

ChinaAMC Select Fund

ChinaAMC Select Money Market Fund

Unaudited Semi-Annual Report

For the period from
1 January 2023 to 30 June 2023



华夏基金
ChinaAMC

UNAUDITED SEMI-ANNUAL REPORT

CHINAAMC SELECT MONEY MARKET FUND
(a sub-fund of ChinaAMC Select Fund, an open-ended
unit trust established as an umbrella fund under the laws
of Hong Kong)

For the period from 1 January 2023 to 30 June 2023

CHINAAMC SELECT MONEY MARKET FUND
(a sub-fund of ChinaAMC Select Fund)

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IMPORTANT:

Any opinion expressed herein reflects the Manager's view only and are subject to change. For more information about the fund, please refer to the explanatory memorandum of the fund which is available at our website:

<https://www.chinaamc.com.hk/product/chinaamc-select-money-market-fund/>

Investors should not rely on the information contained in this report for their investment decisions.

CHINAAMC SELECT MONEY MARKET FUND
(a sub-fund of ChinaAMC Select Fund)

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

Li Yimei
Gan Tian
Li Fung Ming
Sun Liqiang
Yang Kun (appointed on 30 May 2023)

LEGAL ADVISER TO THE MANAGER

Deacons
5/F, Alexandra House
18 Chater Road
Central, Hong Kong

TRUSTEE, ADMINISTRATOR AND REGISTRAR

BOCI-Prudential Trustee Limited
Suites 1501-1507 & 1513-1516, 15/F,
1111 King's Road,
Taikoo Shing, Hong Kong

AUDITOR

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

CUSTODIAN

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

CHINAAMC SELECT MONEY MARKET FUND
(a sub-fund of ChinaAMC Select Fund)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

ChinaAMC Select Money Market Fund (the “Sub-Fund”) is a sub-fund of ChinaAMC Select Fund, an umbrella unit trust established under the laws of Hong Kong pursuant to a trust deed dated 12 January 2012, as amended or supplemented from time to time. The Sub-Fund’s objective is to invest in short-term deposits, high quality money market instruments of varying maturities and such other securities as permitted by the SFC’s Code on Unit Trusts and Mutual Funds. The Sub-Fund seeks to achieve long-term return in US dollars in line with prevailing money market rates, with primary considerations of both capital security and liquidity, by investing not less than 70% of the net asset value of the Sub-Fund in US dollar-denominated and settled short-term deposits and high quality money market instruments issued by governments, quasi-governments, international organizations, and financial institutions globally. The Sub-Fund will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and will not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other public securities.

Market Review

There is a notable divergence in monetary policies between emerging markets and developed markets. In most emerging economies, inflation has been brought under control as commodity prices have dropped, allowing central banks to conclude their tightening cycles. Conversely, core inflation in developed economies has persisted above targets.

Although the Federal Reserve paused on further rate hikes in June, we anticipate that the committee will base their decision on the path of rates on forthcoming data. Recent hawkish comments suggest a possible rate hike, given the absence of extreme risk events in the short term. However, uncertainty remains as to whether another rate hike will occur this year, as indicated by the dot plot. In our view, the Fed may prioritize managing rate cut expectations.

Looking ahead, we expect the first rate cut to occur around mid-2024, considering the high resilience of the U.S. economy and the high inflation in major developed economies currently. Our forecast of an inevitable recession leads us to anticipate faster-than-consensus rate cuts in the early stage of the upcoming easing cycle.

China Asset Management (Hong Kong) Limited
21 August 2023

CHINAAMC SELECT MONEY MARKET FUND
(a sub-fund of ChinaAMC Select Fund)

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period from 1 January 2023 to 30 June 2023

	For the period from 1 January 2023 to 30 June 2023 (Unaudited) HKD	For the period from 1 January 2022 to 30 June 2022 (Unaudited) HKD
INCOME		
Interest income on financial assets at fair value through profit or loss	296,164	83,499
Interest income on bank deposits	5,983,883	298,461
	<u>6,280,047</u>	<u>381,960</u>
EXPENSES		
Management fee	(190,705)	(30,575)
Trustee fee	(120,969)	(44,626)
Custodian fee and bank charges	(35,857)	(7,523)
Auditors' remuneration	(63,747)	(70,416)
Transaction handling fee	(53,200)	(7,000)
Legal and professional fees	(1,690)	-
Other expenses	(66,569)	(22,418)
	<u>(532,737)</u>	<u>(182,558)</u>
Less: Reimbursement of expenses by the Manager	377,705	160,303
	<u>(155,032)</u>	<u>(22,255)</u>
PROFIT BEFORE INVESTMENT AND EXCHANGE DIFFERENCES	6,125,015	359,705
INVESTMENT GAINS/ (LOSSES) AND EXCHANGE DIFFERENCES		
Net gains/ (losses) on financial assets and liabilities at fair value through profit or loss	100	(29,450)
Foreign exchange differences	(300)	(24,887)
NET INVESTMENT LOSSES AND EXCHANGE DIFFERENCES	<u>(200)</u>	<u>(54,337)</u>
PROFIT BEFORE TAX	6,124,815	305,368
Income tax	-	-
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>6,124,815</u>	<u>305,368</u>

CHINAAMC SELECT MONEY MARKET FUND
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STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2023

	30 June 2023 (Unaudited) HKD	31 December 2022 (Audited) HKD
ASSETS		
Financial assets at fair value through profit or loss	11,987,450	-
Time deposits	30,731,558	59,002,209
Interest receivables	1,737,814	1,171,451
Amount due from Manager	256,937	127,210
Prepayments	-	7,118
Subscription receivables	1,937,557	-
Cash and cash equivalents	<u>381,423,372</u>	<u>174,573,359</u>
TOTAL ASSETS	<u>428,074,688</u>	<u>234,881,347</u>
LIABILITIES		
Management fee payable	115,933	82,987
Trustee fee payable	24,995	14,671
Redemption payable	70,777	-
Accrued expenses and other payables	<u>345,210</u>	<u>274,198</u>
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>556,915</u>	<u>371,856</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>427,517,773</u>	<u>234,509,491</u>
TOTAL LIABILITIES	<u>428,074,688</u>	<u>234,881,347</u>

Note: The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and the relevant disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds of the Securities and Futures Commission of Hong Kong ("SFC").

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in Note 2 of the annual financial statements.

CHINAAMC SELECT MONEY MARKET FUND
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

For the period from 1 January 2023 to 30 June 2023

	Number of Units	HKD
At 31 December 2021 and 1 January 2022	11,415,567.61	128,412,936
Subscription of units		
- Class I HKD	99,173.62	1,001,000
- Class I USD	10,088.78	784,745
- Class A HKD	623,332.61	6,260,767
	<u>732,595.01</u>	<u>8,046,512</u>
Redemption of units		
- Class I HKD	(743,421.48)	(7,499,643)
- Class I USD	(10,088.78)	(784,776)
- Class A HKD	(1,055,623.13)	(10,600,290)
	<u>(1,809,133.39)</u>	<u>(18,884,709)</u>
Increase in net assets attributable to unitholders	<u>-</u>	<u>305,368</u>
At 30 June 2023	<u>10,339,029.23</u>	<u>117,880,107</u>
At 31 December 2022 and 1 January 2023	22,658,083.53	234,509,491
Subscription of units		
- Class I HKD	3,372,836.67	34,769,868
- Class I USD	-	-
- Class A HKD	30,610,257.02	315,034,393
- Class F HKD	455,733.35	4,574,000
- Class H HKD	1,000.00	10,000
	<u>34,439,827.04</u>	<u>354,388,261</u>
Redemption of units		
- Class I HKD	(5,193,288.60)	(53,718,608)
- Class I USD	-	-
- Class A HKD	(10,694,012.17)	(110,223,319)
- Class F HKD	(352,056.97)	(3,562,867)
- Class H HKD	-	-
	<u>(16,239,357.74)</u>	<u>(167,504,794)</u>
Increase in net assets attributable to unitholders	<u>-</u>	<u>6,124,815</u>
At 30 June 2023	<u>40,858,552.83</u>	<u>427,517,773</u>

CHINAAMC SELECT MONEY MARKET FUND
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)
(continued)

For the period from 1 January 2023 to 30 June 2023

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
NUMBER OF UNITS IN ISSUE		
Class I (HKD)	9,021,801.50	10,842,253.42
Class A (HKD)	31,682,404.90	49,671.07
Class I (USD)	49,671.07	11,766,160.05
Class F(HKD)	103,676.37	-
Class H(HKD)	1,000.00	-
NET ASSET VALUE PER UNIT		
Class I (HKD)	HKD 10.4286	HKD 10.2295
Class A (HKD)	HKD 10.3648	HKD 10.1718
Class I (USD)	USD 10.2554	USD 10.1085
Class F(HKD)	HKD 10.1359	-
Class H(HKD)	HKD 10.0734	-

CHINAAMC SELECT MONEY MARKET FUND
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STATEMENT OF CASH FLOWS (UNAUDITED)

For the period from 1 January 2023 to 30 June 2023

	For the period from 1 January 2023 to 30 June 2023 (Unaudited) USD	For the period from 1 January 2022 to 30 June 2022 (Unaudited) HKD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,124,815	305,368
Adjustment for:		
Interest income	<u>(6,280,047)</u>	<u>(381,960)</u>
	(155,232)	(76,592)
Increase in financial assets at fair value through profit or loss	(11,987,450)	(2,729,807)
Decrease/ (increase) in time deposits	28,270,651	(41,490,36)
Increase in amounts due from Manager	(129,727)	(31,925)
Decrease/ (increase) in prepayments	7,118	(6,534)
Decrease in financial liabilities at fair value through profit or loss	-	(20,787)
Increase/ (decrease) in management fee payable	32,946	(331)
Increase/ (decrease) in trustee fee payable	10,324	(677)
Increase/ (decrease) in accrued expenses and other payables	<u>71,012</u>	<u>(60,616)</u>
Cash flow generated from/ (used in) operations	16,119,642	(44,417,629)
Interest received	5,713,684	337,521
Net cash flows generated from/ (used in) operating activities	<u>21,833,326</u>	<u>(44,080,108)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of units	352,450,704	8,322,987
Payments for redemption of units	<u>(167,434,017)</u>	<u>(18,880,688)</u>
Net cash flows generated from/ (used in) financing activities	<u>185,016,687</u>	<u>(10,557,701)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	206,850,013	(54,637,809)
Cash and cash equivalents at the beginning of the period	<u>174,573,359</u>	<u>106,938,748</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>381,423,372</u>	<u>52,300,939</u>
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash at banks	67,666,185	3,690,651
Non-pledged short-term deposit with original maturity within three months	<u>313,757,187</u>	<u>48,610,288</u>
	<u>381,423,372</u>	<u>52,300,939</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:		
Interest income on bank deposits	<u>5,983,883</u>	<u>298,461</u>

CHINAAMC SELECT MONEY MARKET FUND
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PERFORMANCE TABLE (UNAUDITED)

Net assets attributable to unitholders

(calculated in accordance with International Financial Reporting Standards)

	Net asset value per unit	Net asset value HKD
As at 30 June 2022 (Unaudited)		
– Class I (HKD)	HKD 10.4286	94,084,886
– Class A (HKD)	HKD 10.3648	328,380,759
– Class I (USD)	USD 10.2554	3,991,206
– Class F(HKD)	HKD 10.1359	1,050,849
– Class H(HKD)	HKD 10.0734	10,073
As at 31 December 2022 (Audited)		
– Class I HKD	HKD 10.2295	110,910,994
– Class I USD	USD 10.1085	3,915,008
– Class A HKD	HKD 10.1718	119,683,488
As at 31 December 2021 (Audited)		
– Class I HKD	HKD 10.0685	107,220,419
– Class I USD	USD 9.9486	15,515,543
– Class A HKD	HKD 10.0224	5,676,974
As at 31 December 2020 (Audited)		
– Class I HKD	HKD 10.0263	63,909,547
– Class A HKD	HKD 9.9884	25,722
As at 31 December 2019 (Audited)		
– Class I HKD	HKD 10.0037	111,538,502

Highest issue price and lowest redemption price per unit¹

(calculated in accordance with the Trust Deed)

	Highest issue price per unit	Lowest Redemption price per unit
For the period from 1 January 2023 to 30 June 2023		
– Class I HKD	HKD 10.4299	HKD 10.2379
– Class I USD	USD 10.0887	USD 10.2654
– Class A HKD	HKD 10.1801	HKD 10.3661
– Class F HKD	HKD 10.1371	HKD 10.0029
– Class H HKD	HKD 10.0746	HKD 10.0027

¹ Past performance figures shown are not indicative of the future performance of the Sub-Fund.

CHINAAMC SELECT MONEY MARKET FUND
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PERFORMANCE TABLE (UNAUDITED) (continued)

Highest issue price and lowest redemption price per unit¹

(calculated in accordance with the Trust Deed)

For the year ended 31 December 2022		
– Class I HKD	HKD 10.2329	HKD 10.0851
– Class I USD	USD 10.1231	USD 9.9105
– Class A HKD	HKD 10.1753	HKD 10.0370
For the year ended 31 December 2021		
– Class I HKD	HKD 10.0854	HKD 10.0731
– Class I USD	USD 10.0115	USD 9.9531
– Class A HKD	HKD 10.0412	HKD 10.0314
For the year ended 31 December 2020		
- Class I HKD	HKD 10.0773	HKD 10.0243
- Class A HKD	HKD 10.0400	HKD 10.0000
For the period from 29 March 2019 (date of inception) to 31 December 2019 (Audited)		
- Class I HKD	HKD 10.0840	HKD 9.9558

¹ Past performance figures shown are not indicative of the future performance of the Sub-Fund.

CHINAAMC SELECT MONEY MARKET FUND
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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

For the period from 1 January 2023 to 30 June 2023

	As at 01 January 2023	Movement in holdings			As at 30 June 2023
		Addition	Bonus/ Dividends	Disposal	
<u>Fixed Income Securities</u>					
CHINA CONSTRUCTION BANK/MACAU 4% A 10JAN2024 FXCD	- 15,000,000		- (10,000,000)		5,000,000
TFI OVERSEAS INVESTMENT LTD 6% A 18JAN2024	- 5,000,000		-	-	5,000,000
TFI OVERSEAS INVESTMENT LTD 6% A 18JAN2024	- 2,000,000		-	-	2,000,000
Total investment portfolio	- 22,000,000		- (10,000,000)		12,000,000

CHINAAMC SELECT MONEY MARKET FUND
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INVESTMENT PORTFOLIO (UNAUDITED)

30 June 2023

	Nominal Value	Fair Value HKD	% of net asset
DEBT SECURITIES			
China			
TFI OVERSEAS INVESTMENT LTD 6% A 18JAN2024	HKD 2,000,000	2,000,000	0.47%
		<u>2,000,000</u>	<u>0.47%</u>
Hong Kong			
CHINA CONSTRUCTION BANK/MACAU 4% A 10JAN2024 FXCD	HKD 5,000,000	4,987,450	1.17%
		<u>4,987,450</u>	<u>1.17%</u>
VIRGIN ISL, BT			
MUFG BANK LTD/HONG KONG 2.16% Q 05JUL2022 FXCD	HKD 5,000,000	5,000,000	1.17%
		<u>5,000,000</u>	<u>1.17%</u>
Total investments portfolio (Cost: HKD 11,987,450)		11,987,450	2.80%
Other net assets		<u>415,530,323</u>	<u>97.20%</u>
Total net assets as at 30 June 2023		<u><u>427,517,773</u></u>	<u>100.00%</u>

CHINAAMC SELECT MONEY MARKET FUND
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INVESTMENT PORTFOLIO (UNAUDITED) (continued)

30 June 2022

	Days
Portfolio weighted average maturity in days	42.04
Portfolio weighted average life in days	0.13

	Fair value (in HKD)	% of net assets
Daily liquid assets	425,704,883	99.58%
Weekly liquid assets	425,704,883	99.58%

CHINAAMC SELECT MONEY MARKET FUND
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DISTRIBUTION DISCLOSURE (UNAUDITED)

For the period from 1 January 2023 to 30 June 2023

According to the distribution policy, no dividends or distributions will be made by the Sub-Fund.

CHINAAMC SELECT MONEY MARKET FUND
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RECONCILIATION OF NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

As at 30 June 2023

HKD

Net assets attributable to unitholders (calculated in accordance with International Financial Reporting Standards)	427,517,773
Adjustment for preliminary expenses	53,889
Adjustment for unsettled capital transactions	<u>(1,866,779)</u>
Net assets attributable to unitholders (calculated in accordance with the Trust Deed)	<u>425,704,883</u>
Net assets attributable to unitholders (per unit) (calculated in accordance with International Financial Reporting Standards)	
- Class I HKD	HKD 10.4286
- Class I USD	USD 10.2554
- Class A HKD	HKD 10.3648
- Class F HKD	HKD 10.1359
- Class H HKD	HKD 10.0734
Net assets attributable to unitholders (per unit) (calculated in accordance with the Trust Deed)	
- Class I HKD	HKD 10.4299
- Class I USD	USD 10.2567
- Class A HKD	HKD 10.3661
- Class F HKD	HKD 10.1371
- Class H HKD	HKD 10.0746

