Ping An of China SIF - RMB Bond Fund

Monthly Factsheet

Data as of 30 September 2021

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.

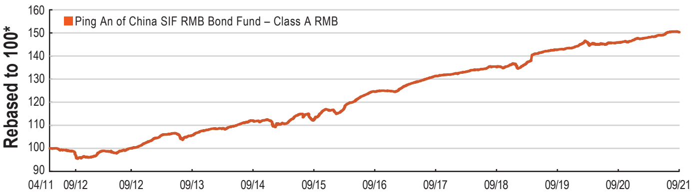
Investment Objective and Strategy

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

Product Features

- The Fund consists of RMB denominated Income Instruments of different maturities and credit quality and bank deposits, and each instrument will be selected based on extensive in-house and external fundamental research.
- The Fund may use derivatives for hedging or non-hedging purposes subject to a limit on net derivative exposure of up to 50% of the Fund's NAV.
- The Fund provides different share classes for investors, including RMB, HKD and USD.

Fund Performance



Class A RMB is selected as the most appropriate representative unit class as it is denominated in the Fund's base currency.

	1 month	3 months	6 months	1 year	3 years	5 years	YTD
Class A RMB	-0.20%	0.71%	1.50%	3.03%	11.07%	20.46%	2.26%
Class A HKD	-0.25%	0.93%	3.21%	-	-	-	3.46%
Class A USD	-0.30%	0.61%	2.99%	8.61%	18.18%	24.38%	2.99%

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	Since Inception
Class A RMB	2.29%	5.03%	3.57%	5.86%	6.98%	4.56%	2.83%	4.93%	7.45%	-3.84%*	50.23%
Class A HKD**	0.12%	-	-	-	5.17%	-0.97%	0.03%	5.32%*	-	-	3.59%
Class A USD	9.31%	3.84%	-1.96%	13.24%	0.94%	-1.01%	0.10%	5.25%*	-	-	36.61%

* Since share 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 share class was fully redeemed on the date; the share 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).

Fund performance is based on NAV-to-NAV with dividend reinvested (if any). Acc.= Accumulation.

Fund Data

Fund manager	Ping An of China Asset Management (Hong Kong) Company Limited	
Inception date	28 April 2011	
Fund size	RMB 143.13 million	
NAV	Class A RMB:	RMB 105.68
	Class A HKD:	HKD 103.09
	Class A USD:	USD 9.88
	Class A (Acc) HKD:	HKD 102.19
	Class A (Acc) USD:	USD 10.20
Last dividend payout (per unit)	Class A RMB:	RMB 1.21 (1)
	Class A HKD:	HKD 0.49 (1)
	Class A USD:	USD 0.14 (1)
Base currency	RMB	
Dealing frequency	Daily (2)	
Min. investment amount	RMB 10,000 (initial), RMB 10,000 (additional) HKD 10,000 (initial), HKD 10,000 (additional) USD 1,000 (initial), USD 1,000 (additional)	
Subscription fee	Up to 5%	
Switching fee	Not applicable (switching currently is not permitted)	
Management fee	1% p.a.	
Dividend policy	Semi-annual basis (3)	
Financial year end	30 June	
Performance inception date / ISIN code / Bloomberg code	Class A RMB: 28 April 2011 HK0000079084 / PARRMBA HK	
	Class A HKD: 29 December 2020 HK0000096476 / PARAHKD HK	
	Class A USD: 1 March 2013 HK0000096484 / PARAUSD HK	
	Class A (Acc) HKD: 1 March 2021 HK0000688116 / PARAAHK HK	
	Class A (Acc) USD: 1 March 2021 HK0000688124 / PARAAUS HK	

(1) Ex-Dividend Date: 25 June 2021

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

(3) Currently June and December. Dividend distribution is subject to the manager's discretion, and there is no guarantee on any minimum dividend payment amount.

Ping An of China Select Investment Fund Series

Ping An of China SIF - RMB Bond Fund

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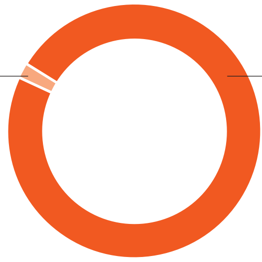
Data as of 30 September 2021

Top Ten Holdings

CHINA ORIENT ASSET MANAGEMENT CO LTD 4.33% A 23AUG2029 SHCH	7.15%
GUANGZHOU METRO GROUP CO LTD 3.72% A 10JAN2025 CDC	7.09%
CHINA DEVELOPMENT BANK CORP 3.3% A 03MAR2026 CDC	7.08%
VANKE REAL ESTATE HONG KONG CO LTD 3.45% S/A 25MAY2024	6.97%
DALIAN WANDA COMMERCIAL MANAGEMENT GROUP CO LTD 5.38% A 29JUL2023 SHCH	6.93%
AGRICULTURAL DEVELOPMENT BANK OF CHINA CO LTD 2.96% A 17APR2030 CDC	6.80%
CNI CAPITAL LTD 3.97% S/A 01NOV2022	4.17%
CHARTER STYLE INTL LTD 5.8% S/A 15SEP2024	3.61%
BANK OF CHINA LTD 4.15% A 19MAR2031 CDC	3.55%
FAR EAST HORIZON LTD 4.7% S/A 09FEB2024	3.55%

Asset Allocation



Monthly Commentary

September Review

The Fund delivered a return of -0.20% in September and an year-to-date return of +2.26% in RMB term^.

Rates yields gyrated and ended trending higher in September as rumor of more reserve requirement cuts, record-setting producer price index (PPI) data, contagion from real estate sector, and sped-up issuance of central and provincial bonds all doing their rounds consecutively. However, the official tone is still kept with a neutral stance.

In credit space, activities were very active as many bonds issued by developers got sold or marked down fast toward price levels where USD bonds were traded. As a result, the whole credit sector traded wider in September.

Our holdings are well-diversified in terms of industry and region, with majority in investment grade ratings. We think our current holdings suit current market environment and we expect to stick to our current strategy until there is further clarity on policymakers' next step to deal with softening economic growth and real estate sector's financing crunch.

Outlook

Economic data continue its weakening trend in the third quarter, and coupled with electricity and logistics problems which may lead to the semi-stagflation risk, monetary policy maintains neutral stance, only actively ironing out short-term market liquidity needs. We think more reserve requirement ratio cuts are within policymakers’ tool box, but will not be utilized until economy growth prospect further deteriorates. For the time being, we expect more upside risk for rates to go up rather than going down. Fiscal policy will still be key in providing credit impulse for the remainder of this year, though implementation still lags behind schedule, despite increasing issuance of local government bonds. We expect policymakers will come up with more detailed plans in the coming months to avoid further collapse of confidence in both financial and economic area, especially after the November politburo meeting.

Specifically with regard to the real estate sector, we expect policymakers to grant certain loosening measures to protect the whole real estate sector from collapsing, otherwise the financial markets as well as the economy may no longer react in a linear pattern, rather form a vicious circle. However, we think the loosening so far we have seen after the National Day holidays is underwhelming, despite the market has reacted fervently. We think home buyers have already formed a new downward expectation on housing prices, and mortgage rules relaxation is not enough to bring stabilization. More stable bank loan refinancing will bring a much-needed breather to cash-strapped developers, but we need to closely monitor how banks implement. Policymakers may have indeed underestimated the strenuous situation that most privately-owned developers are in, as well as the non-linearity of vicious circles as we discussed above, in our view.

Our expected loosening will be a delicate balancing between many new national development agendas being introduced this year aiming for the long-term, and multi-pronged pressure on the economy in the short-term. Accordingly, it is prudent to follow the government agendas from a top-down point of view in positioning. We plan to continue looking for both suitable onshore and offshore exposures, particularly focusing on sectors which have demonstrated resilience in recent cycles such as banks and infrastructure, or fast recovery of business such as consumers, or systemic importance with policy support such as technology and clean energy. We see recent risk-off sentiment and idiosyncratic credit events as opportunistic timing for value searching and will look to add to credits with healthy growth and leverage conditions.

Note: CNH is the currency symbol for offshore RMB. Offshore RMB bonds are also known as dim sum bonds.

^ Based on Class A RMB.

Asset Allocation: Fund allocations are a percentage of investments in asset categories 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. 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.

Disclaimer

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