong, or by email at PUB\_PAAMHK\_IS@pingan.com.hk, or by telephone at +852 37629292.

BY ORDER OF THE BOARD OF DIRECTORS

30 May 2023