

ChinaAMC Investment Trust

**ChinaAMC Mackenzie Global Strategic  
Income Fund**

Annual Report

For the year ended  
31 December 2022



**华夏基金**  
**ChinaAMC**

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND  
– A SUB-FUND OF CHINAAMC INVESTMENT TRUST**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF  
CHINAAMC INVESTMENT TRUST**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF  
CHINAAMC INVESTMENT TRUST**

**ADMINISTRATION AND MANAGEMENT**

**Manager**

China Asset Management (Hong Kong) Limited  
37/F, Bank of China Tower  
1 Garden Road  
Central, Hong Kong

**Directors of the Manager**

Mr. Gan Tian  
Mr. Li Fung Ming  
Mr. Sun Liqiang (appointed on 30 March 2022)  
Mr. Yang Minghui (resigned on 30 March 2022)  
Ms. Li Yimei

**Investment Adviser**

Mackenzie Financial Corporation  
180 Queen Street West  
Toronto, Ontario  
M5V-3K1  
Canada

**Trustee**

Cititrust Limited  
50/F, Champion Tower  
Three Garden Road  
Central, Hong Kong

**Custodian and Administrator**

Citibank N.A., Hong Kong Branch  
50/F, Champion Tower  
Three Garden Road  
Central, Hong Kong

**Transfer Agent**

Citicorp Financial Services Limited  
9/F, Citi Tower  
One Bay East  
83 Hoi Bun Road  
Kwun Tong, Kowloon  
Hong Kong

**Legal Counsel to the Manager**

Simmons & Simmons  
30/F, One Taikoo Place  
979 King's Road  
Hong Kong

**Auditor**

PricewaterhouseCoopers  
22/F, Prince's Building  
Central, Hong Kong

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF  
CHINAAMC INVESTMENT TRUST**

**MANAGER’S REPORT**

ChinaAMC Mackenzie Global Strategic Income Fund is a sub-fund of ChinaAMC Investment Trust, an umbrella unit trust established under the laws of Hong Kong by the Trust Deed dated 28 July 2017, as amended or supplemented from time to time. The sub-fund is to seek income with the potential for long-term capital growth by investing primarily in fixed-income and/or income-oriented equity securities anywhere in the world.

This sub-fund is currently dormant since December 2021.

China Asset Management (Hong Kong) Limited  
28 March 2023

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF  
CHINAAMC INVESTMENT TRUST**

**TRUSTEE'S REPORT TO UNITHOLDERS**

We hereby confirm that, in our opinion, China Asset Management (Hong Kong) Limited in all material respects, managed ChinaAMC Mackenzie Global Strategic Income Fund – a sub-fund of ChinaAMC Investment Trust in accordance with the provisions of the Trust Deed dated 7 October 2010, as supplemented, amended and restated from time to time, for the year ended 31 December 2022.

For and on behalf of  
Cititrust Limited

Trustee  
28 March 2023

## **CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST**

### **STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE**

#### *Manager's responsibilities*

China Asset Management (Hong Kong) Limited (the "Manager"), the Manager of the ChinaAMC Mackenzie Global Strategic Income Fund (the "Sub-Fund"), a sub-fund of ChinaAMC Investment Trust (the "Trust"), is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code") and the trust deed dated 7 October 2010, as supplemented, amended and restated from time to time (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of that period and of the transactions for the then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently; and
- make judgements and estimates that are prudent and reasonable.

The Manager is also required to manage the Sub-Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

The Trust is an umbrella unit trust governed by its Trust Deed. As at 31 December 2022, the Trust has established three sub-funds.

#### *Trustee's responsibilities*

The Trustee of the Sub-Fund is required to:

- ensure that the Sub-Fund is managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting year on the conduct of the Manager in the management of the Sub-Fund.

## Independent Auditor's Report

To the unitholders of ChinaAMC Mackenzie Global Strategic Income Fund (a sub-fund of ChinaAMC Investment Trust)

### Report on the Audit of the Financial Statements

#### Opinion

##### *What we have audited*

The financial statements of ChinaAMC Mackenzie Global Strategic Income Fund (the "Sub-Fund"), a sub-fund of ChinaAMC Investment Trust, which are set out on pages 8 to 26, comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

##### *Our opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2022, and of its financial transactions and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We are independent of the Sub-Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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#### Other Information

The Trustee and the Manager (the "Management") of the Sub-Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## **Independent Auditor's Report (Continued)**

To the unitholders of ChinaAMC Mackenzie Global Strategic Income Fund (a sub-fund of ChinaAMC Investment Trust)

### **Responsibilities of the Management for the Financial Statements**

The Management of the Sub-Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management of the Sub-Fund is responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 7 October 2010, as amended (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

## **Independent Auditor's Report (Continued)**

To the unitholders of ChinaAMC Mackenzie Global Strategic Income Fund (a sub-fund of ChinaAMC Investment Trust)

### **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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### **Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and Appendix E of the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

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**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 28 March 2023

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF  
CHINAAMC INVESTMENT TRUST**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022**

*(Expressed in United States dollars)*

	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>Assets</b>			
Cash and cash equivalents	6(d)	\$ –	\$ 74,785
<b>Total assets</b>		<u>\$ –</u>	<u>\$ 74,785</u>
<b>Liabilities</b>			
Accruals and other payables		<u>–</u>	<u>74,785</u>
<b>Total liabilities</b>		<u>–</u>	<u>74,785</u>
<b>Net assets attributable to unitholders</b>	7(c)	<u><u>\$ –</u></u>	<u><u>\$ –</u></u>

The notes on pages 12 to 26 are an integral part of these financial statements.

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF  
CHINAAMC INVESTMENT TRUST**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

*(Expressed in United States dollars)*

	<b>Notes</b>	<b>2022</b>	<b>2021</b>
Interest income on cash and cash equivalents	6(d)	\$ —	\$ 1
Interest income on financial assets at fair value through profit or loss		—	109,077
Dividend income		—	97,991
Net gain on financial assets and financial liabilities at fair value through profit or loss	4	—	559,339
Net foreign exchange loss		—	(9,853)
Other expenses, net		—	(42,715)
<b>Total income</b>		<u>\$ —</u>	<u>\$ 713,840</u>
Management fee	6(a)	\$ —	\$ (92,690)
Audit fee		—	(31,922)
Trustee and Custodian fee	6(b)	—	(88,412)
Financial statements preparation fee	6(c)	—	(9,976)
Legal and professional fee		—	—
Bank charges	6(d)	—	(186)
Interest expense	6(d)	—	(260)
Establishment costs	7(c)	—	22,990
Transaction costs	6(e)	—	(3,998)
Others		—	(3,972)
<b>Total operating expenses</b>		<u>\$ —</u>	<u>\$(208,426)</u>
Profit before tax		\$ —	\$ 505,414
Withholding tax	3	—	(24,387)
<b>Increase in net assets attributable to unitholders from operations for the year</b>		<u>\$ —</u>	<u>\$ 481,027</u>

The notes on pages 12 to 26 are an integral part of these financial statements.

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF  
CHINAAMC INVESTMENT TRUST**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

*(Expressed in United States dollars)*

	Notes	2022	2021
Balance at the beginning of the year		\$ — -----	\$ 10,786,861 -----
Redemption		\$ — -----	\$ (11,267,888) -----
Total transactions with unitholders		\$ — -----	\$ (11,267,888) -----
Increase in net assets attributable to unitholders from operations for the year		\$ — ----- -----	\$ 481,027 ----- -----
Balance at the end of the year	7(c)	\$ — -----	\$ — -----
Number of units issued and redeemed:			<b>Class I USD units</b>
At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022	7(a)		— -----

The notes on pages 12 to 26 are an integral part of these financial statements.

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

*(Expressed in United States dollars)*

	Notes	2022	2021
<b>Operating activities</b>			
Increase in net assets attributable to unitholders from operations for the year		\$ —	\$ 481,027
Adjustments for:			
Dividend income		—	(97,991)
Interest income		—	(109,078)
Interest expense		—	260
Withholding tax	3	—	24,387
<b>Operating profit before changes in working capital</b>		\$ —	\$ 298,605
Decrease in financial assets at fair value through profit or loss		—	10,503,477
Decrease in financial liabilities at fair value through profit or loss		—	(78,572)
Decrease in margin accounts		—	23,985
Decrease in other receivables and prepayments		—	42,805
Decrease in amounts due to brokers		—	(48,929)
Decrease in accruals and other payables		(74,785)	(87,350)
Interest received, net of withholding tax paid		—	106,141
Dividend received, net of withholding tax paid		—	83,827
<b>Net cash (used in)/generated from operating activities</b>		\$ (74,785)	\$ 10,843,989
<b>Financing activities</b>			
Payments on redemptions of units		\$ —	\$ (11,267,888)
Interest paid		—	(260)
<b>Net cash used in financing activities</b>		\$ —	\$ (11,268,148)
<b>Net decrease in cash and cash equivalents</b>		\$ (74,785)	\$ (424,159)
<b>Cash and cash equivalents at the beginning of the year</b>		74,785	498,944
<b>Cash and cash equivalents at the end of the year</b>	6(d)	\$ —	\$ 74,785

The notes on pages 12 to 26 are an integral part of these financial statements.

# CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

*(Expressed in United States dollars, unless otherwise indicated)*

### 1 General Information

ChinaAMC Mackenzie Global Strategic Income Fund (the “Sub-Fund”) is a sub-fund of ChinaAMC Investment Trust (the “Trust”), which is an open-ended unit trust initially established as an exempted trust under the laws of the Cayman Islands pursuant to a trust deed dated 7 October 2010, as amended or supplemented from time to time and restated on 28 July 2017 (the “Trust Deed”), between Citigroup First Investment Management Limited (the “Former Manager”) and Cititrust (Cayman) Limited (the “Former Trustee”).

#### Redomicile of the Trust and the Sub-Fund

The Trust was initially established as an exempted trust under the laws of the Cayman Islands. With effect from 28 July 2017, the Trust shall take effect in accordance with the laws of Hong Kong and the laws of Hong Kong shall be the governing law of the Trust.

Pursuant with the supplemental deeds dated 28 July 2017, the Former Manager retired as the manager of the Trust and China Asset Management (Hong Kong) Limited (the “Manager”) was appointed as the manager of the Trust with effect from 28 July 2017. On the same day, the Former Trustee retired as the trustee of the Trust and Cititrust Limited (the “Trustee”) was appointed as the trustee of the Trust.

The Sub-Fund is authorised by the Hong Kong Securities and Futures Commission (the “SFC”) under Section 104 of the Hong Kong Securities and Futures Ordinance, and governed by the Hong Kong Code on Unit Trusts and Mutual Funds (the “Code”) issued by the SFC. The Sub-Fund was authorised by the SFC on 22 October 2018 and the first dealing day was 7 November 2018.

The investment objective of the Sub-Fund is to seek income with the potential for long-term capital growth by investing primarily in fixed-income and/or income-oriented equity securities anywhere in the world.

The Sub-Fund will generally invest 40% to 60% of its net asset value in fixed income securities and 40% to 60% of its net asset value in equity investments.

The custodian and administration functions are delegated to Citibank N.A., Hong Kong Branch (the “Custodian” and the “Administrator”). Citibank N.A., Hong Kong Branch is a related party of the Former Manager, the Former Trustee and the Trustee.

As at 31 December 2022, the Sub-Fund was fully redeemed with no net asset value. However, the Manager has no intention to terminate the Sub-Fund, and intends to re-launch the Sub-Fund in 2023. There are no significant doubts about its ability to continue as a going concern.

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

*(Expressed in United States dollars, unless otherwise indicated)*

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the year presented, unless otherwise stated.

**(a) Basis of preparation**

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards (“IFRSs”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (collectively the “Management”) to exercise judgements in the process of applying the Sub-Fund’s accounting policies.

All references to “net assets” or “net asset value” throughout these financial statements refer to net assets attributable to unitholders unless otherwise stated.

Standards and amendments to existing standards effective 1 January 2022

There are no standards, amendments to existing standards or interpretations that are effective for annual periods beginning on 1 January 2022 that have a material effect on the financial statements of the Sub-Fund.

New standards, amendments and interpretations effective after 1 January 2022 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Fund.

**(b) Foreign currency translation**

**(i) Functional and presentation currency**

The subscriptions and redemptions of the units of the Sub-Fund are denominated in United States dollars (“USD”). The performance of the Sub-Fund is measured and reported to unitholders in USD. The Management considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in USD, which is the Sub-Fund’s functional and presentation currency.



**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF  
CHINAAMC INVESTMENT TRUST**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

*(Expressed in United States dollars, unless otherwise indicated)*

**2 Summary of significant accounting policies (Continued)**

**(b) Foreign currency translation (Continued)**

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within “net foreign exchange loss”.

Foreign exchange gains and losses relating to the financial assets and financial liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss”.

**(c) Financial assets and financial liabilities at fair value through profit or loss**

**(i) Classification**

The Sub-Fund classifies its investments based on both the Sub-Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund primarily focuses on fair value information and uses that information to assess the assets’ performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Sub-Fund’s debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Sub-Fund’s business objective. Consequently, all investments are measured at fair value through profit or loss.

The Sub-Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as financial liabilities at fair value through profit or loss.

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF  
CHINAAMC INVESTMENT TRUST**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

*(Expressed in United States dollars, unless otherwise indicated)*

**2 Summary of significant accounting policies (Continued)**

**(c) Financial assets and financial liabilities at fair value through profit or loss (Continued)**

**(i) Classification (Continued)**

As such, the Sub-Fund classifies all of its investment portfolio as financial assets or financial liabilities at fair value through profit or loss.

The Sub-Fund's policy requires the Manager to evaluate the information about these financial assets and financial liabilities on a fair value basis together with other related financial information.

**(ii) Recognition, derecognition and measurement**

Regular purchases and sales of investments are recognised on the trade date – the date on which the Sub-Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value.

Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

When the Sub-Fund purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an asset. When options are closed, the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognised as a gain or loss and is presented in the statement of comprehensive income within "net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss".

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of financial assets and financial liabilities at fair value through profit or loss are presented in the statement of comprehensive income within "net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss" in the year in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income when the Sub-Fund's right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Sub-Fund, and the amount of the dividend can be measured reliably. Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income.

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

*(Expressed in United States dollars, unless otherwise indicated)*

**2 Summary of significant accounting policies (Continued)**

**(c) Financial assets and financial liabilities at fair value through profit or loss (Continued)**

**(iii) Fair value estimation**

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the date of the statement of financial position. The quoted market price used for financial assets and financial liabilities held by the Sub-Fund is the last traded market price where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Sub-Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Investments which are not listed on an exchange or are thinly traded are valued by using quotes from brokers or based on the Manager's judgements and estimates. The fair value of debt securities is based on quoted market prices.

**(iv) Transfers between levels of the fair value hierarchy**

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

**(d) Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**(e) Cash and cash equivalents**

Cash and cash equivalents comprise deposits with banks and other short-term investments in an active market with original maturities of three months or less.

**(f) Amounts due from and to brokers**

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the reporting date respectively. The amount due from brokers balance is held for collection.

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

*(Expressed in United States dollars, unless otherwise indicated)*

**2 Summary of significant accounting policies (Continued)**

**(f) Amounts due from and to brokers (Continued)**

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Sub-Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by the Management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

**(g) Interest income on cash and cash equivalents and interest income on investments**

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income on cash and cash equivalents includes interest from bank balances. Interest income on investments includes interest from debt securities.

**(h) Dividend income**

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefit associated with the dividend will flow to the Sub-Fund, and the amount of the dividend can be measured reliably.

**(i) Accrued expenses**

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

**(j) Increase/(decrease) in net assets attributable to unitholders from operations**

Income not distributed is included in net assets attributable to unitholders.

**(k) Taxation**

The Sub-Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

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**2 Summary of significant accounting policies (Continued)**

**(l) Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss**

Net gain on financial assets and financial liabilities at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but exclude interest and dividend income.

**(m) Units in issue**

The Sub-Fund has authorised multiple classes of redeemable units and issued one class, which is redeemable at the unitholders' option. All the classes are the most subordinate classes of financial instruments in the Sub-Fund and rank pari passu in all material respects and have the same terms and conditions other than that different classes of unit are denominated in different currencies. The redeemable units provide unitholders with the right to require redemption for cash at a value proportionate to the unitholders' units in the net assets of the applicable class of units of the Sub-Fund at the redemption date, and also in the event of the Sub-Fund's liquidation.

The redeemable units of the Sub-Fund are classified as equity.

**(n) Collateral**

Cash collateral provided by the Sub-Fund is identified in the statement of financial position as margin accounts and is not included as a component of cash and cash equivalents.

**(o) Establishment costs**

Establishment costs are recognised as an expense in the year/period in which they are incurred in accordance with IFRSs. However, this has resulted in a difference between the Sub-Fund's trading net asset value and the sum of assets and liabilities measured in accordance with IFRSs as disclosed in Note 9(c).

**(p) Transaction costs**

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred are immediately recognised in profit or loss as an expense.

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**3 Taxation**

Taxation in the statement of comprehensive income represents:

	<b>2022</b>	<b>2021</b>
Withholding tax on dividend income	\$ —	\$ 21,450
Withholding tax on interest income	—	2,937
	<hr/>	<hr/>
Total withholding tax	\$ —	\$ 24,387
	<hr/>	<hr/>

**(a) Hong Kong**

No provision for Hong Kong profits tax has been made in the financial statements as the Sub-Fund is exempted from taxation under section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

**(b) Foreign countries**

The Sub-Fund invests in securities issued by entities which are domiciled in countries other than Hong Kong. Many of these foreign countries have tax laws that indicate that capital gains taxes maybe applicable to non-residents, such as the Sub-Fund. Typically, these capital gains taxes are required to be determined on a self-assessment basis; therefore, such taxes may not be deducted by the Sub-Fund's broker on a withholding basis.

At 31 December 2022 and 31 December 2021, the Sub-Fund has applied the most likely amount method in measuring uncertain tax liabilities and related interest and penalties with respect to foreign capital gains taxes at nil; while this represents the Management's best estimate, estimated value could differ significantly from the amount ultimately payable.

**4 Net gain on financial assets and financial liabilities at fair value through profit or loss**

	<b>2022</b>	<b>2021</b>
Net realised gain	\$ —	\$ 2,404,299
Net change in unrealised gain or loss in financial assets and financial liabilities at fair value through profit or loss	—	(1,844,960)
	<hr/>	<hr/>
	\$ —	\$ 559,339
	<hr/>	<hr/>

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF  
CHINAAMC INVESTMENT TRUST**

**NOTES TO FINANCIAL STATEMENTS  
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*(Expressed in United States dollars, unless otherwise indicated)*

**5 Soft dollar arrangements**

The Manager has not received any soft dollar commissions or entered into any soft dollar arrangements for the Sub-Fund for the year ended 31 December 2022 and 31 December 2021.

**6 Transactions with related parties or the Connected Persons**

The following is a summary of transactions entered into during the year between the Sub-Fund and its related parties, including the Manager, the investment delegate, the Trustee/ Custodian and their connected persons (the “Connected Persons”). The Connected Persons are those as defined in the Code issued by the SFC. All such transactions were entered into in the ordinary course of business and under normal commercial terms. To the best of the knowledge of the Trustee and the Manager, the Sub-Fund did not have any other transactions with the Connected Persons except for those disclosed below.

**(a) Management fee**

The fee payable to the Manager is calculated at 1.5% per annum of the net asset value of Class A units, and 1.0% per annum of the net asset value of Class I units, payable monthly in arrears. There was no management fee for the year ended 31 December 2022 (2021: \$92,690) and no management fee was payable as at 31 December 2022 (2021: \$9,830).

**(b) Trustee and Custodian fee**

The fee payable to the Trustee and the Custodian is calculated at 0.1% per annum of net asset value of the Sub-Fund. It is accrued daily and payable in arrears on a monthly basis, subject to a monthly minimum of \$6,000. There was no trustee and custodian fee charged for the year ended 31 December 2022 (2021: \$88,412), and no trustee and custodian fee was payable as at 31 December 2022 (2021: \$13,767).

**(c) Financial statements preparation fee**

The Administrator is entitled to a financial statements preparation fee. There was no financial statements preparation fee for the year ended 31 December 2022 (2021: \$9,976) and no financial statements preparation fee was payable as at 31 December 2022 (2021: \$24,976).

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**6 Transactions with related parties or the Connected Persons (Continued)**

**(d) Cash and cash equivalents**

All bank balances of the Sub-Fund are held in interest-bearing accounts with Citibank N.A., Hong Kong Branch. There was no balances as at 31 December 2022 (2021: \$74,785). For the year ended 31 December 2022, there were no interest earned (2021: \$1) and interest expense (2021: \$260) from these bank balances. There was no bank charges for the year ended 31 December 2022 (2021: \$186).

**(e) Transaction costs**

In the purchase and sales of investments, the Sub-Fund utilises the brokerage services of fellow subsidiaries of the Trustee.

Details of the transactions effected through these entities are as follows:

		<b>2022</b>		<b>2021</b>
Commission paid for the year	\$	—	\$	114
Average rate of commission		—		0.10%
Total aggregate value of transactions for the year	\$	—	\$	9,052,661
Percentage of such transactions in value to total transactions for the year		—		1.75%

**(f) Unit holdings**

There is no unitholder of the Sub-Fund identified as related parties or the Connected Persons of the Sub-Funds as at 31 December 2022 and 31 December 2021.

**7 Net assets attributable to unitholders**

**(a) Units issued and redeemed**

The following table shows the net asset value per unit:

		<b>2022</b>		<b>2021</b>
<b>Total number of units in issue</b>				
Class I (USD) units		—		—
<b>Net asset value per unit in local currency (calculated in accordance with the EM)</b>				
Class I (USD) units	USD	—	USD	—



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*(Expressed in United States dollars, unless otherwise indicated)*

**7 Net assets attributable to unitholders (Continued)**

The Trust and the Sub-Fund do not have any externally imposed capital requirements. As at 31 December 2022 and 31 December 2021, the Sub-Fund had no net assets attributable to unitholders. The Sub-Fund strives to invest funds received from the issuance of redeemable units in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet the funding needs when unitholders redeem their units.

The Manager may from time to time permit unitholders to convert some or all of their units of any class into units of any other class whether in respect of the Sub-Fund or any other sub-funds of the Trust which have been authorised by the SFC.

**(b) Distributions**

The Sub-Fund does not intend to pay dividends or other distributions for the year ended 31 December 2022 and 31 December 2021.

**(c) Reconciliation of net asset value for subscriptions and redemptions to net asset value per statement of financial position**

Adjustment for establishment costs

The Sub-Fund's Explanatory Memorandum ("EM") requires the establishment costs to be amortised over a period of 5 years for the purpose of calculating its trading net asset value, whereas IFRSs require the establishment costs to be expensed when incurred.

The costs of establishment of the Sub-Fund (including legal, structuring and advisory fees) are estimated to be approximately \$55,000. The costs will be amortised over the first 5 financial years of the Sub-Fund. There is no unamortised costs for the Sub-Fund as at 31 December 2022 (2021: nil).

All establishment costs have been expensed when incurred in accordance with IFRSs, however, this has resulted in a difference between the Sub-Fund's trading net asset value and the sum of assets and liabilities measured in accordance with IFRSs.

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**NOTES TO FINANCIAL STATEMENTS  
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**8 Financial instruments and associated risks**

The Sub-Fund's investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests according to the investment strategy. The risks that the Sub-Fund is exposed to are market risk, credit risk and liquidity risk. Market risk includes interest rate risk.

The nature and extent of the financial instruments outstanding at the end of the reporting period and the risk management policies employed by the Sub-Fund are discussed below.

**(a) Market risk**

All investments held by the Sub-Fund are measured at fair value through profit or loss, and all changes in market conditions directly affect profit or loss. Market risk is the risk that the value of the financial instruments will fluctuate as a result of changes in interest rates.

**(i) Interest rate risk**

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of interest-bearing financial instruments and their future cash flows.

The table below summarises the Sub-Fund's exposure to interest rate risk for financial assets and liabilities, categorised by contractual repricing or maturity dates as at year ended 31 December 2021.

	2021				
	Up to 1 year	1 - 5 years	Over 5 years	Non interest-bearing	Total
Assets					
Cash and cash equivalents	\$ 74,785	\$ –	\$ –	\$ –	\$ 74,785
Total assets	\$ 74,785	\$ –	\$ –	\$ –	\$ 74,785
Liabilities					
Accruals and other payables	\$ –	\$ –	\$ –	\$ 74,785	\$ 74,785
Total liabilities	\$ –	\$ –	\$ –	\$ 74,785	\$ 74,785
Total interest sensitivity gap	\$ 74,785	\$ –	\$ –		

There is no exposure to interest rate risk for financial assets and liabilities, categorised by contractual repricing or maturity dates as at year ended 31 December 2022.

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**NOTES TO FINANCIAL STATEMENTS  
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*(Expressed in United States dollars, unless otherwise indicated)*

**8 Financial instruments and associated risks (Continued)**

**(b) Credit risk**

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund. The Sub-Fund's exposure to credit risk is monitored by the Manager on an ongoing basis. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. This relates to financial assets carried at amortised cost, as they have short term maturity.

The Sub-Fund applies the IFRS 9 general model for cash and cash equivalents to measure the expected credit losses. The identified impairment loss was immaterial as the history of defaults are minimal.

All the Sub-Fund's cash and cash equivalents are held in major financial institutions located in Hong Kong, which the Sub-Fund believes are of high credit quality. The Manager considers that the Sub-Fund does not have a significant concentration of credit risk.

The Manager mitigates the counterparty risk associated with the Sub-Fund by putting in place appropriate counterparty risk management procedures. The Manager monitors the credit rating of the brokers on an ongoing basis.

The table below sets out the exposure of the Sub-Fund to counterparties as at 31 December 2022 and 31 December 2021 together with their credit ratings provided by Standard & Poor's rating services:

	<b>2022</b>		<b>2021</b>	
	<b>Credit rating</b>	<b>Exposure to counterparties</b>	<b>Credit rating</b>	<b>Exposure to counterparties</b>
<b>Cash and cash equivalents</b>				
Citibank N.A., Hong Kong Branch	–	\$ –	A-1	\$ 74,785

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**NOTES TO FINANCIAL STATEMENTS  
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*(Expressed in United States dollars, unless otherwise indicated)*

**8 Financial instruments and associated risks (Continued)**

**(c) Liquidity risk**

Liquidity risk arises from the risk that the Manager may not be able to convert investments into cash to meet liquidity needs in a timely manner. As unitholders may realise units on any dealing day, the Sub-Fund is exposed to liquidity risk of meeting unitholder redemptions.

The table below analyses the remaining contractual maturities of the Sub-Fund's financial liabilities as at 31 December 2022 and 31 December 2021:

	<b>2022</b>					<b>Total</b>
	<b>Repayable on demand</b>	<b>Within 1 month</b>	<b>1 month to 3 months</b>	<b>3 months to 1 year</b>	<b>No specified maturity</b>	
Accruals and other payables	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
<b>Total financial liabilities</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>

  

	<b>2021</b>					<b>Total</b>
	<b>Repayable on demand</b>	<b>Within 1 month</b>	<b>1 month to 3 months</b>	<b>3 months to 1 year</b>	<b>No specified maturity</b>	
Accruals and other payables	\$ –	\$ 74,785	\$ –	\$ –	\$ –	\$ 74,785
<b>Total financial liabilities</b>	<b>\$ –</b>	<b>\$ 74,785</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 74,785</b>

**(d) Offsetting and amounts subject to master netting arrangements and similar agreements**

As at 31 December 2022 and 31 December 2021, the Sub-Fund was not subject to any master netting arrangement.

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST**

**NOTES TO FINANCIAL STATEMENTS  
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**9 Fair value information**

**(a) Financial instruments carried at fair value**

The table below presents the fair value of the Sub-Fund's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using level 2 inputs i.e. observable inputs which fail to meet level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

As at 31 December 2022 and 31 December 2021, there were no financial instruments held by the Sub-fund.

For the year ended 31 December 2022 and 31 December 2021, there were no transfers between levels of investments held by the Sub-Fund.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

**(b) Fair values of financial instruments carried at other than fair value**

The financial assets and financial liabilities included in the statement of financial position, except the financial assets and financial liabilities at fair value through profit or loss, are carried at amortised cost. Their carrying values are an appropriate approximation of fair value.

**10 Approval of financial statements**

The financial statements were approved and authorized for issue by the Management on 28 March 2023.

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF  
CHINAAMC INVESTMENT TRUST**

**INVESTMENT PORTFOLIO (UNAUDITED)**

**AS AT 31 DECEMBER 2022**

*(Expressed in United States dollars)*

The Sub-Fund did not hold any investments as at 31 December 2022.

**CHINAAMC MACKENZIE GLOBAL STRATEGIC INCOME FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST**

**PERFORMANCE TABLE (UNAUDITED)**

*(Expressed in United States dollars, unless otherwise indicated)*

	<b>2022</b>		<b>2021</b>		<b>2020</b>	
Total net asset value for valuation purposes (calculated in accordance with the EM)	\$	–	\$	–	\$	10,818,199
Net asset value per unit in unit denomination currency (calculated in accordance with the EM)						
- Class I (USD) units	USD	–	USD	–	USD	11.973

Price record in unit denomination currency (calculated in accordance with the EM)<sup>1</sup>

	<b>2022</b>		<b>2021</b>		<b>2020</b>	
	<b>Lowest net asset value per unit</b>	<b>Highest net asset value per unit</b>	<b>Lowest net asset value per unit</b>	<b>Highest net asset value per unit</b>	<b>Lowest net asset value per unit</b>	<b>Highest net asset value per unit</b>
- Class I (USD) units	–	–	–	12.661	9.210	11.973

<sup>1</sup> Past performance figures shown are not indicative of the future performance of the Sub-Fund.

