

Ping An of China Select Investment Fund Series

Ping An of China SIF - RMB Bond Fund

★★★★
#Morningstar Rating™

Risk Disclosure

- Ping An of China SIF - RMB Bond Fund (the "Fund") principally invests in RMB denominated fixed or floating income instruments.
- The value of the Fund can be volatile and can go down substantially within a short period of time. It is possible that a certain amount or the entirety of your investment could be lost. The Fund is an investment product and is not equivalent to bank deposits. There is no guarantee in respect of repayment of principal.
- The Fund may invest in (i) fixed income instruments rated below investment grade or unrated; (ii) debt securities issued or guaranteed by governments or authorities; (iii) debt instruments with loss-absorption features which are subject to the risk of being written down or converted to shares upon the occurrence of trigger events resulting in a significant or total reduction in value; (iv) urban investment bonds issued by Chinese local government financing vehicles; and (v) asset-based 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. credit/counterparty, interest rate, credit rating and downgrading, valuation, credit rating agency, convertible bond and dim sum bond market risks).
- The Fund's investments are concentrated in RMB Income Instruments (as defined below) and in China which is an emerging market. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio, and more susceptible to adverse event affecting the Chinese markets. Investing in emerging markets may involve increased risks, such as liquidity, currency, political, economic, legal, taxation, settlement and custody risks and higher volatility. The Fund is also subject to RMB currency and conversion risks and China tax risks.
- The Fund may use derivatives for hedging or investment purposes. Use of derivatives may expose the Fund to significant losses.
- There is no guaranteed dividend payment. Distributions may be paid out of capital which amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investments and may result in an immediate reduction of the net asset value ("NAV") per unit.
- The investment decision is yours. You should not base your investment decision on this material alone. Please refer to the Fund's explanatory memorandum and product key facts statement (including the risk factors and charges stated therein) for further details.

Investment Objective

The Fund seeks to provide total returns comprised of interest income and capital growth by investing principally in RMB denominated fixed or floating income instruments. It invests primarily (i.e. 70% to 100% of NAV) in RMB denominated instruments including fixed income instruments, asset backed securities (subject to a limit of 30% of NAV), convertible bonds, commercial papers and short term bills and notes ("Income Instruments"). The RMB-denominated Income Instruments may be issued by government, quasi-government organizations, financial institutions, multinational organizations, mainland local government financing vehicles and other corporation.

Investment Strategy

The Fund seeks to achieve investment returns through active management of the major risks associated with RMB denominated Income Instruments such as duration, term structure, sector allocation, product selection and credit rating where applicable.

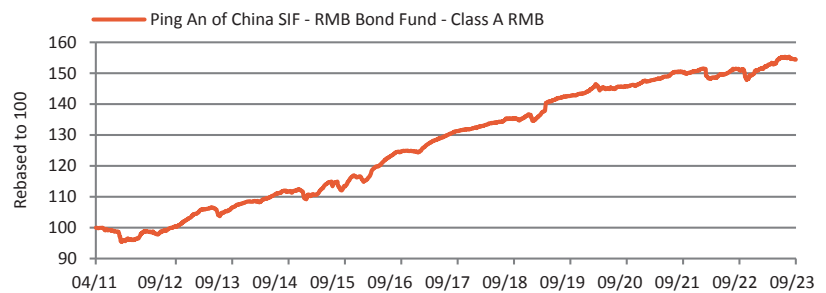
Fund Details

Manager	Ping An of China Asset Management (Hong Kong) Company Limited
Domicile	Hong Kong
Base Currency	RMB
Fund Inception Date	28 April 2011
Fund Size	RMB 521.7 million
Dealing Frequency ⁽¹⁾	Daily
Dividend Policy	Accumulation class(es) - No distribution to Unitholders Dividend class(es) - Semi-annually/Monthly ⁽²⁾
Subscription Fee	Up to 5%
Management Fee	1% p.a.
Switching Fee	Not applicable (switching currently is not permitted)
Redemption Fee	None
Trustee	BOCI-Prudential Trustee Limited
Custodian	Bank of China (Hong Kong) Limited

Portfolio Statistics

Average Yield to Maturity	4.15%
Average Modified Duration	2.30 years
Average Credit Rating ⁽³⁾	A

Fund Performance



Cumulative Performance

	YTD	1-Month	3-Month	6-Month	1-Year	3-Year	5-Year	10-Year	Since Performance Inception
Class A RMB	3.11%	-0.27%	-0.50%	1.23%	2.25%	5.95%	14.22%	44.90%	54.50%
Class A HKD**	-1.43%	-0.33%	-0.74%	-4.76%	-0.50%	-	-	-	-5.03%
Class A USD	-1.79%	-0.23%	-0.69%	-4.53%	-0.25%	-1.00%	7.73%	21.44%	24.52%

Calendar Year Performance

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Class A RMB	-0.68%	2.68%	2.29%	5.03%	3.57%	5.86%	6.98%	4.56%	2.83%	4.93%	7.45%	-3.84%*
Class A HKD**	-9.13%	5.90%	0.12%	-	-	-	5.17%	-0.97%	0.03%	5.32%*	-	-
Class A USD	-9.21%	5.29%	9.31%	3.84%	-1.96%	13.24%	0.94%	-1.01%	0.10%	5.25%*	-	-

Past performance is not a guide to future performance. Performance is calculated based on NAV-to-NAV with dividend reinvested (if any).

* Since unit classes' first inception on 28 April 2011 for Class A RMB, and 1 March 2013 for Class A HKD and Class A USD. ** Performance data of Class A HKD in 2016 was as of 28 September 2016, as the unit class was fully redeemed on the date; the unit class was reactivated on 29 December 2020 with a NAV of HKD 100 and then the Since Inception performance is based on that date (i.e. Performance Inception Date).

Top 5 Holdings (%)

Holdings	Coupon	Maturity	(%)
CHINA GOVT BOND	2.52%	25/08/2033	3.79%
BOC AVIATION LTD	5.50%	26/02/2024	3.53%
STATE POWER INVESTMENT CORP LTD	3.64%	16/03/2027	2.00%
GUANGZHOU METRO GROUP CO LTD	3.72%	10/01/2025	1.99%
STANDARD CHARTERED BANK	4.18%	01/04/2025	1.98%

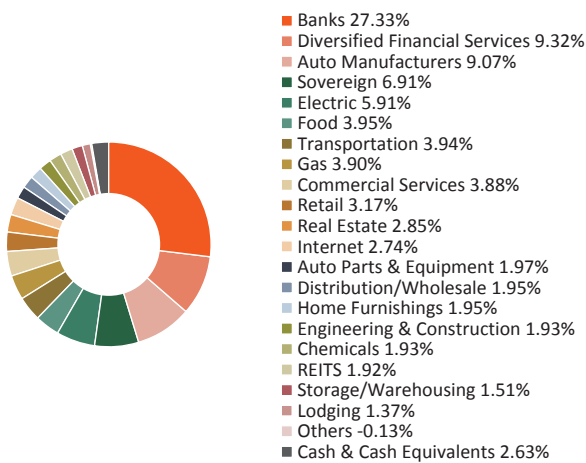
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Unit Class Information

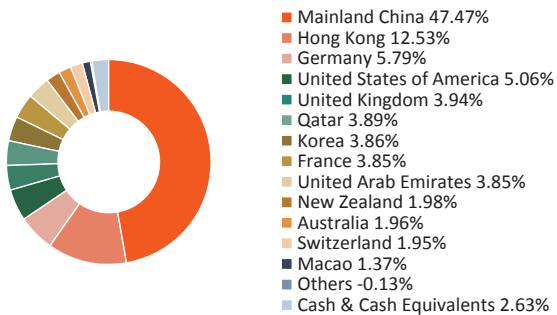
Unit Class	Class A RMB	Class A HKD	Class A USD	Class A HKD (Acc)	Class A USD (Acc)	Class A RMB (M) (Dis)	Class A HKD (M) (Dis)	Class A USD (M) (Dis)
ISIN	HK000079084	HK0000096476	HK0000096484	HK0000688116	HK0000688124	HK0000943230	HK0000943248	HK0000943255
Bloomberg Ticker	PARRMBA HK	PARAHKD HK	PARAUSD HK	PARAAHK HK	PARAAUS HK	PINSARM HK	PINSAHK HK	PINSGAU HK
Performance Inception Date	28 Apr 2011	29 Dec 2020	1 Mar 2013	1 Mar 2021	1 Mar 2021	21 Jul 2023	21 Jul 2023	21 Jul 2023
Month-end NAV	RMB 105.05	HKD 91.16	USD 8.64	HKD 93.56	USD 9.39	RMB 98.82	HKD 97.49	USD 9.72
Minimum Investment (Initial/Subsequent)	RMB 10,000	HKD 10,000	USD 1,000	HKD 10,000	USD 1,000	RMB 10,000	HKD 10,000	USD 1,000

Acc = Accumulation. (M) (Dis) = Monthly Distribution.

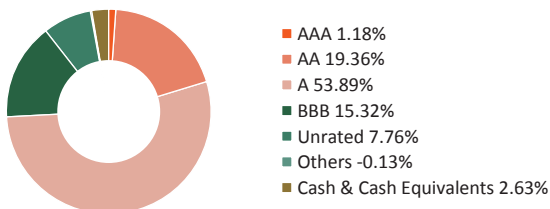
Sector Allocation (%)



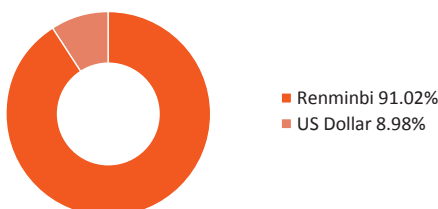
Country/Region Allocation (%)



Credit Rating Allocation ⁽³⁾ (%)



Currency Exposure (%)



Composition of the Dividend Payments (Monthly Distribution)

For the Month of	Dividend per Unit	Dividend Paid Out of Net Distributable Income ⁽⁴⁾ for the Month	Dividend Paid Out of Capital
Class A RMB (M) (Dis)			
Sep 2023	RMB 0.37	100%	0%
Aug 2023	RMB 0.37	11.08%	88.92%
Class A HKD (M) (Dis)			
Sep 2023	HKD 0.37	100%	0%
Aug 2023	HKD 0.38	10.81%	89.19%
Class A USD (M) (Dis)			
Sep 2023	USD 0.04	94.72%	5.28%
Aug 2023	USD 0.04	10.29%	89.71%

Composition of the Dividend Payments (Semi-Annually Distribution)

For the Month of	Dividend per Unit	Dividend Paid Out of Net Distributable Income ⁽⁴⁾ for the Month	Dividend Paid Out of Capital
Class A RMB			
Jun 2023	RMB 2.40	100%	0%
Dec 2022	RMB 0.00	0%	0%
Jun 2022	RMB 0.00	0%	0%
Dec 2021	RMB 1.21	100%	0%
Jun 2021	RMB 1.21	100%	0%
Class A HKD			
Jun 2023	HKD 2.65	100%	0%
Dec 2022	HKD 0.00	0%	0%
Jun 2022	HKD 0.00	0%	0%
Dec 2021	HKD 0.81	100%	0%
Jun 2021	HKD 0.49	100%	0%
Class A USD			
Jun 2023	USD 0.27	100%	0%
Dec 2022	USD 0.00	0%	0%
Jun 2022	USD 0.00	0%	0%
Dec 2021	USD 0.11	100%	0%
Jun 2021	USD 0.14	100%	0%

Warning: Please note that a positive distribution yield does not imply a positive return. Investors should not make any investment decision solely based on information contained in the table above. You should read the relevant offering document (including the key facts statement) of the Fund for further details including the risk factors.

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Review

The Fund delivered a return of -0.27% in September and a year-to-date return of 3.11% in RMB term[^].

In September, the rates yields rose significantly given that the market started to price in an increase of economic recovery momentum. The rates yield curve has steepened. The overall market funding level remains stable, and the funding rate has moved lower than in August. The credit bond market yields have moved generally upward, and the credit spreads have moved sideways.

During the month, we have kept the Fund's duration and core carry holdings stable. Our tactical positions in USD-denominated instruments have worked out well. Our holdings are well-diversified in terms of industries and regions, with the majority in the investment grade space and underweight in the real estate and the local government financing vehicle (LGFV) sectors.

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 are 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.

Our view that Renminbi rate will be defended around the 7.3 level in the short-term has been corroborated by the recent market movements multiple times. We maintain our view that the People's Bank of China (PBOC) would like the Renminbi rate to reflect movements with two-way fluctuations based on overall economic trends, rather than being used as an intervening tool to prop up exports with further substantial depreciation. We think Renminbi's next big move will largely depend on the global central banks' next rate hiking/cutting decisions, as well as the fallout of the real estate sector and the economy as a whole. The direction of international geopolitics is also worth close monitoring.

Awards

House Awards



彭博商業周刊/中文版



Investment house of the year
Ping An



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

Fund Awards

2023



Refinitiv Lipper Fund Award 2023 ⁽⁷⁾

Best Fund over 10 Years - Bond Asia Pacific LC

2022



Bloomberg Businessweek/Chinese Edition Top Fund Awards ⁽⁸⁾

Mutual Funds (5 Years) - Fixed Income - RMB Bond - Best Performer

CAMAHK - Bloomberg Offshore China Fund Awards ⁽⁹⁾

Best Total Return - Greater China Fixed Income (5 Years) - 1st Runner-up

2021



CAMAHK - Bloomberg Offshore China Fund Awards ⁽⁹⁾

Best Total Return - Greater China Fixed Income (1 Year) - 1st Runner-up

Best Total Return - Greater China Fixed Income (3 Years) - 2nd Runner-up

Best Total Return - Greater China Fixed Income (5 Years) - 1st Runner-up

2020



Bloomberg Businessweek/Chinese Edition Top Fund Awards ⁽⁸⁾

Mutual Funds (5 Years) - Bond - RMB - Best Performer

CAMAHK - Bloomberg Offshore China Fund Awards ⁽⁹⁾

Best Total Return - Greater China Fixed Income (5 Years) - 2nd Runner-up

2019



Bloomberg Businessweek/Chinese Edition Top Fund Awards ⁽⁸⁾

Mutual Funds (5 Years) - RMB Bond - Outstanding Performer

CAMAHK - Bloomberg Offshore China Fund Awards ⁽⁹⁾

Best Total Return - Greater China Fixed Income (3 Year) - 2nd Runner-up

Best Total Return - Greater China Fixed Income (5 Year) - 2nd Runner-up

[^] Based on Class A RMB.

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^a Source: Morningstar, Morningstar Rating based on Class A RMB as of 29 September 2023. **Past performance is not a guide to future performance.** A rating is not a recommendation to buy, sell or hold a fund. © 2023 Morningstar Asia Limited. All Rights Reserved. The information contained herein: (a) is proprietary to Morningstar and/or its content providers; (b) may not be copied or distributed; and (c) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

(1) The Fund will have dealing on any Business Day.

(2) Dividend distribution is subject to the manager's discretion, and there is no guarantee on any minimum dividend payment amount. Dividends may be paid out of capital which will result in an immediate reduction of the NAV per Unit.

(3) Credit rating allocation by Ping An of China Asset Management (Hong Kong) Company Limited assigns each issue or its issuer (if issue rating is not available) the rating from three credit agencies (Moody's, S&P and Fitch). If only one credit agency assigns a rating, that rating will be used. The lower rating will be taken if two credit agencies' ratings are available. Average rating will then be taken when three agencies provide ratings. Issues or issuers that are not rated by all three credit agencies are reflected as unrated. Cash and Cash Equivalents are considered as AAA rated. The lower the overall credit rating, the riskier the portfolio. Average credit rating is taking the credit rating that is ranked at the 50th percentile.

(4) "Net distributable income" means the net investment income (i.e. dividend income and interest income net of fees and expenses) attributable to the relevant unit class and may also include net realised gains (if any) based on unaudited management accounts. However, "net distributable income" cannot include net unrealised gains. "Net distributable income" which is not declared and paid as dividends in a period of a financial year can be carried forward as net distributable income for the next period(s) within the same financial year. "Net distributable income" that has been accrued as at the end of a financial year and is declared and paid as dividends at the next distribution date immediately after that financial year end could be treated as "net distributable income" in respect of that financial year. However, "net distributable income" which has been accrued as at the end of a financial year but is not declared and paid as dividends at the next distribution date immediately after that financial year end should be included as "capital" for the next financial year. Where the Fund may pay dividend out of gross income while charging / paying all or part of the fund's fees and expenses to / out of capital, the amount of fees and expenses that has been paid out of capital has to be deducted from the gross investment income in order to come up with the "net distributable income".

(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.

(7) Refinitiv Lipper Fund Award 2023: based on performance of Class A RMB as of 31 December 2022. Refinitiv Lipper Fund Awards, ©2023 Refinitiv. All rights reserved. Used under license.

(8) Bloomberg Businessweek/Chinese Edition Top Fund Awards 2019, 2020 and 2022: based on fund performance as of 30 September 2019, 30 September 2020 and 30 September 2022 respectively.

(9) CAMAHK - Bloomberg Offshore China Fund Awards 2019, 2020, 2021 and 2022: based on fund performance as of 30 September 2019, 30 September 2020, 30 September 2021 and 30 September 2022 respectively.

Fund Allocation: Fund allocations are a percentage of investments in asset categories (i.e. net assets attributable to unitholders) 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. "Others" consist of other payables and receivables (except interest receivable) as of the end of the period. A temporary negative position may be due to unsettled trade activity and operational expenses. 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.



Please scan the QR code for offering documents.

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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)