

***This is a Luxembourg fund authorized for public offering in Hong Kong pursuant to Luxembourg-Hong Kong Mutual Recognition of Funds arrangement.***

- ***This statement provides you with key information about Ping An of China Asset Management Fund – Emerging Market Income Fund.***
- ***This statement is a part of the Hong Kong Offering Document.***
- ***You should not invest in this product based on this statement alone.***

**Quick Facts**

<b>Management Company:</b>	Carne Global Fund Managers (Luxembourg) S.A.
<b>Investment Manager:</b>	Ping An of China Asset Management (Hong Kong) Company Limited (external delegation, Hong Kong)
<b>Depository:</b>	HSBC Continental Europe, Luxembourg Branch
<b>Dealing frequency:</b>	Daily (Business Day in Luxembourg and Hong Kong)
<b>Base currency:</b>	USD
<b>Reference Currency:</b>	

Class of Shares	Currencies
RE – USD – Unhedged (R)	USD
RE – USD – Unhedged (D)	
RE – HKD – Unhedged (R)	HKD
RE – HKD – Unhedged (D)	
RE – CNH – Unhedged (R)	RMB
RE – CNH – Unhedged (D)	
RE – CNH – Hedged (R)	
RE – CNH – Hedged (D)	

**Ongoing charges over a year:**

RE – USD – Unhedged (R)	2.48% <sup>1</sup>
RE – USD – Unhedged (D)	2.48% <sup>2</sup>
RE – HKD – Unhedged (R)	2.48% <sup>1</sup>
RE – HKD – Unhedged (D)	2.48% <sup>2</sup>
RE – CNH – Unhedged (R)	2.48% <sup>1</sup>
RE – CNH – Unhedged (D)	2.48% <sup>1</sup>
RE – CNH – Hedged (R)	2.48% <sup>1</sup>
RE – CNH – Hedged (D)	2.48% <sup>1</sup>

**Dividend Policy:**

Capital-accumulation (R)	Accumulating (no distribution of dividend, income (if any) will be reflected in the NAV and may be reinvested for the respective share classes)
Distribution (D)	Distributing (Dividends, if any, will be declared in June and/or December and distributed out of the net income of the Sub-Fund semi-annually). Dividends may, at the Company's discretion, be paid out of unrealised gains, thereby paying dividends effectively out of capital.

Dividends effectively paid out of capital of a Sub-Fund would amount 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.

**Financial year end of this Sub-Fund:** 31 December

**Minimum investment:**

<b>Class of Shares</b>	<b>Minimum Initial Investment Amount</b>	<b>Minimum Subsequent Investment Amount</b>
Class RE Shares	USD10,000	USD10,000

<sup>1</sup> The figure for this unlaunched share class is estimated on the basis of the ongoing expenses of Class RE – USD – Unhedged (D). The actual figures may differ upon the launch of the share class and the figures may vary from year to year.

<sup>2</sup> The ongoing charges figure is based on actual expenses, excluding transactional costs, in audited financial statements, for the year ended 31 December 2022. This figure may vary from year to year.

## **What is this product?**

The Ping An of China Asset Management Fund – Emerging Market Income Fund is a sub-fund of Ping An of China Asset Management Fund (“**Sub-Fund**”), a Luxembourg *société d’investissement à capital variable* (open-ended investment company with variable capital), established in the form of a *société anonyme* (public limited liability company). It is a UCITS fund and is domiciled in Luxembourg and its home regulator is the *Commission de Surveillance du Secteur Financier*.

## **Objective and Investment Strategy**

### **Objective**

The Sub-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 Sub-Fund aims to achieve absolute return from investment income and long term capital appreciation.

### **Strategy**

The Sub-Fund will invest at least 60% of its net assets in bonds, debt securities, convertible instruments issued by governments, government agencies and/or companies that have their registered office in, are located in or do most of their business in emerging market countries (i.e. countries that are in the MSCI ACWI and Frontier Markets Index (MXWDFM Index)).

The Sub-Fund may invest up to 100% of its net assets in debt securities that at the time of acquisition have a rating of BB+ or below (by Standard & Poor's or an equivalent international agency, which shall not include Mainland Chinese credit agencies) or if unrated, determined by the Investment Manager to be of comparable quality ("**Below Investment Grade**"). In making such determination and as part of its credit analysis, the Investment Manager also incorporates qualitative and quantitative assessments.

The Sub-Fund's investments will be denominated exclusively in Hard Currencies (i.e. money that is issued by a nation that is seen as politically and economically stable), such as U.S. Dollar, currencies of Group of 7 nations (eg. EUR, GBP, AUD) and/or local currencies of emerging market countries.

The Sub-Fund may invest below 20% of its net assets in fixed-income securities with loss absorption features including contingent convertible securities and senior non-preferred debt. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s).

Subject to the investment strategy set out herein, the Sub-Fund may invest below 20% of its net assets in asset-backed securities (including asset pools in credit card loans, auto loans and collateralised debt obligations) and mortgage-backed securities that at the time of purchase have a rating of BBB- or above by Standard & Poor's or an equivalent international agency, which shall not include Mainland Chinese credit agencies ("**Investment Grade**"). The Sub-Fund may also invest

below 20% of its net assets in asset-backed securities and mortgage-backed securities that at the time of purchase have a rating of Below Investment Grade.

The Sub-Fund may invest up to 10% of its net assets in securities which are either in default or deemed to be at high risk of default as determined by the Investment Manager ("**Distressed Securities**").

While there is no restriction on the duration of the securities in which the Sub-Fund may invest (i.e. such that the Sub-Fund may be invested into perpetual securities), the duration of fixed-income securities in which the Sub-Fund may invest will generally be between 2 and 5 years, whilst in the case of floating rate securities, the duration will generally be within 1 year.

During exceptional circumstances (e.g. market crash or major crisis), the Sub-Fund may hold all or a significant portion of its net assets in liquid assets, such as money market instruments and fixed deposits with a term to maturity not exceeding 12 months at credit institutions. There is no restriction concerning the currencies in which these liquid assets are denominated.

It is currently not intended that the Sub-Fund enter into securities lending transactions, repurchase or reverse repurchase transactions.

The Sub-Fund may use financial derivative instruments for investment, hedging and efficient portfolio management purposes

## **Use of derivatives**

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's net asset value.

## **What are the key risks?**

**Investment involves risks. Please refer to the Hong Kong Offering Document for details including the risk factors.**

### **Market risk**

The Sub-Fund is an investment fund. The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee that investors will recoup the amount invested. In particular, the value of investments in securities may be affected by uncertainties such as international, political and economic and general financial market developments or changes in government policies, especially in countries where the investments are based.

### **Emerging market risk**

The Sub-Fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries (including expropriation, nationalisation or other confiscation) could result in the loss to the Sub-Fund.

Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging market countries may not provide the same degree of investor information or protection as would generally apply in more developed markets.

### **Below Investment Grade securities risk**

The Sub-Fund may invest in Below Investment Grade debt securities. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.

### **Risks of investing in convertible bonds**

Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

### **Interest rate risk**

The Sub-Fund's exposure to fixed income securities is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

#### **Credit and downgrading risk**

The Sub-Fund's exposure to fixed income securities is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A security whose credit rating has been downgraded may also offset the security's liquidity, and the Sub-Fund may consequently not be able to dispose of such security, which may adversely affect the value of the Sub-Fund.

#### **Credit rating risk**

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

#### **Volatility and liquidity risk**

The debt securities in emerging markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the fund may incur significant trading costs.

#### **Sovereign debt risk**

The Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.

#### **Valuation risk**

Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Sub-Fund.

#### **Currency and currency hedging risk**

Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. Also, a class of shares may be designated in a currency other than the base currency of the Sub-Fund. Fluctuations in the exchange rates between these currencies and the base currency and changes in exchange rate controls may unfavourably affect the net asset value of the Sub-Fund/the class of shares and any dividends paid by the Sub-Fund.

The Sub-Fund may engage in foreign currency transactions in order to hedge against currency exchange risk. However, there is no guarantee that hedging or protection will be achieved. Hedging may also limit the Sub-Fund from benefiting from the performance of a Sub-Fund's securities if the currency of denomination of the Sub-Fund's securities rises against the Base Currency (or reference currency of the relevant class).

#### **Risks associated with asset-backed securities and mortgage-backed securities**

The Sub-Fund invests in Investment Grade and Below Investment Grade asset-backed securities and mortgage-backed securities which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

#### **Distressed Securities Risk**

Investments in Distressed Securities may carry a significant risk of becoming illiquid and/or resulting in capital losses. Distressed Securities will only be purchased where the Investment Manager believes that the purchase price is lower than the securities' intrinsic fair value and/or that the securities will be restructured in a manner which would result in an appreciation of its value. It may take a significant amount of time for Distressed Securities to realise the Investment Manager's perceived fair value and/or for any restructure to occur which would be beneficial for the Sub-Fund. However, there can be no assurance that this will occur and the securities may become further distressed, resulting in a negative outcome for the Sub-Fund. In certain circumstances this may result in a full default with no recovery and the Sub-Fund losing its entire investment in the particular security/securities.

#### **RMB Risk**

RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. The CNH rate may be at a premium or discount to the CNY exchange rate and there may be significant bid and offer spreads. Fluctuations in these rates may adversely impact investors. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB to the Sub-Fund may be delayed due to the exchange controls and restrictions applicable to RMB.

#### **Risks connected with the use of financial derivative instruments**

Risks associated with financial derivative investments include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a financial derivative instrument can result in a loss significantly greater than the amount invested in the financial derivative instrument by the Sub-Fund. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Exposure to financial derivative instruments may lead to a high risk of significant loss by the Sub-Fund.

#### **Risks associated with distribution effectively out of capital**

Dividends effectively paid out of capital of the Sub-Fund would amount 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. Any distributions involving payment of dividends out of the Sub-Fund's capital may result in an immediate decrease in the Net Asset Value per Share.

The dividends and the Net Asset Value of hedged Share Classes may also be adversely affected by the differences in the interest rates of the reference currency of such Share Class and the Sub-Fund's base currency, resulting in an increase in the amount of dividends that is paid out of capital and hence a greater erosion of capital than other Share Classes.

## How has the Sub-Fund performed?

### Performance of Class RE – USD – Unhedged (D) of the Sub-Fund



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- Where no past performance is shown, there was insufficient data available in that year to provide performance.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Class RE – USD – Unhedged (D) increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- All performance information of the remaining share classes are presented on the Investment Manager’s website at <https://asset.pingan.com.hk/en/PACAMF-EMIF#f2>. Investors should note that the aforesaid website has not been reviewed by the Securities and Futures Commission of Hong Kong (the “SFC”).
- Sub-Fund launch date: 3 September 2018.
- Class RE – USD – Unhedged (D) launch date: 9 July 2021.
- Class RE – USD – Unhedged (D) is selected as the most appropriate representative share class as it is the focus share class available to retail investors in Hong Kong.

## Is there any guarantee?

This Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

## What are the fees and charges?

### Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Sub-Fund.

#### Fee

Subscription fee:  
Switching fee:  
(Conversion commission)  
Redemption fee:  
(Redemption commission)

#### What you pay

1.00% of the subscription amount  
0.20% of the switching amount  
0.60%\* of the redemption amount

\* If on any Valuation Day, the aggregate net investor(s) transactions in the Sub-Fund exceed 25% of the net assets of the Sub-Fund, a “dilution levy” of up to 0.05% of the applicable Net Asset Value per share may be charged when shares are redeemed.

## **Ongoing fees payable by this Sub-Fund**

The following expenses will be paid out of the Sub-Fund's assets. They affect you because they reduce the return you get on your investments.

### **Annual rate (as a % per annum of the Sub-Fund's net asset value)**

<b>Investment Management Fee:</b>	Class RE Shares – 2.00%
<b>Management fee:</b>	Up to 0.05%, subject to a minimum quarterly fee of EUR 10,000.
<b>Custody fee:</b>	Between 0.018% to 0.522%
<b>Depository service fee:</b>	Up to 0.015%, subject to a minimum annual fee of EUR 42,600
<b>Administration fee:</b>	Up to 0.05%, subject to a minimum annual fee of EUR 42,000
<b>Performance fee:</b>	N/A

*The aforementioned fees and additional expenses are not an exhaustive list, for further details, please refer to the section headed "Charges and Expenses" and the relevant Sub-Fund Appendix under the heading "Fees and expenses" in the Prospectus.*

## **Other Fees**

You may have to pay other fees and charges when dealing in the shares of the Sub-Fund.

## **Additional Information**

- You generally buy and redeem shares at the Sub-Fund's next-determined net asset value after the relevant authorized distributor or the Hong Kong Representative receives your request in good order by or before 5:00 pm (Hong Kong time) on a business day in Hong Kong. The relevant authorized distributor(s) may impose different dealing deadlines for receiving instructions for subscriptions, redemptions or switching. Investors should pay attention to the arrangements of the relevant authorized distributor(s) concerned.
- The net asset value of this Sub-Fund is calculated, and the price of the shares published, each business day (as more particularly defined and described in the Hong Kong Offering Document), the prices are available online at <http://asset.pingan.com.hk>\*.
- The composition of dividends (i.e. the relative amounts paid out of net distributable income and capital) (if any) paid on Classes prefixed with (D) for the preceding 12 months (or if the Sub-Fund was launched less than 12 months ago, since its inception) is available from the Hong Kong Representative upon request as well as on the website <http://asset.pingan.com.hk>\*.

*\* This website has not been reviewed by the SFC and may contain information on sub-funds which have not been authorised by the SFC and are not available to the retail public in Hong Kong.*

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.