

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

Risk Disclosure

- Ping An of China Asset Management Fund – China High Yield Private Strategy Bond Fund (the “Fund”) aims to achieve absolute return from investment income and long term capital appreciation by primarily investing in high yield securities issued by sovereign, sovereign agencies in China and / or companies having their main operations in China, both offshore and onshore via Bond Connect.
- The Fund may invest in (i) debt securities rated below investment grade or unrated; (ii) debt securities issued via private placements which are subject to the risk of not being able to liquidate when the price falls, higher volatility and bid/ask spreads; (iii) fixed-income securities with loss absorption features which are subject to the risk of being written down or converted to ordinary shares upon the occurrence of trigger events resulting in a significant or total reduction in value; and (iv) asset-backed securities and mortgage-backed securities, all of which are typically subject to higher default, volatility and liquidity risks. The Fund is also subject to other risks associated with debt securities (e.g. interest rate, credit rating and downgrading, valuation, convertible bond and urban investment bond risks) and is exposed to risks relating to securities lending, over-the-counter sale and repurchase and/or reverse repurchase transactions.
- The Fund’s investments are concentrated in China which is an emerging market. The Fund may be more volatile than a fund with a more diverse portfolio. The Fund is also subject to RMB and PRC tax risks.
- The Fund may use derivatives for investment, hedging and efficient portfolio management purposes. Use of derivatives may expose the Fund to significant losses.
- There is no guaranteed dividend payment. Distribution may be paid out of capital which amounts to a return or withdrawal of part of the amount of an investor’s original investment or from any capital gains attributable to that original investment and may result in an immediate decrease in the NAV per share.
- The investment decision is yours. You should not base your investment decision on this material alone. Please refer to the Fund’s Hong Kong Offering Documents for further details, including the risk factors.

Investment Objective

The 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 Greater China.

Fund Details

Investment Manager	Ping An of China Asset Management (Hong Kong) Company Limited
Domicile	Luxembourg
Base Currency	USD
Other Currencies of Share Classes	HKD/ CNH
Fund Inception Date	8 November 2019
Fund Size	USD 25.5 million
Dealing Frequency ⁽¹⁾	Daily
Distribution Policy ⁽²⁾	Semi-annually
Minimum Investment Amount	Retail Share Classes - USD 10,000 (Initial) - USD 10,000 (Subsequent)
Subscription Fee	Up to 1%
Management Fee	Up to 2% p.a.
Redemption Fee	Up to 0.6%
Custodian & Administrator	HSBC Continental Europe, Luxembourg

Portfolio Statistics

Average Yield to Maturity ⁽³⁾	8.32%
Average Modified Duration ⁽³⁾	2.84 years
Average Credit Rating ⁽³⁾	BBB-

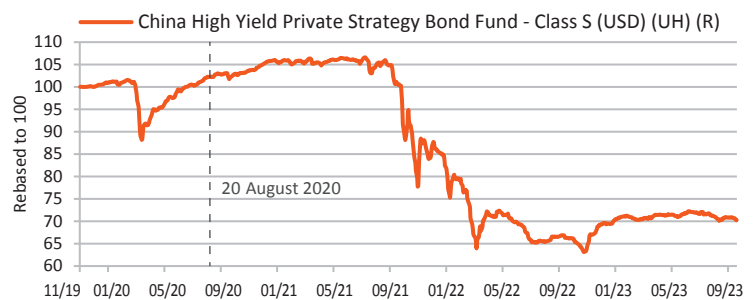
¹ Any day on which the banks are fully open for normal business banking in Luxembourg and Hong Kong.

² Currently in June and December each year for each dividend distribution share class. Dividend payout is not guaranteed.

³ Source: FactSet.

For further details about the Fund, please refer to the Offering Document.

Fund Performance



Cumulative Performance

	YTD	1-Month	3-Month	6-Month	1-Year	3-Year	Since Inception [*]
Class S (USD) (UH) (R)	1.16%	-0.72%	-2.31%	-1.01%	6.13%	-31.22%	-29.76%
Class RE (USD) (UH) (D)	-0.37%	-0.88%	-2.81%	-2.01%	3.99%	-	-36.36%
Class RE (HKD) (UH) (D)	0.10%	-1.04%	-2.87%	-2.25%	3.74%	-	-35.86%

Calendar Year Performance

	2022	2021*	2020	2019*
Class S (USD) (UH) (R)	-18.36%	-19.66%	5.23%	0.61%
Class RE (USD) (UH) (D)	-20.02%	-20.13%	-	-
Class RE (HKD) (UH) (D)	-20.07%	-19.83%	-	-

Class S (USD) (UH) (R) is not available to the public of Hong Kong.

Past performance is not a guide to future performance. Performance is calculated based on NAV-to-NAV with dividend reinvested (if any). (UH): Unhedged. (R): Capital-accumulation. (D): Dividend distribution. The period from 11 November 2019 to 11 March 2020 was portfolio construction period of the Fund.

The historical performance that is displayed here corresponds to the period where the Fund was qualifying as a different type of fund, i.e. a Reserved Alternative Investment Fund (RAIF), before its conversion into an Undertaking Collective Investment in Transferable Securities (UCITS) on 20 August 2020. Although the investment objectives, strategies and policies of the Fund have not materially changed at the time of the conversion, the past performance disclosed is for indicative purposes only, should not be relied on in connection with any investment decision and does not constitute any guarantee for future returns.

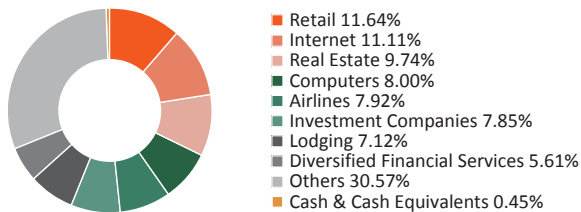
* Performance of Class S (USD) (UH) (R) for calendar year 2019 and Class RE (USD) (UH) (D) and Class RE (HKD) (UH) (D) for calendar year 2021 is calculated from its share class performance inception date to 31 December 2019 and 31 December 2021 respectively.

Share Class Information

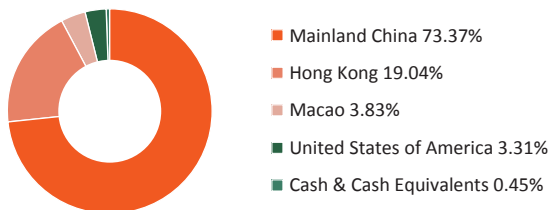
Share Class	Class S (USD) (UH) (R)	Class RE (USD) (UH) (D)	Class RE (HKD) (UH) (D)
ISIN	LU2071385418	LU2069525637	LU2069526791
Bloomberg Ticker	PCHYPBS LX	PIPSBUI LX	PIPSBHI LX
Performance Inception Date	11 November 2019	8 July 2021	8 July 2021
Month-end NAV	USD 70.24	USD 63.64	HKD 64.14

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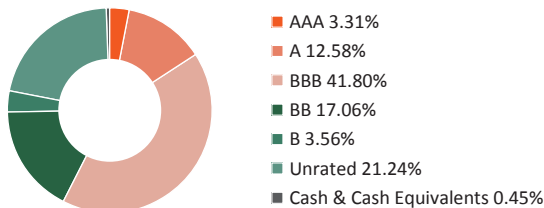
Sector Allocation (%)



Country/Region Allocation (%)



Credit Rating Allocation ⁽⁴⁾ (%)



Top 5 Holdings (%)

Holdings	Coupon	Maturity	(%)
Lenovo Group Ltd	5.875%	24/04/2025	8.00%
Greentown China Holdings Ltd	5.650%	13/07/2025	6.17%
Universe Trek Ltd	2.500%	08/07/2025	5.61%
Tencent Holdings Ltd	3.240%	03/06/2050	4.55%
Zhongsheng Group Holdings Ltd	-	21/05/2025	4.17%

Review

The Fund's return in September is -0.72%^A, outperforming the general market.

In September, China's credit market, especially the real estate sector and the privately-owned enterprise sector, has continued to suffer selloffs until toward the end of the month, as the market started to expect better data and more stimulus in the golden week.

We have kept the Fund's holdings well-diversified in terms of industries, along with the barbell strategy which is well positioned to both high yield bond carry strategy in

the short-end and active credit spread trading in the long-end. Our selective convertible bond holdings have contributed to the risk return profile as well. We are underweight in the local government financing vehicle (LGFV) sector.

Outlook

Central banks' pivot thresholds and rates paths have shifted higher given the recent slew of stronger-than-expected hard economic data in almost all major developed markets. Despite the recent uptick in soft landing probability and emphasis on data dependency, we continue to think major central banks are already in their respective restrictive rate levels. We think the directions of inflation trajectory in the major global economies are steadily downward from now on. We maintain our view that recessionary worries and geopolitical risks, combined with sudden volatility shocks, make big risk events due to unknown-unknown factors become more likely.

With regard to China, as we have argued, the policymakers must speed up the stimulus announcements given a continuously weakening level of confidence and a subdued rebound of the real estate sector since the second quarter, as well as the worrying headwind of LGFV financial problems. The policy combinations after July's politburo meeting is encouraging and catching up to what the economy needs and should continue, re-adjustment and bolstering both the short-term cyclical momentum and the long-term development. Our view that deposit rate needed lowering as soon as possible was realized, and we expect more rate cuts to come in the near term, as China's real interest rates are relatively high. We think more concrete policy packages for the private sector as a whole are urgently needed in order to maintain economic rejuvenation, although there may also be other priorities favored by policymakers.

China's offshore credit bond market has become more bifurcated and less liquid this year. Regarding the real estate sector, we think what really matters for the sector is the bigger picture and the questions asked should be macro ones: What will the real estate market look like in the next 3 to 5 years? What self-reinforcing and counter-balancing effects it will have on the whole economy? What will be the responses from the policymakers? These are open questions with evolving answers.

Awards

House Awards



Investment house of the year
Ping An

(6)



Asset management firm of the year
Ping An of China
Asset Management (Hong Kong)

(6)

⁴ Credit rating allocation by Ping An of China Asset Management (Hong Kong) Company Limited assigns each security or its parent company the higher rating from three credit agencies (Moody's, S&P and Fitch). If only one agency assigns a rating, that rating will be used. Securities that are not rated by all three agencies are reflected as unrated. The lower the overall credit rating, the riskier the portfolio. The credit rating is expressed as a regular letter rating (from high to low quality): AAA, AA, A, BBB, BB, ...D. ⁵ Source: Bloomberg Businessweek/Chinese Edition, ESG Leading Enterprise Awards 2021 and 2022 as of November 2021 and December 2022 respectively. ⁶ Source: Risk.net and Asia Risk Magazine, Asia Risk Awards 2020 and 2022 as of September 2020 and November 2022 respectively. ^A Based on Class S (USD) (UH) (R).

Fund Allocation: Fund allocations are a percentage of investments in asset categories (i.e. total sum of investments in securities, cash at bank and interest receivable on securities) as of the end of the period. The asset category of the Fund is based on its predominant investments under normal market conditions. The Fund may shift allocations among asset classes at any time without prior notice. Percentage may not equal 100% due to rounding. **Top Holdings:** These securities do not represent all of the securities purchased, sold or recommended for clients, and the reader should not assume that investment in the securities listed was or will be profitable. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top holdings list. **Review and Outlook:** Unless otherwise specified, all market data contained herein are from Bloomberg.

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Disclaimer

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For more information about Ping An of China Asset Management (Hong Kong), please visit our website: <https://asset.pingan.com.hk> (This website has not been reviewed by the SFC)