

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

**Risk Disclosure**

- Ping An of China Asset Management Fund - Emerging Market Income Fund (the "Fund") aims to achieve absolute return from investment income and long term capital appreciation by primarily investing in bonds, debt securities, convertible instruments issued by government, government agencies and/or companies having their main operations in emerging market countries, denominated exclusively in hard currencies and/or local currencies.
- The Fund may invest in (i) debt securities rated below investment grade or unrated; (ii) fixed-income securities with loss absorption features including contingent convertible securities and senior non-preferred debt 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 (iii) 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 sovereign debt risks) and is exposed to RMB risk.
- The Fund's investments are concentrated in debt securities of emerging markets which may involve a greater risk than developed markets and the likelihood of a high volatility.
- 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 factsheet alone. Please refer to the Fund's Hong Kong Offering Documents for further details, including the risk factors.

**Investment Objective**

The Fund aims to maximize total returns on a rolling twelve month basis with target levels of volatility comparable to various fixed income asset market conditions by investing in debt securities of emerging market countries. The Fund aims to achieve absolute return from investment income and long term capital appreciation.

**Fund Details**

<b>Investment Manager</b>	Ping An of China Asset Management (Hong Kong) Company Limited
<b>Domicile</b>	Luxembourg
<b>Base Currency</b>	USD
<b>Other Currencies of Share Classes</b>	HKD/ CNH
<b>Fund Inception Date</b>	3 September 2018
<b>Fund Size</b>	USD 49.2 million
<b>Dealing Frequency <sup>(1)</sup></b>	Daily
<b>Distribution Policy <sup>(2)</sup></b>	Semi-annually
<b>Minimum Investment Amount</b>	Retail Share Classes - USD 10,000 (Initial) - USD 10,000 (Subsequent)
<b>Subscription Fee</b>	Up to 1%
<b>Management Fee</b>	Up to 2% p.a.
<b>Redemption Fee</b>	Up to 0.6%
<b>Custodian &amp; Administrator</b>	HSBC Continental Europe, Luxembourg

**Portfolio Statistics**

<b>Average Yield to Maturity <sup>(3)</sup></b>	7.14%
<b>Average Modified Duration <sup>(3)</sup></b>	5.77 years
<b>Average Credit Rating <sup>(3)</sup></b>	BBB

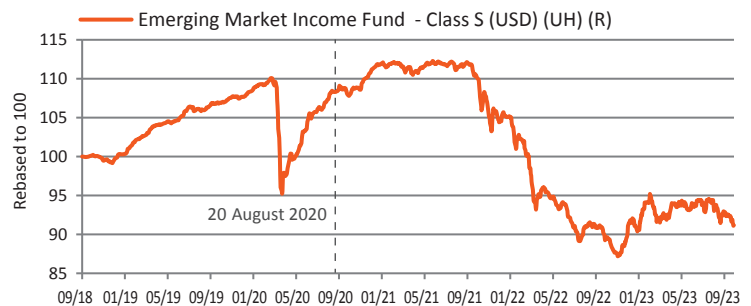
<sup>1</sup> Any day on which the banks are fully open for normal business banking in Luxembourg and Hong Kong.

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

<sup>3</sup> 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*
<b>Class S (USD) (UH) (R)</b>	0.64%	-1.93%	-2.77%	-1.75%	1.89%	-15.42%	-8.84%
<b>Class RE (USD) (UH) (D)</b>	-0.89%	-2.09%	-3.27%	-2.75%	-0.16%	-	-22.20%
<b>Class RE (HKD) (UH) (D)</b>	-0.41%	-2.26%	-3.33%	-2.99%	-0.41%	-	-21.59%

**Calendar Year Performance**

	2022	2021*	2020	2019	2018*
<b>Class S (USD) (UH) (R)</b>	-13.84%	-6.08%	3.14%	8.21%	0.29%
<b>Class RE (USD) (UH) (D)</b>	-15.59%	-7.01%	-	-	-
<b>Class RE (HKD) (UH) (D)</b>	-15.64%	-6.66%	-	-	-

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 3 September to 30 November 2018 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.

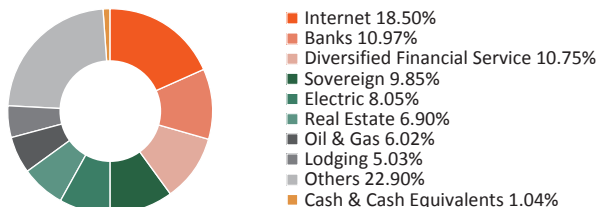
\* Performance of Class S (USD) (UH) (R) for calendar year 2018 and Class RE (USD) (UH) (D) and Class RE (HKD) (UH) (D) for calendar year 2021 is calculated from its share class performance inception date to 31 December 2018 and 31 December 2021 respectively.

**Share Class Information**

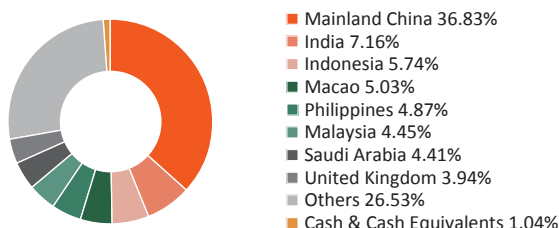
Share Class	Class S (USD) (UH) (R)	Class RE (USD) (UH) (D)	Class RE (HKD) (UH) (D)
<b>ISIN</b>	LU1859395888	LU1859396183	LU1859402411
<b>Bloomberg Ticker</b>	PINGANC LX	PIEMIRD LX	PIEMIRA LX
<b>Performance Inception Date</b>	3 September 2018	8 July 2021	8 July 2021
<b>Month-end NAV</b>	USD 91.16	USD 77.80	HKD 78.41

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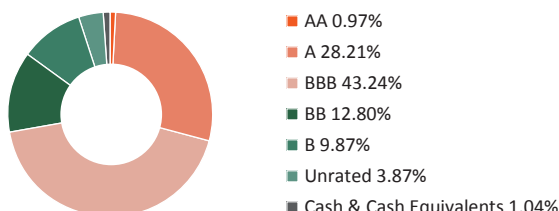
**Sector Allocation (%)**



**Country/Region Allocation (%)**



**Credit Rating Allocation <sup>(4)</sup> (%)**



**Top 5 Holdings (%)**

Holdings	Coupon	Maturity	(%)
Alibaba Group Holding Ltd	3.150%	09/02/2051	3.93%
Saudi Government International Bond	5.250%	16/01/2050	3.58%
Tencent Music Entertainment Group	2.000%	03/09/2030	3.40%
GENM Capital Labuan Ltd	3.882%	19/04/2031	3.27%
Diamond II Ltd	7.950%	28/07/2026	3.09%

**Review**

Following last month's trend, the Fund recorded a return of -1.93%<sup>^</sup> in September, primarily due to an increase in US Treasury yields. The yield on 10-year US Treasury bonds rose from 4.1% to 4.57%, up 47 basis points. Also, the US Dollar Index rose by 2.4% from 103.6 to 106.17. As the US Dollar Index rose, capital outflows from emerging markets put pressure on the bonds of emerging markets in September. Several factors explain the spike in US Treasury yield in September. First of all, the market is concerned about the increase in the supply of US Treasury bonds, in

<sup>4</sup> 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.

<sup>5</sup> Source: Bloomberg Businessweek/Chinese Edition, ESG Leading Enterprise Awards 2021 and 2022 as of November 2021 and December 2022 respectively.

<sup>6</sup> Source: Risk.net and Asia Risk Magazine, Asia Risk Awards 2020 and 2022 as of September 2020 and November 2022 respectively.

<sup>^</sup> 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**

Emerging Market Income Fund (the "Fund"), a sub-fund of Ping An of China Asset Management Fund, has been authorized by the Securities and Futures Commission of Hong Kong ("SFC") (SFC authorization is not an official recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors). Information herein has not been independently verified but is based on sources believed to be accurate and reliable as at the date it was made. Any projections or other forward-looking statements regarding future events or performance of countries, markets or companies are not necessarily indicative of, and may differ from, actual events or results. No warranty of accuracy is given and no liability in respect of any error or omission is accepted. Ping An of China Asset Management (Hong Kong) Company Limited ("PAAMC") reserves the right to revise any information herein at any time without notice. The contents of this factsheet are for information only and no offer or solicitation to buy or sell securities and no investment advice or recommendation is made herein. Investment involves risks. Investors should not only base investment decisions on this factsheet alone. The past performance is not indicative of future performance. The price of the Fund may rise or fall and investors may lose some or all of their investment. This factsheet is issued by PAAMC and has not been reviewed by the SFC.

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)

particular the increase in US medium- and long-term treasury bonds issued. The US Department of the Treasury had planned to issue a net \$1.01 trillion and \$852 billion worth of government bonds in Q3 and Q4. In Q3, priority was given to short-term bond issuance (worth \$829 billion) to supplement the Treasury General Account (TGA), while medium- and long-term bonds increased in Q4 (worth \$339 billion). According to Securities and Financial Markets Association (SIFMA) statistics, as of 31 August, the US Department of the Treasury had issued a net \$607 billion worth of short-term bonds. The net issuance of medium- and long-term bonds was negative (-\$28 billion) — a figure that is quite far from the issuance plan. If the issuance plan was strictly followed, the net issuance of medium- and long-term bonds should have reached close to \$206 billion in September. As the market's expectations are high in terms of bonds to be issued in Q4, there is increased pressure on rising US Treasury yields in September. Secondly, due to rising oil prices and resilient economic data, the market continued to slow down rate cuts and expectations of a "soft landing" have increased. Finally, the Federal Reserve has taken a hawkish stance. According to the dot plan of the Federal Open Market Committee (FOMC) meeting in September, there will be one more spike in interest rates in 2023, while interest rates will be cut twice in 2024 — a forecast that is more hawkish than the market's expectation.

**Outlook**

Looking ahead to October, we believe that the following conditions need to be met to reverse the current upward trend in 10-year US Treasury yields: First, continued weak economic data is needed, such as less than 100,000 new nonfarm payrolls, and core inflation growing at 0.1% quarter-on-quarter. Secondly, we need a significant pullback in risk assets, such as a steep fall in the US stock market. Finally, the Federal Reserve should switch to a dovish stance to better address potential risks. We believe that US Treasury bonds will continue to face significant selling pressure for the following reasons: First of all, the US Department of the Treasury will announce the details of the US Treasury's bond issuance plan for the next quarter towards the end of October, which could lead to an increase in trade volume in medium- and long-term US Treasuries. Secondly, the yields of Treasury bonds have risen in various parts of the world, such as Europe and, in particular, Japan. We expect the Bank of Japan to speed up the pace of monetary tightening due to the downward pressure of the yen. Rising overseas bond yields will also put pressure on US Treasuries. Finally, economic data continues to show resilience, making it more difficult for the Federal Reserve to ease its hawkish stance in the short term. In light of the above, we will continue to shorten the duration of our portfolio as part of our strategy.

**Awards**

**House Awards**

**Bloomberg Businessweek**  
彭博商業周刊/中文版

**ESG** <sup>(5)</sup>  
Leading Enterprise Awards 2022  
Theme Awards  
ESG Investing

**ESG** <sup>(5)</sup>  
Leading Enterprise Awards 2021  
Theme Awards  
ESG Investing

**AsiaRisk Awards**  
2022 Winner

Investment house of the year  
Ping An

<sup>(6)</sup>

**AsiaRisk Awards**  
2020 Winner

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

<sup>(6)</sup>