

Interim Report

**TAIPING INVESTMENT FUND - TAIPING GREATER
CHINA NEW MOMENTUM EQUITY FUND**

For the period from 1 January 2020 to 30 June 2020

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

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TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

MANAGEMENT AND ADMINISTRATION

Directors of the Manager

MA Yong

Li Hao

Wang heqian (resigned on 15 July 2020)

Manager

Taiping Assets Management (HK) Company Limited

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18 King Wah Road

North Point

Hong Kong

Trustee and Registrar

BOCI-Prudential Trustee Limited

12/F & 25/F, Citicorp Centre

18 Whitfield Road

Causeway Bay

Hong Kong

Auditors

PricewaterhouseCoopers

21/F, Edinburgh Tower

15 Queen's Road

Central, Hong Kong

Custodian

Bank of China (Hong Kong) Limited

14/F Bank of China Tower

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Legal Advisers to the Manager

Deacons

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18 Chater Road

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Hong Kong

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

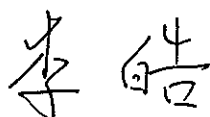
REPORT OF THE MANAGER TO THE UNITHOLDERS

Market review and outlook

Global stock markets were quite volatile in the first half year of 2020. Coronavirus broke out globally which affected the normal operation of economic activities. Liquidity crunch and panic appeared in global financial markets, US stock market even triggered multiple circuit breakers in the first quarter. As the epidemic outbreak and spread were gradually under control mainly at first in Mainland China and then other western countries, global stock markets began to rebound since April. Whereas affected by Sino-US tensions and the third-round outbreak of coronavirus in local community, Hong Kong stock market underperformed US markets and China A share markets in the first half year, with a negative return of 13.4%. By the end of June, performance of the Sub-Fund retreated by 5.9%, underperformed the benchmark MSCI Zhong Hua by 5.2%.

Going forward, geopolitics is full of uncertainty. With increasing external disturbance, market will keep experiencing volatility. While the US election is approaching, the uncertainty of Sino-US relations is expected to continue to bring pressure to the Hong Kong market. However, manufacturing and service industries have resumed normal production in Mainland China, and China's economy has returned to growth track. Based on the steady improvement of the mainland economy and sufficient global liquidity, we are cautiously optimistic about the market outlook in a mid-term and expect the market to rebound amidst volatility.

The outbreak of the coronavirus will not change the long-term growth trend of China's economy. China's growth recovery is still on process and China's epidemic prevention control has led the world by a large margin. The policy of promoting the "double cycle" is also being implemented. We will continue to adjust and optimize the fund's exposure by adhering to value investment. We will maintain major positions on quality stocks and growth stocks. We will focus on investment opportunities in Consumer Discretionary, Consumer Staples, Health Care and Technology sectors, and pay attention to the trading opportunities in other sectors.



Taiping Assets Management (HK) Company Limited
26 August 2020

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

STATEMENT OF FINANCIAL POSITION (Unaudited)

As at 30 June 2020

	(Unaudited) As at 30 June 2020 HK\$	(Audited) As at 31 December 2019 HK\$
ASSETS		
Financial assets at fair value through profit or loss	340,456,836	348,590,464
Cash and cash equivalent	18,715,097	67,276,339
Interest receivables	-	39,723
Dividend receivables	4,352,253	-
Amounts due from brokers	14,987,509	6,169,799
Other receivables	14,669	14,738
	<u>378,526,364</u>	<u>422,091,063</u>
LIABILITIES		
Amounts due to brokers	(10,638,521)	(31,397,971)
Other payables	(1,283,190)	(1,180,108)
	<u>(11,921,711)</u>	<u>(32,578,079)</u>
EQUITY		
NET ASSET ATTRIBUTABLE TO UNITHOLDERS	<u>366,604,653</u>	<u>389,512,984</u>
TOTAL EQUITY AND LIABILITIES		
	<u>366,604,653</u>	<u>389,512,984</u>
- Class B Units	<u>4,680,735</u>	<u>4,680,735</u>
NET ASSET VALUE PER UNIT		
- Class B Units	<u>78.32</u>	<u>83.22</u>

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

For the period ended 30 June 2020

	2020 HK\$	2019 HK\$
INCOME		
Net unrealized gains on financial assets at fair value through profit or loss	10,686,242	36,812,793
Net realized (losses)/gains on financial assets at fair value through profit or loss	(35,239,858)	26,994,787
Foreign exchange differences, net	(199,394)	(216,439)
Dividend income	6,338,567	9,776,422
Interest income	8,254	80,150
Total (loss)/income	<u>(18,406,189)</u>	<u>73,447,713</u>
EXPENSES		
Management fee	(2,703,772)	(5,579,776)
Transaction fees	(919,805)	(2,142,029)
Trustee and administration fee	(256,394)	(527,481)
Auditors' remuneration	(121,015)	(243,360)
Legal and professional fee	-	(10,000)
Bank charges	(300)	(480)
Other expenses	(43,227)	(137,359)
Total operating expenses	<u>(4,044,513)</u>	<u>(8,640,485)</u>
(Loss)/income before tax	(22,450,702)	64,807,228
Withholding taxes	<u>(457,629)</u>	<u>(587,083)</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	<u><u>(22,908,331)</u></u>	<u><u>64,220,145</u></u>

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Unaudited)

For the period ended 30 June 2020

	Number of units	HK\$
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 1 January 2019	4,738,509	350,644,184
Subscription of units	160,995	12,847,398
Redemption of units	(218,769)	(18,763,862)
Distributions to unitholders	-	(19,434,881)
Total comprehensive income/(loss) for the period	-	64,220,145
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS 31 December 2019	<u>4,680,735</u>	<u>389,512,984</u>
Subscription of units	-	-
Redemption of units	-	-
Distributions to unitholders	-	-
Total comprehensive income/(loss) for the period	-	(22,908,331)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS 30 June 2020	<u>4,680,735</u>	<u>366,604,653</u>

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2020

	Holdings	Fair value HK\$	% of Net Assets
<u>LISTED EQUITY SECURITIES</u>			
<i>Hong Kong</i>			
AIA GROUP LTD	184,400	13,332,120	3.64%
ALIBABA GROUP HLDG LTD	60,100	12,596,960	3.44%
AVICHINA INDUSTRY & TECHNOLOGY CO LTD-H	1,960,000	6,879,600	1.88%
CHINA CITIC BANK CORP LTD-H	1,689,000	5,708,820	1.56%
CHINA CONSTRUCTION BANK CORP-H	2,103,000	13,185,810	3.60%
CHINA INTL CAPITAL CORP LTD-H	530,000	8,066,600	2.20%
CHINA JINMAO HLDGS GROUP LTD	1,316,000	7,172,200	1.96%
CHINA MERCHANTS BANK CO LTD-H	442,000	15,757,300	4.30%
CHINA POWER INTL DEVELOPMENT LTD	7,530,000	10,692,600	2.92%
CHINA RESOURCES BEER HLDGS CO LTD	98,000	4,233,600	1.15%
CHINA RESOURCES CEMENT HLDGS LTD	584,000	5,542,160	1.51%
CHINA RESOURCES POWER HLDGS CO	1,464,000	13,337,040	3.64%
CHINA SHENHUA ENERGY CO LTD-H	816,500	9,895,980	2.70%
CSOP FTSE CHINA A50 ETF-HKD	1,190,800	17,326,140	4.73%
GEEELY AUTOMOBILE HLDGS LTD	591,000	7,210,200	1.97%
HONG KONG EXCHANGES & CLEARING LTD	12,100	3,993,000	1.09%
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	2,375,000	11,162,500	3.04%
JIUMAOJIU INTL HLDGS LTD	547,000	7,318,860	2.00%
NETEASE INC	34,400	4,595,840	1.25%
NINE DRAGONS PAPER HLDGS LTD	486,000	3,406,860	0.93%
PETROCHINA CO LTD-H	4,060,000	10,434,200	2.85%
PING AN INSURANCE GROUP CO OF CHINA LTD-H	109,000	8,447,500	2.30%
SEMICONDUCTOR MANUFACTURING INTL CORP	257,000	6,939,000	1.89%
SHENZHOU INTL GROUP HLDGS LTD	79,000	7,378,600	2.01%
SINO BIOPHARMACEUTICAL LTD	861,000	12,570,600	3.43%
SINOPHARM GROUP CO LTD-H	343,200	6,809,088	1.86%
SUNAC CHINA HLDGS LTD	321,000	10,416,450	2.84%
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	44,700	5,542,800	1.51%
TENCENT HLDGS LTD	75,300	37,544,580	10.24%
XIAOMI CORP-CLASS B SHARE	336,200	4,316,808	1.18%
YUEXIU PROPERTY CO LTD	6,064,000	8,368,320	2.27%
		<u>300,182,136</u>	<u>81.89%</u>
<i>United States of America</i>			
ALIBABA GROUP HLDG LTD-SPONSORED ADR	6,539	10,931,224	2.98%
BAIDU INC-ADR	10,818	10,051,647	2.74%
JD.COM INC-ADR	12,033	5,612,203	1.53%
ZTO EXPRESS CAYMAN INC-SPONSORED ADR	48,082	13,679,626	3.73%
		<u>40,274,700</u>	<u>10.98%</u>
Total investments, at fair value		<u>340,456,836</u>	<u>92.87%</u>
Total investments, at cost		<u>346,379,268</u>	

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS (Unaudited)

	At 1 January 2020	Additions	Disposals	At 30 June 2020
LISTED EQUITY SECURITIES				
AAC TECHNOLOGIES HLDGS INC	105,500	59,000	(164,500)	-
AIA GROUP LTD	184,400	-	-	184,400
ALIBABA GROUP HLDG LTD	-	60,100	-	60,100
ALIBABA GROUP HLDG LTD-SPONSORED ADR	22,538	1,451	(17,450)	6,539
AVICHINA INDUSTRY & TECHNOLOGY CO LTD-H	-	1,960,000	-	1,960,000
BAIDU INC-ADR	-	10,818	-	10,818
BILIBILI INC-ADR	-	53,486	(53,486)	-
CGN POWER CO LTD-H	2,570,000	-	(2,570,000)	-
CHINA ANIMAL HEALTHCARE LTD (DELISTED)	3,568,000	-	(3,568,000)	-
CHINA CINDA ASSET MANAGEMENT CO LTD-H	7,884,000	-	(7,884,000)	-
CHINA CITIC BANK CORP LTD-H	2,819,000	-	(1,130,000)	1,689,000
CHINA COMMUNICATIONS CONSTRUCTION CO LTD-H	925,000	361,000	(1,286,000)	-
CHINA CONSTRUCTION BANK CORP-H	3,873,000	-	(1,770,000)	2,103,000
CHINA INTL CAPITAL CORP LTD-H	684,000	530,000	(684,000)	530,000
CHINA JINMAO HLDGS GROUP LTD	-	1,622,000	(306,000)	1,316,000
CHINA LITERATURE LTD	280,800	-	(280,800)	-
CHINA MERCHANTS BANK CO LTD-H	350,000	92,000	-	442,000
CHINA OVERSEAS LAND & INVESTMENT LTD	216,000	-	(216,000)	-
CHINA POWER INTL DEVELOPMENT LTD	7,530,000	-	-	7,530,000
CHINA RESOURCES BEER HLDGS CO LTD	-	102,000	(4,000)	98,000
CHINA RESOURCES CEMENT HLDGS LTD	-	770,000	(186,000)	584,000
CHINA RESOURCES POWER HLDGS CO	1,156,000	308,000	-	1,464,000
CHINA SHENHUA ENERGY CO LTD-H	544,500	272,000	-	816,500
CHINAAMC CSI 300 INDEX ETF	323,800	101,400	(425,200)	-
CIFI HLDGS GROUP CO LTD	1,588,000	-	(1,588,000)	-
CSOP FTSE CHINA A50 ETF-HKD	1,190,800	-	-	1,190,800
CSOP HANG SENG INDEX DAILY (-1X) INVERSE PRODUCT	-	4,493,200	(4,493,200)	-
CSOP HONG KONG DOLLAR MONEY MARKET ETF	13,000	-	(13,000)	-
GEELY AUTOMOBILE HLDGS LTD	-	591,000	-	591,000
GILEAD SCIENCES INC	-	14,599	(14,599)	-
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HLDGS CO LTD-H	150,000	-	(150,000)	-
GUOTAI JUNAN INTL HLDGS LTD	3,267,000	1,149,000	(4,416,000)	-
GUOTAI JUNAN INTL HLDGS LTD-RIGHTS (EX 30JAN2020 TD 12FEE)	-	1,472,000	(1,472,000)	-
HAIDILAO INTL HLDG LTD	241,000	121,000	(362,000)	-
HONG KONG EXCHANGES & CLEARING LTD	-	12,100	-	12,100
HSBC HLDGS PLC	206,000	86,000	(292,000)	-
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	-	2,375,000	-	2,375,000
JD.COM INC-ADR	-	12,033	-	12,033
JIUMAOJIU INTL HLDGS LTD	-	547,000	-	547,000
LONKING HLDGS LTD	3,662,000	-	(3,662,000)	-
MEITUAN DIANPING-CLASS B	103,600	-	(103,600)	-
NETEASE INC	-	34,400	-	34,400
NETEASE INC-ADR	-	1,756	(1,756)	-
NEW CHINA LIFE INSURANCE CO LTD-H	174,700	174,700	(349,400)	-
NEW ORIENTAL EDUCATION & TECHNOLOGY-ADR	-	7,715	(7,715)	-
NINE DRAGONS PAPER HLDGS LTD	-	486,000	-	486,000
PETROCHINA CO LTD-H	-	4,060,000	-	4,060,000
PING AN INSURANCE GROUP CO OF CHINA LTD-H	-	109,000	-	109,000
SEMICONDUCTOR MANUFACTURING INTL CORP	-	529,000	(272,000)	257,000
SHENZHOU INTL GROUP HLDGS LTD	-	79,000	-	79,000
SINO BIOPHARMACEUTICAL LTD	-	916,000	(55,000)	861,000
SINOPHARM GROUP CO LTD-H	-	343,200	-	343,200

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS (Unaudited) Continued

	At 1 January 2020	Additions	Disposals	At 30 June 2020
<u>LISTED EQUITY SECURITIES</u>				
SUNAC CHINA HLDGS LTD	-	321,000	-	321,000
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	-	44,700	-	44,700
TENCENT HLDGS LTD	70,300	12,600	(7,600)	75,300
WEICHAH POWER CO LTD-H	-	363,000	(363,000)	-
WH GROUP LTD	-	906,000	(906,000)	-
XIAOMI CORP-CLASS B SHARE	-	1,612,800	(1,276,600)	336,200
YUEXIU PROPERTY CO LTD	7,650,000	-	(1,586,000)	6,064,000
ZTO EXPRESS CAYMAN INC-SPONSORED ADR	-	48,082	-	48,082

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

PERFORMANCE TABLE (Unaudited)

As at 30 June 2020

Net Asset Value

	Total net asset value HK\$	Net asset value per Class B Unit HK\$
As at 30 June 2020	366,604,653	78.32
As at 31 December 2019	389,512,984	83.22
As at 31 December 2018	350,644,184	74.00

Highest and lowest net asset value per unit

Financial year/Period	Class A Units		Class B Units	
	Highest net asset value per unit HK\$	Lowest net asset value per unit HK\$	Highest net asset value per unit HK\$	Lowest net asset value per unit HK\$
Period ended 30 June 2020			86.18	66.88
Year ended 31 December 2019			88.21	71.49
Year ended 31 December 2018			105.5	72.6
Year ended 31 December 2017			100.32	82.81
Year ended 31 December 2016	-	-	89.51	77.52
Year ended 31 December 2015	-	-	127.22	88.24
Year ended 31 December 2014	98.64*	79.72*	104.85	99.44
Year ended 31 December 2013	94.51	75.25	-	-
Year ended 31 December 2012	101.47	82.2	-	-
Year ended 31 December 2011	119.38	80.23	-	-
Year ended 31 December 2010	122.57	95.59	-	-
Period ended 31 December 2009	127.45	99.61	-	-

* All Class A units have been converted to Class B units by unitholders by 24 December 2014.