

ChinaAMC Select Fund

**ChinaAMC Select Asia Bond Fund**

**Annual Report**

For the year ended 31 December 2018



**华夏基金**  
**ChinaAMC**

ANNUAL REPORT

CHINAAMC SELECT ASIA BOND 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 year ended 31 December 2018

CHINAAMC SELECT ASIA BOND 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:

<http://www.chinaamc.com.hk/en/products/public-fund/chinaamc-select-asia-bond-fund/documents.html>

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

CHINAAMC SELECT ASIA BOND 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**

Yang Minghui  
Zhang Xiaoling  
Gan Tian  
Li Yimei (appointed on 18 May 2018)  
Li Min (appointed on 18 May 2018)  
Tang Xiaodong (appointed on 10 January 2018 and  
resigned on 27 April 2018)

**LEGAL ADVISER TO THE MANAGER**

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

**TRUSTEE, ADMINISTRATOR AND REGISTRAR**

BOCI-Prudential Trustee Limited  
12/F and 25/F, Citicorp Centre  
18 Whitfield Road  
Causeway Bay, Hong Kong

**AUDITOR**

Ernst & Young  
22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

**CUSTODIAN**

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

CHINAAMC SELECT ASIA BOND FUND  
(a sub-fund of ChinaAMC Select Fund)

REPORT OF THE MANAGER TO THE UNITHOLDERS

*Introduction*

ChinaAMC Select Asia Bond 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 seeks to achieve long term return by investing primarily (i.e. not less than 70% of the net asset value of the Sub-Fund) in fixed income and debt instruments issued or guaranteed by issuers domiciled in Asia and whose predominant business, in the opinion of the Manager, China Asset Management (Hong Kong) Limited, will benefit from or is related to the economic growth in Asia.

*Market Review*

Rate normalization in the U.S. has been the major theme across fixed income markets in 2018. Higher rates now may be ahead global wide, as both the European Central Bank and the Bank of Japan appear poised to begin tightening sometime in 2019 or 2020, albeit at a very slow pace. For the China-US trade talk, which hastened exports in the second half of 2018 has already led to cannibalization on exports in 2019. We expect to see a rapid worsening of trade data at the beginning of 2019, only then the broader effects of trade tariff can be assessed. Apparently the Chinese government is preparing for the worst by planning more cuts in taxes, pension burden and others. Bond market has priced in a bearish scenario of economic prospect. The fear for the consequence of an inversed US yield curve will possibly keep the sentiment in 2019. Investors are less confident about the economic and inflation prospects, while the upcoming supply of the US government debt plus foreign countries' selling of treasury bonds do not paint a optimistic outlook for overall US fixed income market, in our view. Maintaining a well-diversified exposures by involving emerging market local debts is the strategy to balance risk and returns in 2019. On high-yield market, this high risk asset class is expected to face pressure while we are at the late stage of an economic cycle.

China Asset Management (Hong Kong) Limited  
25 April 2019

CHINAAMC SELECT ASIA BOND FUND  
(a sub-fund of ChinaAMC Select Fund)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager, China Asset Management (Hong Kong) Limited, has, in all material respects, managed ChinaAMC Select Asia Bond Fund (a sub-fund of ChinaAMC Select Fund) for the year ended 31 December 2018 in accordance with the provisions of the trust deed dated 12 January 2012, as amended or supplemented from time to time.

On behalf of  
BOCI-Prudential Trustee Limited, the Trustee

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25 April 2019

**Independent auditor's report  
To The Manager and the Trustee of  
ChinaAMC Select Asia Bond Fund**

(A sub-fund of ChinaAMC Select Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of ChinaAMC Select Asia Bond Fund (a sub-fund of ChinaAMC Select Fund (the "Trust") and referred to as the "Sub-Fund") set out on pages 7 to 35, which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial disposition of the Sub-Fund as at 31 December 2018, and of its financial transactions and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

**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 are independent of the Sub-Fund in accordance with the Code of Ethics for Professional Accountants (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than the financial statements and auditor's report thereon**

The Manager and the Trustee of the Sub-Fund are responsible for the other information. The other information comprises 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.

**To The Manager and the Trustee of  
ChinaAMC Select Asia Bond Fund**

(A sub-fund of ChinaAMC Select Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

**Responsibilities of the Manager and the Trustee for the financial statements**

The Manager and the Trustee of the Sub-Fund are 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 Manager and the Trustee determine 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 Manager and the Trustee of the Sub-Fund are 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 Manager and the Trustee either intend to liquidate the Sub-Fund or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Trustee of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 12 January 2012 as amended or supplemented from time to time (the "Trust Deed") and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds (the "SFC Code") issued by the Hong Kong Securities and Futures Commission.

**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. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, 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 the relevant disclosure provisions of Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgement 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.

**Independent auditor's report** (continued)

**To The Manager and the Trustee of  
ChinaAMC Select Asia Bond Fund**

(A sub-fund of ChinaAMC Select Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

**Auditor's responsibilities for the audit of the financial statements** (continued)

- 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 Manager and the Trustee.
- Conclude on the appropriateness of the Manager's and the Trustee'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 Manager and the Trustee 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.

**Report on matters under the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of 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 the relevant disclosure provisions of Appendix E of the SFC Code.

Certified Public Accountants  
Hong Kong  
25 April 2019

CHINAAMC SELECT ASIA BOND FUND  
(a sub-fund of ChinaAMC Select Fund)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2018

	Notes	2018 USD	2017 USD
<b>INCOME</b>			
Interest income on financial assets at fair value through profit or loss		656,342	543,690
Interest income on bank deposits	5	1,002	119
Sundry income		-	2,550
		<u>657,344</u>	<u>546,359</u>
<b>EXPENSES</b>			
Management fee	5	( 71,989)	( 64,245)
Trustee fee	5	( 36,000)	( 36,000)
Custodian fee	5	( 19,694)	( 21,130)
Auditors' remuneration		( 15,000)	( 15,000)
Transaction handling fee	5	( 9,105)	( 9,780)
Legal and professional fee		( 24,050)	( 2,542)
Other expenses		( 7,409)	( 4,586)
		<u>( 183,247)</u>	<u>( 153,283)</u>
<b>PROFIT BEFORE INVESTMENT AND EXCHANGE DIFFERENCES</b>		<b>474,097</b>	<b>393,076</b>
Net (loss)/gain on financial assets at fair value through profit or loss		( 701,851)	589,623
Exchange loss		( 3,995)	-
		<u>( 705,846)</u>	<u>589,623</u>
<b>(LOSS)/PROFIT BEFORE TAX</b>		<b>( 231,749)</b>	<b>982,699</b>
Withholding taxes	7	-	-
<b>(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<b><u>( 231,749)</u></b>	<b><u>982,699</u></b>

CHINAAMC SELECT ASIA BOND FUND  
(a sub-fund of ChinaAMC Select Fund)

STATEMENT OF FINANCIAL POSITION

31 December 2018

	Notes	2018 USD	2017 USD
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	8	1,938,462	10,890,089
Interest receivable		34,983	123,996
Other prepayment and receivables		-	48
Cash and cash equivalents	9	<u>395,920</u>	<u>63,836</u>
<b>TOTAL ASSETS</b>		<u>2,369,365</u>	<u>11,077,969</u>
<b>LIABILITIES</b>			
Management fee payable	5	14,254	5,639
Trustee fee payable	5	3,000	3,000
Amount due to broker		199,940	-
Accrued expenses and other payables		<u>15,285</u>	<u>15,211</u>
<b>TOTAL LIABILITIES</b>		<u>232,479</u>	<u>23,850</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	10	<u>2,136,886</u>	<u>11,054,119</u>
<b>NUMBER OF UNITS IN ISSUE</b>			
- Class I USD		-	1,000,000
- Class I HKD		1,560,000	-
- Class A USD		19,533	240
<b>NET ASSET VALUE PER UNIT</b>			
- Class I USD		-	USD 11.0516
- Class I HKD		HKD 9.7328	-
- Class A USD		USD 10.1511	USD 10.4213

CHINAAMC SELECT ASIA BOND FUND  
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Year ended 31 December 2018

	Number of Units	USD
At 1 January 2017	-	-
Reclassification of the redeemable units as financial liabilities	1,000,000	10,068,990
Subscription of units		
– Class A USD	240	2,430
Increase in net asset attributable to unitholders	<u>-</u>	<u>982,699</u>
As at 31 December 2017 and 1 January 2018	1,000,240	11,054,119
Subscription of units		
– Class I HKD	1,560,000	1,995,292
– Class A USD	<u>20,367</u>	<u>208,553</u>
	1,580,367	2,203,845
Redemption of units		
– Class I USD	( 1,000,000)	( 10,878,303)
– Class A USD	<u>( 1,074)</u>	<u>( 11,026)</u>
	( 1,001,074)	( 10,889,329)
Decrease in net assets attributable to unitholders	<u>-</u>	<u>( 231,749)</u>
At 31 December 2018	<u>1,579,533</u>	<u>2,136,886</u>

CHINAAMC SELECT ASIA BOND FUND  
(a sub-fund of ChinaAMC Select Fund)

STATEMENT OF CASH FLOWS

Year ended 31 December 2018

	Notes	2018 USD	2017 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit before tax		( 231,749)	982,699
Adjustments for:			
Decrease/(increase) in financial assets at fair value through profit or loss		8,951,627	( 1,900,423)
Decrease/(increase) in interest receivable		89,013	( 18,861)
Decrease/(increase) in prepayment and other receivables		48	( 48)
Increase/(decrease) in management fee payable		8,615	( 9,024)
Increase/(decrease) in accrued expenses and other payables		74	( 514)
Increase in amounts due to brokers		199,940	-
Cash generate from/(used in) operations		9,017,568	( 946,171)
Tax paid		-	-
Net cash flows generate from/(used in) operating activities		9,017,568	( 946,171)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Proceeds on issue of units		2,203,845	2,430
Payments for redemption of units		( 10,889,329)	-
Net cash flows (used in)/generated from financing activity		( 8,685,484)	2,430
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of the year		332,084	( 943,741)
		63,836	1,007,577
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		395,920	63,836
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>			
Cash at banks	9	395,920	63,836
Net cash generate from/(used in) operating activities includes:			
Interest income on bank deposits	5	1,002	119

CHINAAMC SELECT ASIA BOND FUND  
(a sub-fund of ChinaAMC Select Fund)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

1. THE SUB-FUND

ChinaAMC Select Fund (the "Trust") was constituted as an open-ended unit trust established as an umbrella fund under the laws of Hong Kong pursuant to a trust deed dated 12 January 2012, as amended or supplemented from time to time (the "Trust Deed").

ChinaAMC Select Asia Bond Fund (the "Sub-Fund") was constituted as a separate sub-fund of the Trust on 12 January 2012. The Sub-Fund is an open-ended unit trust and is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") under Section 104(1) of the Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC (the "SFC Code"). Authorisation by the SFC does not imply official approval or recommendation. The Sub-Fund was launched on 30 September 2016. As at 31 December 2018, there are five other sub-funds established under the Trust and the inception dates are as follow:

	Inception date
ChinaAMC Select RMB Bond Fund	21 February 2012
ChinaAMC Select RMB Short-Term Bond Fund	27 February 2014
ChinaAMC Select China New Economy Fund	27 May 2015
ChinaAMC Select Hong Kong China Opportunities Fund	9 March 2016
ChinaAMC Select Fixed Income Allocation Fund	28 August 2018

The manager of the Trust is China Asset Management (Hong Kong) Limited (the "Manager") and the Trustee is BOCI-Prudential Trustee Limited (the "Trustee"). The Custodian is Bank of China (Hong Kong) Limited (the "Custodian").

The Sub-Fund seeks to achieve long term return by investing primarily (i.e. not less than 70% of the net asset value of the Sub-Fund) in fixed income and debt instruments issued or guaranteed by issuers domiciled in Asia and whose predominant business, in the opinion of the Manager, will benefit from or is related to the economic growth in Asia.

2.1 BASIS OF PREPARATION

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E of the SFC Code.

The financial statements have been prepared under the historical cost basis, except for financial assets classified at fair value through profit or loss ("FVPL") that have been measured at fair value. The financial statements are presented in United States Dollars ("USD") and all values are rounded to the nearest USD except where otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Sub-Fund has not early applied any of the new and revised IFRSs that have been issued but are not yet effective for the accounting period ended 31 December 2018, in these financial statements. Among the new and revised IFRSs, the following are expected to be relevant to the Sub-Fund's financial statements upon becoming effective:

Amendments to IAS 1 and IAS 8                      *Definition of Material*<sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Sub-Fund expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Sub-Fund's financial statements.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Sub-Fund has adopted the following revised IFRS for the first time for the current year's financial statements, which are applicable to the Sub-Fund.

IFRS 9    *Financial Instruments*  
IFRS 15    *Revenue from Contracts with Customers*

The nature and the impact of the amendments are described below:

IFRS 9 Financial Instruments

The Sub-Fund adopted IFRS 9 *Financial Instruments* on its effective date of 1 January 2018. IFRS 9 replaces International Accounting Standard ("IAS") 39 *Financial Instruments: Recognition and Measurement* and introduces new requirements for classification and measurement, impairment and hedge accounting. IFRS 9 is not applicable to items that have already been derecognised at 1 January 2018, the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) Classification and measurement

The Sub-Fund has assessed the classification of financial instruments as at the date of initial application and has applied such classification retrospectively. Based on that assessment:

- All financial assets previously held at fair value continue to be measured at fair value.
- Debt instruments are acquired for the purpose of generating short-term profit. Therefore, they meet the held-for-trading criteria and are required to be measured at FVPL.
- Financial assets previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest ("SPPI"). Thus, such instruments continue to be measured at amortised cost under IFRS 9.
- The classification of financial liabilities under IFRS 9 remains broadly the same as under IAS 39. The main impact on measurement from the classification of liabilities under IFRS 9 relates to the element of gains or losses for financial liabilities designated as at FVPL attributable to changes in credit risk. IFRS 9 requires that such element be recognised in other comprehensive income ("OCI"), unless this treatment creates or enlarges an accounting mismatch in profit or loss, in which case, all gains and losses on that liability (including the effects of changes in credit risk) should be presented in profit or loss. The Sub-Fund has not designated any financial liabilities at FVPL. Therefore, this requirement has not had any impact on the Sub-Fund.

(b) Impairment

For financial assets carried at amortised cost, including other receivable and amounts due from participating dealers, the expected credit loss ("ECL") is based on the 12-month ECL. This represents the portion of lifetime ECL that results from default events on the financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Manager has closely monitored the credit qualities and the collectability of other financial assets at amortised cost and considers that the ECL is immaterial.

(c) Hedge accounting

The Sub-Fund has not applied hedge accounting under IAS 39 nor will it apply hedge accounting under IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

**Impact of adoption of IFRS 9**

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on 1 January 2018, however, the Fund has chosen to take advantage of the option not to restate comparatives. Therefore, the 2017 figures are presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the measurement categories under IFRS 9 for the Sub-Fund's financial assets and financial liabilities as at 1 January 2018.

**Financial assets**

1 January 2018	IAS 39 classification	IAS 39 measurement USD	IFRS 9 classification	IFRS 9 measurement USD
Debt instruments	Held for trading at FVPL	10,890,089	FVPL	10,890,089
Interest receivable	Loans and receivables	123,996	Amortised cost	123,996
Cash and cash equivalents	Loans and receivables	63,836	Amortised cost	63,836

**Financial liabilities**

1 January 2018	IAS 39 classification	IAS 39 Measurement USD	IFRS 9 classification	IFRS 9 measurement USD
Management fee payable	Other financial liabilities	5,639	Amortised cost	5,639
Trustee fee payable	Other financial liabilities	3,000	Amortised cost	3,000
Accrued expenses and other payables	Other financial liabilities	15,211	Amortised cost	15,211
Net assets attributable to unitholders	Other financial liabilities	11,054,119	Amortised cost	11,054,119

In line with the characteristics of the Sub-Fund's financial instruments as well as its approach to their management, the Sub-Fund neither revoked nor made any new designations on the date of initial application. IFRS 9 has not resulted in changes in the carrying amount of the Sub-Fund's financial instruments due to changes in measurement categories. All financial assets that were classified as FVPL under IAS 39 are still classified as FVPL under IFRS 9. All financial assets that were classified as loans and receivables and measured at amortised cost continue to be.

In addition, the application of the ECL mode under IFRS 9 has not significantly changed the carrying amounts of the Sub-Fund's amortised cost financial assets. No ECL allowance has been recorded against the Sub-Fund's interest receivable and other receivables both under IFRS 9 and IAS 39.

The carrying amounts of amortised cost instruments continued to approximate these instruments' fair values on the date of transition after transitioning to IFRS 9.

**IFRS 15 Revenue from contracts with customers**

The Sub-Fund adopted IFRS 15 *Revenue from contracts with customers* on its effective date of 1 January 2018. IFRS 15 replaces IAS 18 *Revenue* and establishes a five-step model to account for revenue arising from contracts with customers. In addition, guidance on interest and dividend income have been moved from IAS 18 to IFRS 9 without significant changes to the requirements. Therefore, there was no impact of adopting IFRS 15 for the Sub-Fund.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

In the current period the Sub-Fund has adopted IFRS 9 *Financial Instruments*. See section 2.3 for an explanation of the impact. Comparative figures for the year ended 31 December 2017 have not been restated. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*.

(a) Classification

(i) Policy effective from 1 January 2018 (IFRS 9)

In accordance with IFRS 9, the Sub-Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or
- On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking, or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Financial assets

The Sub-Fund classifies its financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

*Financial assets measured at amortised cost*

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. The Sub-Fund includes in this category short-term non-financing receivables including interest receivable and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(a) Classification (continued)

(i) Policy effective from 1 January 2018 (IFRS 9) (continued)

*Financial assets measured at FVPL*

A financial asset is measured at FVPL if:

- Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding, or
- It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell, or
- At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Sub-Fund includes in this category debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial liabilities

Financial liabilities measured at amortised cost includes all financial liabilities. The Sub-Fund includes in this category management fee payable, trustee fee payable, accrued expenses and other payables, and amount due to broker.

(ii) Policy effective before 1 January 2018 (IAS 39)

The Sub-Fund classifies its financial assets and liabilities into the following categories, in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*.

Financial assets at FVPL

Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes debt instruments. These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Sub-Fund includes in this category amounts relating to cash and cash equivalents and other short-term receivables.

Financial liabilities

This category includes all financial liabilities, other than those classified as held-for-trading. The Sub-Fund includes in this category amounts relating to short-term payables.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(b) Recognition (under IFRS 9 and IAS39)

The Sub-Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Sub-Fund commits to purchase or sell the financial asset.

(c) Initial measurement (under IFRS 9 and IAS39)

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(d) Subsequent measurement (under IFRS 9 and IAS39)

After initial measurement, the Sub-Fund measures financial instruments which are classified as at FVPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVPL in the statement of profit or loss and other comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense in the statement of profit or loss and other comprehensive income.

Interest receivable and other receivables, other than those classified as at FVPL, are measured at amortised cost using the effective interest method ("EIR") less any allowance for impairment. Gains and losses are recognised in profit or loss when the financial assets are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the EIR. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The EIR is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability.

When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider ECL. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(e) Derecognition (under IFRS9 and IAS39)

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Sub-Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in without material delay to a third party under a pass-through arrangement and the Sub-Fund has:

- Transferred substantially all the risks and rewards of the asset, or
- Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Sub-Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset transferred control of the asset, the asset is recognised to the extent of the Sub-Fund's continuing involvement in the asset. In that case, the Sub-Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Fund has retained. The Sub-Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

(a) Policy effective from 1 January 2018 (IFRS 9)

For financial assets measured at amortised cost, impairment allowances are recognised under the general approach where ECL are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Sub-Fund is required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

The Sub-Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Sub-Fund uses the provision matrix as a practical expedient to measuring ECLs on interest receivable and other receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

(b) Policy effective before 1 January 2018 (IAS 39)

The Sub-Fund assesses at the end of each reporting period whether a financial asset or group of financial assets classified as loans and receivables is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future ECL that have not yet been incurred) discounted using the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss.

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Sub-Fund. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a previous write-off is later recovered, the recovery is credited to the profit or loss.

Interest revenue on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value measurement

The Sub-Fund measures its investments in financial instruments, such as debt instruments, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Sub-Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Sub-Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional and presentation currency

The Sub-Fund's functional currency is USD, which is the currency of the primary economic environment in which it operates. The Sub-Fund's performance is evaluated and its liquidity is managed in USD.

Therefore, the USD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Sub-Fund's presentation currency is also USD.

Foreign currency transactions

Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign currency transaction gains and losses on financial instruments classified as at FVPL and exchange differences on other financial instruments are included in the statement of profit or loss and other comprehensive income.

Amounts due from/to broker

Amounts due from brokers include receivables for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to broker are payables for securities purchased (in a regular way transaction) that are financial liabilities, other than those classified as at fair value through profit and loss.

Net assets attributable to unitholders

The Sub-Fund offered redeemable units, namely Class A units and Class I units, which are redeemable at the unitholder's option and are classified as financial liabilities.

Redeemable units are subscribed and redeemed during the Hong Kong and People's Republic of China ("PRC") business days of each calendar month or such other day or days determined by the Manager and Trustee may agree from time to time for cash equal to a proportionate share of the Sub-Fund's net assets attributable to unitholders of the relevant classes. The Manager is entitled, with the approval of the Trustee, to limit the number of redeemable units of the Sub-Fund redeemed on any business day to 10% of the total number of redeemable units of the Sub-Fund in issue.

Redeemable units are issued and redeemed at the holder's option at prices based on the Sub-Fund's net asset value per unit at the time of issue or redemption. The Sub-Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders by the number of units in issue of the relevant class.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net assets attributable to unitholders

Redeemable units are classified as an equity instrument when:

- (a) The redeemable units entitle the holder to a *pro-rata* share of the Sub-Fund's net assets in the event of the Sub-Fund's liquidation.
- (b) The redeemable units are in the class of instruments that is subordinate to all other classes of instruments.
- (c) All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features.
- (d) The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a *pro-rata* share of the Sub-Fund's net assets.
- (e) The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund over the life of the instrument.

In addition to the redeemable units having all the above features, the Sub-Fund must have no other financial instrument or contract that has:

- (a) Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund, and
- (b) The effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Sub-Fund continuously assesses the classification of the redeemable units. The Sub-Fund's redeemable units do not meet the definition of puttable instruments classified as equity instruments under the revised IAS 32 and are classified as financial liabilities.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

Upon issuance of redeemable units, the consideration received is included in equity. Transaction costs incurred by the Sub-Fund in issuing or acquiring its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Own equity instruments that are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in the statement of profit or loss and other comprehensive income on the purchase, sale, issuance or cancellation of the Sub-Fund's own equity instruments.

Distributions to unitholders

Distributions are at the discretion of the Sub-Fund. A distribution to the Sub-Fund's unitholders is accounted for as a deduction from net assets attributable to unitholders. A proposed distribution is recognised as a liability in the year in which it is approved by the Manager.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and demand deposits and short term deposit in banks with original maturities of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank.

Interest income

Interest income is recognized in the statement of profit or loss and other comprehensive income as it accrues using the EIR.

Net change in unrealised gains or losses on financial assets at FVPL

This item includes changes in the fair value of financial assets and liabilities as at FVPL and excludes interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Net realised gains or losses on financial assets at FVPL

Realised gains and losses on disposals of financial instruments classified as at FVPL are calculated using the weighted average method. They represent the difference between an instrument's average cost and disposal amount.

Related parties

A party is considered to be related to the Sub-Fund if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Sub-Fund;
  - (ii) has significant influence over the Sub-Fund; or
  - (iii) is a member of the key management personnel of the Sub-Fund or of a parent of the Sub-Fund;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Sub-Fund are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Sub-Fund are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Fund or an entity related to the Sub-Fund;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, of any member of a group of which it is a part, provides key management personnel services to the Sub-Fund or to the parent of the Sub-Fund.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes

In some jurisdiction, dividend income, interest income and capital gains are subject to withholding tax deducted at the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment income in the statement of profit or loss and other comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND CHANGE IN ACCOUNTING ESTIMATES

The preparation of the Sub-Fund's financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Going concern

The Manager has made an assessment of the Sub-Fund ability to continue as a going concern and is satisfied that the Sub-Fund has the intention and resources to continue in business for the 12 months after the year end date. Furthermore, the Manager is not aware of any material uncertainties that may cast significant doubt upon the Sub-Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Taxation

In preparing these financial statements, the Manager has made certain assumptions and used various estimates concerning the tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

5. TRANSACTIONS WITH THE TRUSTEE AND MANAGER AND THEIR CONNECTED PERSONS

Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the year ended 31 December 2018 between the Sub-Fund and the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with connected persons except for what is disclosed below.

a) Management fee

The Manager is entitled to receive a management fee from the Sub-Fund, up to 1.20% per annum (current level at 0.6% per annum for Class I Units and 1.2% per annum for Class A Units) with respect to the net asset value of the Sub-Fund calculated and accrued on each dealing day and are paid monthly in arrears.

The management fee for the year ended 31 December 2018 was USD71,989 (2017: USD64,245). As at 31 December 2018, management fee of USD14,254 (2017: USD5,639) was payable to the Manager.

b) Trustee fee

The Trustee is entitled to receive a trustee fee from the Sub-Fund, at current rates up to 0.14% (with a maximum of 0.5%) per annum, based on the net asset value, subject to minimum monthly fee of USD6,000, which is reduced by 50% from September 2016 to December 2018 and accrued on each valuation day and is paid monthly in arrears.

The trustee fee for the year ended 31 December 2018 was USD36,000 (2017: USD36,000). As at 31 December 2018, trustee fee of USD3,000 (2017: USD3,000) was payable to the Trustee.

c) Custodian fee

The Custodian is entitled to receive custodian fees from the Sub-Fund, at a current rate of up to 0.06% (up to a maximum of 0.1%) per annum, calculated monthly and is paid monthly in arrears.

The custodian fees for the year ended 31 December 2018 were USD19,694 (2017: USD21,130). As at 31 December 2018, there was no custodian fee payable to the Custodian (2017: USD Nil).

d) Transaction handling fees

Transaction handling fee pertain to the administrative fees for every transaction made through the Administrator at USD15 per transaction made. The transaction handling fees for the year ended 31 December 2018 were USD9,105 (2017: USD9,780). As at 31 December 2018, transaction handling fee of USD285 (2017: USD210) was payable to the Administrator.

e) Bank deposit held by the Trustee's affiliates

The Sub-Fund's bank deposit was held by the Trustee's affiliate, Bank of China (Hong Kong) Limited, with interest income amounting to USD1,002 for the year ended 31 December 2018 (2017: USD119). Further details of the balance held are described in note 9 to the financial statements.

CHINAAMC SELECT ASIA BOND FUND  
(a sub-fund of ChinaAMC Select Fund)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

5. TRANSACTIONS WITH THE TRUSTEE AND MANAGER AND THEIR CONNECTED PERSONS  
(CONTINUED)

- f) Investment transactions with connected persons of the Manager  
CITIC Securities Brokerage (HK) Limited was the Manager's affiliate.

	Aggregate value of purchases and sales of securities USD	Total commission paid USD	% of Sub-Fund's total transactions during the year %	Average commission Rate %
2018 CITIC Securities Brokerage (HK) Limited	6,370,281	-	3.11%	-
2017 CITIC Securities Brokerage (HK) Limited	3,108,582	-	1.34%	-

Commission paid for the debt securities is not separately identifiable and is included in the purchase and sale price.

6. SOFT COMMISSION ARRANGEMENTS

The Manager and its connected persons have not received any soft dollar commissions or entered into any soft dollar arrangements in respect of the management of the Sub-Fund during the year ended 31 December 2018 and 31 December 2017. The Manager and its connected persons have not retained any cash rebates from any broker or dealer.

7. WITHHOLDING TAXES

Hong Kong Tax

No provision for Hong Kong profits tax has been made for the Sub-Fund as the interest income and realised gain on disposal of investment of the Sub-Fund are excluded from the charge to profits tax under Section 14, Section 26 or Section 26A of the Hong Kong Inland Revenue Ordinance.

PRC Tax

Under PRC laws and regulations, foreign investors (such as the Sub-Fund) may be subject to a 10% withholding tax on income (such as interest and capital gains) imposed on securities issued by PRC tax resident enterprises ("Distribution Tax") and a 6% withholding tax on interest income derived from non-government bonds ("Value-added Tax"). There is no assurance that the tax rates will not be changed by the PRC tax authorities in the future. There was no PRC tax provided for the year ended 31 December 2018 (2017: Nil).

Other jurisdiction

Interest income and realised gain on disposal of investment of the Sub-Fund may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced. As the Sub-fund assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no liability has been recognized. for the year ended 31 December 2018 (2017: Nil).

CHINAAMC SELECT ASIA BOND FUND  
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NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018 USD	2017 USD
Financial assets at fair value through profit or loss		
- debt securities	<u>1,938,462</u>	<u>10,890,089</u>
Total financial assets at fair value through profit or loss:	<u><u>1,938,462</u></u>	<u><u>10,890,089</u></u>

The fair value of financial assets and liabilities traded in the markets is based on quoted market prices at the close of trading at the end of the reporting date.

The Sub-Fund utilises the last traded market price for both financial assets and financial liabilities where the last traded prices falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

The Sub-Fund's fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

When a price for an identical asset or liability is not observable, the Sub-Fund measures fair value using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, the Sub-Fund's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

Even when there is no observable market to provide pricing information about the sale of an asset or the transfer of a liability at the measurement date, a fair value measurement shall assume that a transaction takes place at that date, considered from the perspective of a market participant that holds the asset or owes the liability. That assumed transaction establishes a basis for estimating the price to sell the asset or to transfer the liability.

The Sub-Fund classified fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

The determination of what constitutes 'observable' requires significant judgement by the Manager. The Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

CHINAAMC SELECT ASIA BOND FUND  
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NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets measured at fair value as at 31 December 2018.

2018	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
- Debt securities	-	1,938,462	-	1,938,462
	<u>-</u>	<u>1,938,462</u>	<u>-</u>	<u>1,938,462</u>
2017	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
- Debt securities	-	10,890,089	-	10,890,089
	<u>-</u>	<u>10,890,089</u>	<u>-</u>	<u>10,890,089</u>

There are no investments classified within Level 1 and Level 3 and no transfers between levels for the year ended 31 December 2018.

9. CASH AND CASH EQUIVALENTS

	2018 USD	2017 USD
Cash at bank	<u>395,920</u>	<u>63,836</u>

The bank balance is the cash at bank held with Bank of China (Hong Kong) Limited, affiliate companies of the Trustee. The bank balance comprises savings and current account with bank at market interest rates. The bank balance is deposited with creditworthy banks with no recent history of default.

CHINAAMC SELECT ASIA BOND FUND  
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NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

10. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The consideration received or paid for units issued or re-purchased respectively is based on the value of the Sub-Fund's net asset value per unit at the date of the transaction. In accordance with the provisions, the Sub-Fund investment positions are valued based on the last traded market price for the purpose of determining the trading net asset value per unit for subscriptions and redemptions. The Sub-Fund's net asset value per unit is calculated by dividing the Sub-Fund's net assets with the total number of outstanding units.

Capital management

The Sub-Fund's objectives for managing capital are to invest the capital in investments in order to achieve its investment objective while maintaining sufficient liquidity to meet the expenses of the Sub-Fund, and to meet redemption requests as they arise.

A reconciliation of the net assets attributable to unitholders as reported in the statement of financial position to the net assets attributable to unitholders determined for the purposes of processing unit subscriptions and redemptions is provided below:

	2018 USD	2017 USD
Net assets attributable to unitholders as at last business day for the year (calculated in accordance with Explanatory Memorandum)	2,156,740	11,082,784
Differences between last business day and last calendar day:		
Interest Income	-	1,869
Operating expense	-	( 704)
Net assets attributable to unitholders as at last calendar day for the year	2,156,740	11,083,949
Adjustment for preliminary expenses	( 19,854 )	( 29,830)
Net assets attributable to unitholders (calculated in accordance with IFRSs)	<u>2,136,886</u>	<u>11,054,119</u>
Net assets attributable to unitholders (per unit) as at last business day for the year (calculated in accordance with Explanatory Memorandum)		
Class I USD	-	USD 11.0803
Class I HKD	HKD 9.8232	-
Class A USD	<u>USD 10.2454</u>	<u>USD 10.4487</u>
Net assets attributable to unitholders (per unit) as at last calendar day for the year (calculated in accordance with IFRSs)		
Class I USD	-	USD 11.0516
Class I HKD	HKD 9.7328	-
Class A USD	<u>USD 10.1511</u>	<u>USD 10.4213</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

11. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES

Risk management

Risk is inherent in the Sub-Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring. The Manager is responsible for identifying and controlling risks. In perspective of risk management, the Sub-Fund's objective is to create and protect value for unitholders.

The Sub-Fund is exposed to market risk (which includes interest rate risk and currency risk), liquidity risk and credit risk arising from the financial instruments it holds.

a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and indirectly observable variables such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investors' expectation, etc., which may have significant impact on the value of the investments. Market movement may therefore result in substantial fluctuation in the net asset value of redeemable units of the Sub-Fund.

The maximum risk resulting from financial instruments equals their fair value.

The Sub-Fund assumes market risk in trading activities. The Sub-Fund distinguishes market risk as interest rate risk and foreign exchange risk.

(i) Interest rate risk

Interest rate risk arises from the effects of fluctuations of markets interest rates on the fair value of interest-bearing assets and future cash flows.

As the Sub-Fund has invested in debt securities whose values are driven significantly by changes in interest rates, the Sub-Fund is subject to interest rate risk. When interest rates rise, the value of previously acquired debt securities will normally fall because new debt securities acquired will pay a higher rate of interest. In contrast, if interest rates fall, then the value of the previously acquired debt securities will normally rise. The Manager regularly assesses the economic condition and monitor changes in interest rates outlook to control the impact of interest rate risk. In a rising interest rate environment, the Sub-Fund will acquire debts with a shorter maturity profile to minimise the negative impact to the portfolio.

The majority of interest rate exposure arises on investments in debt securities. Most of the Sub-Fund's investments in debt securities carry fixed interest rates.

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11. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

a) Market risk (continued)

(i) Interest rate risk (continued)

The following table demonstrates the sensitivity of the Sub-Fund's profit or loss for the year ended 31 December 2018 to a reasonably possible change in interest rates, with all other variables held constant.

	Change in basis point	Sensitivity of interest income increase/(decrease) USD	Sensitivity of change in fair value of investments increase/(decrease) USD
2018			
Debt securities	+25	4,000	(2,249)
Debt securities	-25	(4,000)	2,249
2017			
Debt securities	+25	20,875	(82,199)
Debt securities	-25	(20,875)	82,199

The Sub-Fund also has interest-bearing bank deposits. As the bank deposits have maturity dates within three months, the Manager considers the movement in interest rates will not have significant cash flow impact on the net assets attributable to unitholders for the year ended 31 December 2018, and therefore no sensitivity analysis on bank deposit is presented.

(ii) Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Sub-Fund holds assets and liabilities mainly denominated in USD, the functional currency of the Sub-Fund. The Manager considers the Sub-Fund is not exposed to significant currency risk and therefore no sensitivity analysis is presented.

b) Liquidity risk

Liquidity risk is defined as the risk that the Sub-Fund will encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Sub-Fund could be required to pay its liabilities or redeem its units earlier than expected. The Sub-Fund is exposed to daily cash redemptions of its redeemable units. Units are redeemable at the holder's option based on the Sub-Fund's net asset value per unit at the time of redemption, calculated in accordance with the Sub-Fund's Trust Deed. It is the Sub-Fund's policy that the Manager monitors the Sub-Fund's liquidity position on a daily basis.

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11. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

b) Liquidity risk (continued)

The table below summarises the maturity profile of the Sub-Fund's financial assets and liabilities at the end of the reporting period based on contractual undiscounted cash flows in order to provide a complete view of the Sub-Fund's contractual commitments and liquidity.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Sub-Fund can be required to pay.

Financial assets

Analysis of debt securities at fair value through profit or loss into maturity groupings is based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date on which the assets will be realised.

	On demand USD'000	Within 1 month USD'000	1 month to 3 months USD'000	More than 3 months to 1 year USD'000	Total USD'000
As at 31 December 2018					
<u>Financial assets</u>					
Financial assets at fair value					
through profit or loss	-	1,938	-	-	1,938
Interest receivable	-	19	12	4	35
Cash and cash equivalents	396	-	-	-	396
<b>Total financial assets</b>	<b>396</b>	<b>1,957</b>	<b>12</b>	<b>4</b>	<b>2,369</b>

	On demand USD'000	Within 1 month USD'000	1 month to 3 months USD'000	More than 3 months to 1 year USD'000	Total USD'000
As at 31 December 2018					
<u>Financial liabilities</u>					
Management fee payable	-	14	-	-	14
Trustee fee payable	-	3	-	-	3
Accrued expenses and other payables	-	-	-	15	15
Amount due to broker	-	200	-	-	200
Net assets attributable to unitholders*	2,137	-	-	-	2,137
<b>Total financial liabilities</b>	<b>2,137</b>	<b>217</b>	<b>-</b>	<b>15</b>	<b>2,369</b>

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31 December 2018

11. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

	On demand USD'000	Within 1 month USD'000	1 month to 3 months USD'000	More than 3 months to 1 year USD'000	Total USD'000
As at 31 December 2017					
<u>Financial assets</u>					
Financial assets at fair value through profit or loss	-	10,890	-	-	10,890
Interest receivable	-	40	49	35	124
Cash and cash equivalents	64	-	-	-	64
<b>Total financial assets</b>	<b>64</b>	<b>10,930</b>	<b>49</b>	<b>35</b>	<b>11,078</b>

	On demand USD'000	Within 1 month USD'000	1 month to 3 months USD'000	More than 3 months to 1 year USD'000	Total USD'000
As at 31 December 2017					
<u>Financial liabilities</u>					
Management fee payable	-	6	-	-	6
Trustee fee payable	-	3	-	-	3
Accrued expenses and other payables	-	-	-	15	15
Net assets attributable to unitholders*	11,054	-	-	-	11,054
<b>Total financial liabilities</b>	<b>11,054</b>	<b>9</b>	<b>-</b>	<b>15</b>	<b>11,078</b>

\* Subject to redemption terms of the Sub-Fund.

(c) Credit and counterparty risk

Credit risk is the risk of loss to the Sub-Fund that may arise on outstanding financial instruments should a counterparty default on its obligations. The Sub-Fund minimises exposure to credit risk by only dealing with creditworthy counterparties.

All transactions by the Sub-Fund in securities are settled/paid for upon delivery using an approved broker. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Manager's policy is to closely monitor the creditworthiness of the Sub-Fund's counterparties (e.g., brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

11. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(c) Credit and counterparty risk (continued)

Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9's impairment disclosures or not.

**Financial assets subject to IFRS 9's impairment requirements**

The Sub-Fund's financial assets subject to the ECL model within IFRS 9 are only cash and cash equivalents and interest receivable. As at 31 December 2018, the total of cash and cash equivalents, and interest receivable was USD 430,903 on which no loss allowance had been provided (2017: total of USD 187,832 on which no loss had been incurred). There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the period.

For financial assets measured at amortised cost, the Sub-Fund applies the general approach for impairment, there is no information indicating that the financial asset had a significant increase in credit risk since initial recognition. The financial assets therefore are classified at stage 1 and presented in gross carrying amount.

In calculating the loss allowance, a provision matrix has been used based on historical observed loss rates over the expected life of the receivables adjusted for forward-looking estimates. Items have been grouped by their nature into the following categories: cash and cash equivalents and dividend receivables. All the Sub-Fund's cash and cash equivalents are held in major financial institutions located in Hong Kong, which the Manager believes are of high credit quality. The Manager considers the Sub-Fund is not exposed to significant credit risk and no loss allowance has been made.

**Financial assets not subject to IFRS 9's impairment requirements**

The Sub-Fund is exposed to credit risk on debt securities. This class of financial assets is not subject to IFRS 9's impairment requirements as they are measured at FVPL. The carrying value of these assets, under both IAS 39 (2017) and IFRS 9 (2018) represents the Sub-Fund's maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

The Sub-Fund invested in debt instruments that carry a credit rating grade of at least Ba1 or BB+ or equivalent assigned by one of the local rating agencies recognised by the relevant authorities in the PRC.

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11. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(c) Credit and counterparty risk (continued)

**Financial assets not subject to IFRS 9's impairment requirements**

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of assets held with the Custodian. The tables below summarise the Sub-Fund's assets placed with the Custodian and their related credit ratings from Standard & Poor's ("S&P"):

	USD	Credit rating	Source of credit rating
31 December 2018			
Custodian			
Bank of China (Hong Kong) Limited	1,938,462	A+	S&P
	USD	Credit rating	Source of credit rating
31 December 2017			
Custodian			
Bank of China (Hong Kong) Limited	10,890,089	A+	S&P

The Manager of the Sub-Fund considers that none of these assets are impaired nor past due as at 31 December 2018.

12. EVENTS AFTER THE REPORTING PERIOD

During the year between the year end and the date of authorisation of these financial statements, total subsequent subscription of Class I units of the Sub-Fund was 3,500,980 units while no subsequent redemption was noted. In addition, no subsequent subscription or redemption of Class A units of the Sub-Fund were noted.

13. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Trustee and the Manager on 25 April 2019.

CHINAAMC SELECT ASIA BOND FUND  
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INVESTMENT PORTFOLIO

31 DECEMBER 2018

	Nominal value (in USD)	Fair value (in USD)	% of net asset
<b>LISTED DEBT SECURITIES</b>			
<b>CAYMAN ISLAND</b>			
CIFI HLDGS GROUP CO LTD 7.625% S/A 02MAR2021	200,000	199,078	9.32%
LOGAN PROPERTY HLDGS CO LTD 8.75% S/A 12DEC2020	200,000	204,586	9.57%
MOON WISE GLOBAL LTD 9% S/A PERP	200,000	199,124	9.32%
SHIMAO PROPERTY HLDGS LTD 8.375% S/A 10FEB2022	200,000	207,734	9.72%
		<u>810,522</u>	<u>37.93%</u>
<b>CHINA</b>			
BANK OF COMMUNICATIONS CO LTD/HONG KONG 3M L+0.775% Q 21FEB2020	200,000	200,192	9.37%
		<u>200,192</u>	<u>9.37%</u>
<b>HONG KONG</b>			
BANK OF CHINA HONG KONG LTD 5.9% S/A PERP REGS	200,000	200,560	9.39%
		<u>200,560</u>	<u>9.39%</u>
<b>JAPAN</b>			
NOMURA HLDGS INC 2.75% S/A 19MAR2019	200,000	199,908	9.35%
		<u>199,908</u>	<u>9.35%</u>
<b>NETHERLANDS</b>			
PETROBRAS GLOBAL FINANCE BV 5.999% S/A 27JAN2028	200,000	189,270	8.85%
		<u>189,270</u>	<u>8.85%</u>
<b>VIRGIN ISLANDS</b>			
BAOXIN AUTO FINANCE I LTD 6.625% S/A 02APR2019	200,000	200,012	9.36%
JIUDING GROUP FINANCE CO LTD 6.5% S/A 25JUL2020	200,000	137,998	6.46%
		<u>338,010</u>	<u>15.82%</u>
Total investment portfolio (cost: USD1,929,151)		1,938,462	90.71%
Other net assets		198,424	9.29%
Total net assets		<u>2,136,886</u>	<u>100.00%</u>

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MOVEMENT IN PORTFOLIO HOLDINGS

31 DECEMBER 2018

	As at 1 January 2018	Movement in holdings			As at 31 December 2018
		Addition	Bonus/ Dividends	Disposal	
<b><u>Debt Securities</u></b>					
21VIANET GROUP INC 7% S/A 17AUG2020	200,000	200,000	-	(400,000)	-
3M CO 3% S/A 14SEP2021	-	400,000	-	(400,000)	-
ABJA INVESTMENT CO PTE LTD 5.45% S/A 24JAN2028	-	400,000	-	(400,000)	-
ABM INVESTAMA TBK 7.125% S/A 01AUG2022 REGS	200,000	300,000	-	(500,000)	-
AGILE GROUP HLDGS LTD 10.215% S/A PERP	-	700,000	-	(700,000)	-
AGILE GROUP HLDGS LTD 8.5% S/A 18JUL2021	-	200,000	-	(200,000)	-
AGILE GROUP HLDGS LTD 9% S/A 21MAY2020	-	500,000	-	(500,000)	-
AGILE GROUP HLDGS LTD 9.5% S/A 23NOV2020	-	200,000	-	(200,000)	-
AGRICULTURAL BANK OF CHINA LTD/HONG KONG 3M L+0.74% Q 07NOV2021	-	500,000	-	(500,000)	-
AMERICAN INTL GROUP INC 4.2% S/A 01APR2028	-	200,000	-	(200,000)	-
AOZORA BANK LTD 3.81% S/A 07SEP2021	-	260,000	-	(260,000)	-
ASAHI MUTUAL LIFE INSURANCE CO 6.5% S/A PERP	-	200,000	-	(200,000)	-
AT&T INC 3M L+1.18% Q 12JUN2024	-	400,000	-	(400,000)	-
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD/UK 6.75% S/A PERP REGS	224,000	400,000	-	(624,000)	-
AYC FINANCE LTD 5.125% S/A PERP	200,000	-	-	(200,000)	-
BANCO BILBAO VIZCAYA ARGENTARIA SA 6.125% Q PERP	400,000	-	-	(400,000)	-
BANCO DO BRASIL SA/CAYMAN 4.875% S/A 19APR2023	-	400,000	-	(400,000)	-
BANCO MERCANTIL DEL NORTE SA 6.875% Q PREP REGS	-	200,000	-	(200,000)	-
BANCO SANTANDER SA 4.75% Q PERP	-	600,000	-	(600,000)	-
BANCO SANTANDER SA 6.375% Q PERP	-	200,000	-	(200,000)	-
BANK OF AMERICA CORP 3M L+0.77% Q 05FEB2026	-	1,000,000	-	(1,000,000)	-
BANK OF AMERICA CORP 3M L+0.96% Q 23JUL2024	-	1,000,000	-	(1,000,000)	-
BANK OF CHINA HONG KONG LTD 5.9% S/A PERP REGS	-	1,300,000	-	(1,100,000)	200,000
BANK OF CHINA LTD 6.75% A PERP (NON-CUMULATIVE OFFSHORE PREFERENCE SHARES)	-	7,200,000	-	(7,200,000)	-

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MOVEMENT IN PORTFOLIO HOLDINGS (CONTINUED)

31 DECEMBER 2018

	As at 1 January 2018	Movement in holdings			As at 31 December 2018
		Addition	Bonus/ Dividends	Disposal	
<b>Debt Securities</b> (continued)					
BANK OF CHINA LTD 6.75% A PERP (NON-CUMULATIVE OFFSHORE PREFERENCE SHARES)(USD)	-	3,000,000	-	(3,000,000)	-
BANK OF COMMUNICATIONS CO LTD/HONG KONG 3M L+0.775% Q 21FEB2020	-	200,000	-	-	200,000
BANK OF THE PHILIPPINE ISLANDS 4.25% S/A 04SEP2023	-	400,000	-	(400,000)	-
BAOXIN AUTO FINANCE I LTD 6.625% S/A 02APR2019	-	800,000	-	(600,000)	200,000
BAOXIN AUTO FINANCE I LTD 8.75% S/A PERP	200,000	-	-	(200,000)	-
BARCLAYS PLC 7.75% Q PERP	-	650,000	-	(650,000)	-
BEIJING ENVIRONMENT BVI CO LTD 5.3% S/A 18OCT2021	-	600,000	-	(600,000)	-
BK OF CHINA HK 5.55% S/A 11FEB2020 REGS	-	477,000	-	(477,000)	-
BLUESCOPE FINANCE AMERICAS LLC 4.625% S/A 25MAY2023	-	200,000	-	(200,000)	-
BLUESTAR FINANCE HLDGS LTD 6.25% S/A PERP	-	300,000	-	(300,000)	-
BNP PARIBAS SA 7% S/A PERP REGS	-	200,000	-	(200,000)	-
BP CAPITAL MARKETS PLC 3.643% A 14MAY2023	-	1,000,000	-	(1,000,000)	-
BURLINGTON NORTHERN SANTA FE LLC 4.15% S/A 15DEC2048	-	500,000	-	(500,000)	-
CENTRAL JAPAN RAILWAY CO 3.4% S/A 06SEP2023	-	250,000	-	(250,000)	-
CHALCO HONG KONG INVESTMENT CO LTD 4.875% S/A 07SEP2021	-	800,000	-	(800,000)	-
CHARMING LIGHT INVESTMENTS LTD 3M L+1.15% Q 21DEC2020	200,000	-	-	(200,000)	-
CHINA AOYUAN PROPERTY GROUP LTD 6.35% S/A 11JAN2020	-	1,300,000	-	(1,300,000)	-
CHINA AOYUAN PROPERTY GROUP LTD 6.525% S/A 25APR2019	300,000	362,000	-	(662,000)	-
CHINA AOYUAN PROPERTY GROUP LTD 7.95% S/A 07SEP2021	-	550,000	-	(550,000)	-
CHINA CINDA ASSET MANAGEMENT CO LTD 4.45% A PERP	-	400,000	-	(400,000)	-
CHINA EVERGRANDE GROUP 7% S/A 23MAR2020	-	600,000	-	(600,000)	-
CHINA EVERGRANDE GROUP 8.75% S/A 28JUN2025	300,000	1,200,000	-	(1,500,000)	-
CHINA HONGQIAO GROUP LTD 6.85% S/A 22APR2019	-	400,000	-	(400,000)	-

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MOVEMENT IN PORTFOLIO HOLDINGS (CONTINUED)

31 DECEMBER 2018

	As at 1 January 2018	Movement in holdings			As at 31 December 2018
		Addition	Bonus/ Dividends	Disposal	
<b>Debt Securities</b> (continued)					
CHINA JINJIANG ENVIRONMENT HLDG CO LTD 6% S/A 27JUL2020	200,000	-	-	(200,000)	-
CHINA MINMETALS CORP 3.75% S/A PERP	-	1,000,000	-	(1,000,000)	-
CHINA OVERSEAS FINANCE CAYMAN VII LTD 4.75% S/A 26APR2028	-	650,000	-	(650,000)	-
CHINA OVERSEAS GRAND OCEANS FINANCE IV CAYMAN LTD 4.875% S/A 01JUN2021	-	700,000	-	(700,000)	-
CHINA SCE PROPERTY HLDGS LTD 7.45% S/A 17APR2021	-	500,000	-	(500,000)	-
CHINA SOUTHERN POWER GRID INTL FINANCE BVI CO LTD 4.25% S/A 18SEP2028	-	250,000	-	(250,000)	-
CIFI HLDGS GROUP CO LTD 5.375% S/A PERP	200,000	-	-	(200,000)	-
CIFI HLDGS GROUP CO LTD 5.5% S/A 23JAN2022	200,000	-	-	(200,000)	-
CIFI HLDGS GROUP CO LTD 6.875% S/A 23APR2021	-	300,000	-	(300,000)	-
CIFI HLDGS GROUP CO LTD 7.625% S/A 02MAR2021	-	200,000	-	-	200,000
CIFI HLDGS GROUP CO LTD 7.75% S/A 20SEP2020	-	5,000,000	-	(5,000,000)	-
CMHI FINANCE BVI CO LTD 4.375% S/A 06AUG2023	-	200,000	-	(200,000)	-
CMHI FINANCE BVI CO LTD 5% S/A 06AUG2028	-	200,000	-	(200,000)	-
COMMONWEALTH BANK OF AUSTRALIA 3M L+0.68% Q 18SEP2022 REGS	400,000	-	-	(400,000)	-
COSAN LTD 5.95% S/A 20SEP2024 REGS	200,000	-	-	(200,000)	-
COUNTRY GARDEN HLDGS CO LTD 4.75% S/A 25JUL2022	200,000	-	-	(200,000)	-
COUNTRY GARDEN HLDGS CO LTD 5.125% S/A 17JAN2025	-	200,000	-	(200,000)	-
COUNTRY GARDEN HLDGS CO LTD 5.625% S/A 15DEC2026	200,000	-	-	(200,000)	-
COUNTRY GARDEN HLDGS CO LTD 5.8% S/A 12MAR2021	-	3,000,000	-	(3,000,000)	-
COUNTRY GARDEN HLDGS CO LTD 7.125% S/A 27JAN2022	-	300,000	-	(300,000)	-
CREDIT SUISSE GROUP AG 7.25% S/A PERP REGS	-	250,000	-	(250,000)	-
CREDIT SUISSE GROUP AG 7.5% S/A PERP REGS	-	300,000	-	(300,000)	-
CSSC CAPITAL ONE LTD 4.125% S/A 27SEP2021	-	250,000	-	(250,000)	-

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MOVEMENT IN PORTFOLIO HOLDINGS (CONTINUED)

31 DECEMBER 2018

	As at 1 January 2018	Movement in holdings			As at 31 December 2018
		Addition	Bonus/ Dividends	Disposal	
<b>Debt Securities</b> (continued)					
DANSKE BANK A/S 7% S/A PERP	-	1,000,000	-	(1,000,000)	-
DIANJIAN INTL FINANCE LTD 4.6% S/A PERP	-	1,200,000	-	(1,200,000)	-
EASTERN CREATION II INVESTMENT HLDGS LTD 4.15% S/A 04DEC2021	-	200,000	-	(200,000)	-
EHI CAR SERVICES LTD 5.875% S/A 14AUG2022	200,000	-	-	(200,000)	-
EHI CAR SERVICES LTD 7.5% S/A 08DEC2018 REGS	-	500,000	-	(500,000)	-
FAR EAST HORIZON LTD 3M L+2% Q 03JUL2021	-	700,000	-	(700,000)	-
FAR EAST HORIZON LTD 4.375% S/A 27FEB2023	-	300,000	-	(300,000)	-
FIBRIA OVERSEAS FINANCE LTD 4% S/A 14JAN2025	200,000	-	-	(200,000)	-
FORTUNE STAR BVI LTD 5.25% S/A 23MAR2022	300,000	-	-	(300,000)	-
FORTUNE STAR BVI LTD 5.95% S/A 29JAN2023	-	400,000	-	(400,000)	-
FRANSHION BRILLIANT LTD 5.2% S/A 08MAR2021	-	4,000,000	-	(4,000,000)	-
FWD LTD 5.5% S/A PERP	-	300,000	-	(300,000)	-
GANSU PROVINCIAL HIGHWAY AVIATION TOURISM INVESTMENT GROUP CO LTD 6.25% S/A 02AUG2021	-	200,000	-	(200,000)	-
GCL NEW ENERGY HLDGS LTD 7.1% S/A 30JAN2021	-	200,000	-	(200,000)	-
GENERAL MOTORS FINANCIAL CO INC 4.35% S/A 09APR2025	-	400,000	-	(400,000)	-
GENNEIA SA 8.75% S/A 20JAN2022 REGS	-	200,000	-	(200,000)	-
GENNEIA SA 8.75% S/A 20JAN2022 REGS (FUNGED)	-	200,000	-	(200,000)	-
GEO COAL INTL PTE LTD 8% S/A 04OCT2022 REGS	-	400,000	-	(400,000)	-
GERDAU TRADE INC 4.875% S/A 24OCT2027 REGS	200,000	-	-	(200,000)	-
GOL FINANCE INC 7% S/A 31JAN2025 REGS	300,000	-	-	(300,000)	-
GOLDEN EAGLE RETAIL GROUP LTD 4.625% S/A 21MAY2023 REGS	-	400,000	-	(400,000)	-
GREENLAND GLOBAL INVESTMENT LTD 6.75% S/A 22MAY2019	-	200,000	-	(200,000)	-
GREENLAND GLOBAL INVESTMENT LTD 7.125% S/A 20MAR2021	-	2,000,000	-	(2,000,000)	-
GRUPO BIMBO SAB DE CV 5.95% S/A PERP REGS	-	400,000	-	(400,000)	-

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MOVEMENT IN PORTFOLIO HOLDINGS (CONTINUED)

31 DECEMBER 2018

	As at 1 January 2018	Movement in holdings			As at 31 December 2018
		Addition	Bonus/ Dividends	Disposal	
<b>Debt Securities</b> (continued)					
GS CALTEX CORP 3.875% S/A 27JUN2023 REGS	-	200,000	-	(200,000)	-
HIDROVIAS INTL FINANCE SARL 5.95% S/A 24JAN2025 REGS	-	200,000	-	(200,000)	-
HITACHI CAPITAL UK PLC 4.6% A 27SEP2021	-	5,000,000	-	(5,000,000)	-
HORSE GALLOP FINANCE LTD 3M L+1.18% Q 28JUN2021	-	400,000	-	(400,000)	-
HSBC HLDGS PLC 3M L+1% Q 18MAY2024	-	400,000	-	(400,000)	-
HSBC HLDGS PLC 3M L+1.38% Q 12SEP2026	-	400,000	-	(400,000)	-
HSBC HLDGS PLC 6% S/A PERP	200,000	-	-	(200,000)	-
HSBC HLDGS PLC 6.375% S/A PERP	-	300,000	-	(300,000)	-
HSBC HLDGS PLC 6.5% S/A PERP	-	250,000	-	(250,000)	-
HSBC HLDGS PLC 6.25% S/A PERP	-	250,000	-	(250,000)	-
HUARONG FINANCE 2017 CO 4.5% S/A PERP	300,000	-	-	(300,000)	-
HUARONG FINANCE 2017 CO LTD 3M L+1.65% Q 27APR2020	200,000	-	-	(200,000)	-
HUARONG FINANCE 2017 CO LTD 3M L+1.85% Q 27APR2022	200,000	-	-	(200,000)	-
HUASING INTL HLDGS CO LTD 5% S/A 20MAR2023	-	200,000	-	(200,000)	-
HUBEI SCIENCE & TECHNOLOGY INVESTMENT GROUP HONG KONG LTD 4.375% S/A 05MAR2021	-	200,000	-	(200,000)	-
HYUNDAI CAPITAL AMERICA L+0.8% Q 03APR2020 REGS	-	354,000	-	(354,000)	-
ICBCIL FINANCE CO LTD 3M L+0.95% Q 15MAY2021	-	500,000	-	(500,000)	-
INDIKA ENERGY CAPITAL II PTE LTD 6.875% S/A 10APR2022 REGS	200,000	800,000	-	(1,000,000)	-
INDO ENERGY FINANCE II BV 6.375% S/A 24JAN2023 REGS	200,000	400,000	-	(600,000)	-
INDONESIA ASAHAN ALUMINIUM TBK 5.23% S/A 15NOV2021 REGS	-	300,000	-	(300,000)	-
INDONESIA GOVERNMENT INTL BOND 4.1% S/A 24APR2028	-	700,000	-	(700,000)	-
ING GROEP NV 4.7% S/A 22MAR2028	-	300,000	-	(300,000)	-
ITAU UNIBANCO HLDG SA/CAYMAN ISLAND 6.125% S/A PERP REGS	200,000	-	-	(200,000)	-
ITAU UNIBANCO HLDG SA/CAYMAN ISLAND 6.5% S/A PERP REGS	-	300,000	-	(300,000)	-
JBS INVESTMENT II GMBH 7% S/A 15JAN2026 REGS	-	500,000	-	(500,000)	-
JD.COM INC 3.875% S/A 29APR2026	-	1,000,000	-	(1,000,000)	-

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MOVEMENT IN PORTFOLIO HOLDINGS (CONTINUED)

31 DECEMBER 2018

	As at 1 January 2018	Movement in holdings			As at 31 December 2018
		Addition	Bonus/ Dividends	Disposal	
<b><u>Debt Securities</u></b> (continued)					
JIANGSU NANTONG SANJIAN INTL CO LTD 7.8% S/A 26OCT2020	200,000	-	-	(200,000)	-
JIUDING GROUP FINANCE CO LTD 6.5% S/A 25JUL2020	-	700,000	-	(500,000)	200,000
JT INTL FINANCIAL SERVICES BV 3.875% S/A 28SEP2028	-	800,000	-	(800,000)	-
KINDER MORGAN INC 4.3% S/A 01MAR2028	-	400,000	-	(400,000)	-
KNIGHT CASTLE INVESTMENTS LTD 7.99% S/A 23JAN2021	-	200,000	-	(200,000)	-
KOREA DEVELOPMENT BANK 3M L+0.55% Q 12MAR2021	-	250,000	-	(250,000)	-
KOREA NATIONAL OIL CORP 3M L+0.875% Q 16JUL2023	-	200,000	-	(200,000)	-
KOREA WATER RESOURCES CORP 3.875% S/A 15MAY2023	-	200,000	-	(200,000)	-
KOREA WESTERN POWER CO LTD 3.75% S/A 07JUN2023	-	200,000	-	(200,000)	-
LG DISPLAY CO LTD 3.875% S/A 15NOV2021	-	200,000	-	(200,000)	-
LINGANG WINGS INC 4.625% S/A 05SEP2021	-	200,000	-	(200,000)	-
LLOYDS BANKING GROUP PLC 4.55% S/A 16AUG2028	-	400,000	-	(400,000)	-
LLOYDS BANKING GROUP PLC 7.5% Q PERP	-	300,000	-	(300,000)	-
LOGAN PROPERTY HLDGS CO LTD 5.375% S/A 03DEC2018	-	200,000	-	(200,000)	-
LOGAN PROPERTY HLDGS CO LTD 6.875% S/A 24APR2021	-	200,000	-	(200,000)	-
LOGAN PROPERTY HLDGS CO LTD 6.875% S/A 24APR2021	-	200,000	-	(200,000)	-
LOGAN PROPERTY HLDGS CO LTD 7.5% S/A 27AUG2021	-	300,000	-	(300,000)	-
LOGAN PROPERTY HLDGS CO LTD 8.75% S/A 12DEC2020	-	200,000	-	-	200,000
LONGFOR PROPERTIES CO LTD 4.5% S/A 16JAN2028	-	200,000	-	(200,000)	-
MAOYE INTL HLDGS LTD 7% S/A 23OCT2018	200,000	600,000	-	(800,000)	-
MARB BONDCO PLC 6.875% S/A 19JAN2025 REGS	-	200,000	-	(200,000)	-
MARUBENI CORP 3.75% S/A 17APR2023	-	200,000	-	(200,000)	-
MEXICO CITY AIRPORT TRUST 3.875% S/A 30APR2028 REGS	-	200,000	-	(200,000)	-
MITSUBISHI UFJ FINANCIAL GROUP INC 3.961% S/A 02MAR2028	-	400,000	-	(400,000)	-

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MOVEMENT IN PORTFOLIO HOLDINGS (CONTINUED)

31 DECEMBER 2018

	As at 1 January 2018	Movement in holdings			As at 31 December 2018
		Addition	Bonus/ Dividends	Disposal	
<b>Debt Securities</b> (continued)					
MITSUBISHI UFJ FINANCIAL GROUP INC 3M L+0.86% Q 26JUL2023	-	1,000,000	-	(1,000,000)	-
MITSUBISHI UFJ FINANCIAL GROUP INC 4.05% S/A 11SEP2028	-	400,000	-	(400,000)	-
MITSUBISHI UFJ LEASE & FINANCE CO LTD 3.96% S/A 19SEP2023 REGS	-	200,000	-	(200,000)	-
MIZUHO FINANCIAL GROUP INC 3.663% S/A 28FEB2027	-	200,000	-	(200,000)	-
MIZUHO FINANCIAL GROUP INC 3M L+0.79% Q 05MAR2023	-	400,000	-	(400,000)	-
MIZUHO FINANCIAL GROUP INC 3M L+1% Q 11SEP2024	-	350,000	-	(350,000)	-
MODERN LAND CHINA CO LTD 6.875% S/A 20OCT2019	-	400,000	-	(400,000)	-
MOON WISE GLOBAL LTD 9% S/A PERP	-	1,200,000	-	(1,000,000)	200,000
NAN FUNG TREASURY LTD 5% S/A 05SEP2028	-	500,000	-	(500,000)	-
NOMURA HLDGS INC 2.75% S/A 19MAR2019	-	200,000	-	-	200,000
NUOXI CAPITAL LTD 4.7% S/A 24JAN2021	-	700,000	-	(700,000)	-
NUOXI CAPITAL LTD 5.35% S/A 24JAN2023	-	200,000	-	(200,000)	-
OMAN GOVERNMENT INTL BOND 5.625% S/A 17JAN2028 REGS	-	500,000	-	(500,000)	-
OVERSEAS CHINESE TOWN ASIA HLDGS LTD 4.3% S/A PERP	-	300,000	-	(300,000)	-
PERUSAHAAN LISTRIK NEGARA 5.375% S/A 25JAN2029 REGS	-	200,000	-	(200,000)	-
PETROBRAS GLOBAL FINANCE BV 5.299% S/A 27JAN2025 REGS	300,000	-	-	(300,000)	-
PETROBRAS GLOBAL FINANCE BV 5.999% S/A 27JAN2028	-	200,000	-	-	200,000
PETROBRAS GLOBAL FINANCE BV 5.999% S/A 27JAN2028 REGS	-	6,300,000	-	(6,300,000)	-
PETROLEOS MEXICANOS 4.5% S/A 23JAN2026	-	200,000	-	(200,000)	-
PETROLEOS MEXICANOS 5.35% S/A 12FEB2028 REGS	-	200,000	-	(200,000)	-
PETROLEOS MEXICANOS 6.5% S/A 13MAR2027 REGS	200,000	-	-	(200,000)	-
PETROLEOS MEXICANOS 6.5% S/A 23JAN2029 REGS	-	500,000	-	(500,000)	-
POWER FINANCE CORP LTD 5.25% S/A 10AUG2028	-	600,000	-	(600,000)	-
PRESS METAL LABUAN LTD 4.8% S/A 30OCT2022	200,000	-	-	(200,000)	-

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MOVEMENT IN PORTFOLIO HOLDINGS (CONTINUED)

31 DECEMBER 2018

	As at 1 January 2018	Movement in holdings			As at 31 December 2018
		Addition	Bonus/ Dividends	Disposal	
<b>Debt Securities</b> (continued)					
PRIME BLOOM HLDGS LTD 6.95% S/A 05JUL2022	200,000	-	-	(200,000)	-
PRIME BLOOM HLDGS LTD 7.5% S/A 19DEC2019	200,000	-	-	(200,000)	-
PRUDENTIAL PLC 6.5% S/A 20OCT2048	-	300,000	-	(300,000)	-
PSEG POWER LLC 3.85% S/A 01JUN2023	-	600,000	-	(600,000)	-
PUMA INTL FINANCING SA 5% S/A 24JAN2026 REGS	-	200,000	-	(200,000)	-
QATAR GOVERNMENT INTL BOND 3.875% S/A 23APR2023 REGS	-	250,000	-	(250,000)	-
QATAR GOVERNMENT INTL BOND 4.5% S/A 23APR2028 REGS	-	250,000	-	(250,000)	-
QATAR GOVERNMENT INTL BOND 5.103% S/A 23APR2048 REGS	-	500,000	-	(500,000)	-
REC LTD 5.25% S/A 13NOV2023 REGS	-	500,000	-	(500,000)	-
REPUBLIC OF INDONESIA 3.85% S/A 18JUL2027 REGS	-	500,000	-	(500,000)	-
RUMO LUXEMBOURG SARL 5.875% S/A 18JAN2025	-	300,000	-	(300,000)	-
SABIC CAPITAL II BV 4% S/A 10OCT2023 REGS	-	320,000	-	(320,000)	-
SABIC CAPITAL II BV 4.5% S/A 10OCT2028 REGS	-	250,000	-	(250,000)	-
SAN MIGUEL INDUSTRIAS PET SA 4.5% S/A 18SEP2022 REGS	300,000	-	-	(300,000)	-
SANDS CHINA LTD 5.4% S/A 08AUG2028 REGS	-	400,000	-	(400,000)	-
SAUDI ELECTRICITY GLOBAL SUKUK CO 4 4.222% S/A 27JAN2024	-	500,000	-	(500,000)	-
SAUDI ELECTRICITY GLOBAL SUKUK CO 4 4.723% S/A 27SEP2028	-	300,000	-	(300,000)	-
SECURITY BANK CORP 4.5% S/A 25SEP2023	-	300,000	-	(300,000)	-
SF HLDG INVESTMENT LTD 4.125% S/A 26JUL2023	-	300,000	-	(300,000)	-
SHIMAO PROPERTY HLDGS LTD 4.75% S/A 03JUL2022	-	600,000	-	(600,000)	-
SHIMAO PROPERTY HLDGS LTD 5.2% S/A 30JAN2025	-	200,000	-	(200,000)	-
SHIMAO PROPERTY HLDGS LTD 5.75% S/A 15MAR2021	-	3,500,000	-	(3,500,000)	-
SHIMAO PROPERTY HLDGS LTD 6.375% S/A 15OCT2021	-	200,000	-	(200,000)	-
SHIMAO PROPERTY HLDGS LTD 8.375% S/A 10FEB2022	-	1,600,000	-	(1,400,000)	200,000

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MOVEMENT IN PORTFOLIO HOLDINGS (CONTINUED)

31 DECEMBER 2018

	As at 1 January 2018	Movement in holdings			As at 31 December 2018
		Addition	Bonus/ Dividends	Disposal	
<b>Debt Securities</b> (continued)					
SHINHAN BANK CO LTD 4.5% S/A 26MAR2028	-	200,000	-	(200,000)	-
SHINHAN FINANCIAL GROUP CO LTD 5.875% S/A PERP	-	200,000	-	(200,000)	-
SHUI ON DEVELOPMENT HLDG LTD 8.7% S/A 19MAY2018	-	600,000	-	(600,000)	-
SINGTEL GROUP TREASURY PTE LTD 3.875% S/A 28AUG2028	-	300,000	-	(300,000)	-
SINO TRENDY INVESTMENT LTD 3.875% S/A 25JAN2021	-	200,000	-	(200,000)	-
SINOCHEM OFFSHORE CAPITAL CO LTD 4.4% S/A 14FEB2021	-	1,500,000	-	(1,500,000)	-
SINO-OCEAN LAND TREASURE IV LTD 3M L+2.3% Q 31JUL2021	-	200,000	-	(200,000)	-
SMBC AVIATION CAPITAL FINANCE DAC 4.125% S/A 15JUL2023 REGS	-	1,000,000	-	(1,000,000)	-
SPIC 2018 USD SENIOR PERPETUAL BOND CO LTD 5.8% S/A PERP	-	300,000	-	(300,000)	-
SPIC LUXEMBOURG LATIN AMERICA RENEWABLE ENERGY INVESTMENT CO SARL 4.65% S/A 30OCT2023	-	200,000	-	(200,000)	-
STUDIO CITY CO LTD 7.25% S/A 30NOV2021 REGS	300,000	-	-	(300,000)	-
SUMITOMO MITSUI BANKING CORP 3M L+0.37% Q 16OCT2020	-	250,000	-	(250,000)	-
SUMITOMO MITSUI FINANCIAL GROUP INC 3.944% S/A 19JUL2028	-	200,000	-	(200,000)	-
SUMITOMO MITSUI FINIANACIAL GROUP INC 3M L+0.86% Q 19JUL2023	-	400,000	-	(400,000)	-
SUNAC CHINA HLDGS LTD 7.35% S/A 19JUL2021	-	850,000	-	(850,000)	-
SUNAC CHINA HLDGS LTD 7.95% S/A 08AUG2022	300,000	-	-	(300,000)	-
SUNAC CHINA HLDGS LTD 8.35% S/A 19APR2023	-	200,000	-	(200,000)	-
SUNAC CHINA HLDGS LTD 8.625% S/A 27JUL2020	-	1,100,000	-	(1,100,000)	-
SUNAC CHINA HLDGS LTD 8.75% S/A 05DEC2019	600,000	-	-	(600,000)	-
SUZANO AUSTRIA GMBH 6% S/A 15JAN2029 REGS	-	400,000	-	(400,000)	-
TEWOO GROUP NO 5 LTD 5.8% S/A PERP	-	250,000	-	(250,000)	-
TIMES CHINA HLDGS LTD 6.25% S/A 17JAN2021	-	200,000	-	(200,000)	-

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MOVEMENT IN PORTFOLIO HOLDINGS (CONTINUED)

31 DECEMBER 2018

	As at 1 January 2018	Movement in holdings			As at 31 December 2018
		Addition	Bonus/ Dividends	Disposal	
<b>Debt Securities</b> (continued)					
TIMES CHINA HLDGS LTD 6.6% S/A 02MAR2023	250,000	-	-	(250,000)	-
TIMES CHINA HLDGS LTD 7.85% S/A 04JUN2021	-	1,000,000	-	(1,000,000)	-
TOP WISE EXCELLENCE ENTERPRISE CO LTD 6% S/A 16MAR2020	-	509,000	-	(509,000)	-
TRADE HORIZON GLOBAL LTD 3M L+2.575% Q 02AUG2021	-	400,000	-	(400,000)	-
TRANSURBAN QUEENSLAND FINANCE PTY LTD 4.5% S/A 19APR2028	-	200,000	-	(200,000)	-
TSINGHUA UNIC LTD 4.75% S/A 31JAN2021	-	900,000	-	(900,000)	-
TSINGHUA UNIC LTD 5.375% S/A 31JAN2023	-	1,000,000	-	(1,000,000)	-
UBS GROUP AG 7.125% A PERP UBS GROUP FUNDING	-	400,000	-	(400,000)	-
SWITZERLAND AG 5% A PERP UNITED TECHNOLOGIES CORP 3.95% S/A 16AUG2025	-	500,000	-	(500,000)	-
UNITED TECHNOLOGIES CORP 4.125% S/A 16NOV2028	-	200,000	-	(200,000)	-
URUGUAY GOVERNMENT INTL BOND 4.975% S/A 20APR2055	-	1,200,000	-	(1,200,000)	-
VANKE REAL ESTATE HONG KONG CO LTD 3M L+1.55% Q 25MAY2023	-	200,000	-	(200,000)	-
VANKE REAL ESTATE HONG KONG CO LTD 4.15% S/A 18APR2023	-	700,000	-	(700,000)	-
VEDANTA RESOURCES PLC 6.375% S/A 30JUL2022 REGS	-	2,100,000	-	(2,100,000)	-
VIGOROUS CHAMPION INTL LTD 4.375% S/A 10SEP2023	-	300,000	-	(300,000)	-
VIRGIN AUSTRALIA HLDGS LTD 8.5% S/A 15NOV2019 REGS	300,000	-	-	(300,000)	-
WEALTH DRIVEN LTD 5.5% S/A 17AUG2023	-	200,000	-	(200,000)	-
WEICHAH INTL HONG KONG ENERGY GROUP CO LTD 3.75% S/A PERP	200,000	200,000	-	(400,000)	-
WESTWOOD GROUP HLDGS LTD 4.875% S/A 19APR2021	-	200,000	-	(200,000)	-
WOORI BANK 5.125% S/A 06AUG2028 REGS	-	200,000	-	(200,000)	-
WUHAN METRO GROUP CO LTD 5.98% S/A PERP	-	300,000	-	(300,000)	-
XINGSHENG BVI CO LTD 4.5% S/A 20SEP2021	-	250,000	-	(250,000)	-

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MOVEMENT IN PORTFOLIO HOLDINGS (CONTINUED)

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	As at 1 January 2018	Movement in holdings			As at 31 December 2018
		Addition	Bonus/ Dividends	Disposal	
<b><u>Debt Securities</u></b> (continued)					
YANCOAL INTL RESOURCES DEVELOPMENT CO LTD 5.75% S/A PERP	200,000	-	-	(200,000)	-
YANGZHOU URBAN CONSTRUCTION STATE- OWNED ASSET HLDG GROUP CO LTD 4.375% S/A 19DEC2020	200,000	-	-	(200,000)	-
YANLORD LAND HK CO LTD 5.875% S/A 23JAN2022	-	200,000	-	(200,000)	-
YANLORD LAND HK CO LTD 6.75% S/A 23APR2023	-	250,000	-	(250,000)	-
YUZHOU PROPERTIES CO LTD 7.9% S/A 11MAY2021	-	2,300,000	-	(2,300,000)	-
ZIJIN INTL CAPITAL CO LTD 5.282% S/A 18OCT2021	-	800,000	-	(800,000)	-
<b>Total investment portfolio</b>	<u>10,674,000</u>	<u>127,232,000</u>	<u>-</u>	<u>(135,906,000)</u>	<u>2,000,000</u>

CHINAAMC SELECT ASIA BOND FUND  
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PERFORMANCE TABLE

Net asset value attributable to unitholders

	<b>Net assets value per unit</b>	<b>Net assets Attributable to unitholders USD</b>
As at 31 December 2018		
- Class I HKD	HKD 9.7328	1,938,596
- Class A USD	USD 10.1511	198,290
As at 31 December 2017		
- Class I USD	USD 11.0516	11,051,613
- Class A USD	USD 10.4213	2,506
As at 31 December 2016		
- Class I USD	USD 10.0690	10,068,990

Highest issue price and lowest redemption price per unit<sup>1</sup>

	<b>Highest issue price per unit</b>	<b>Lowest redemption price per unit</b>
Year ended 31 December 2018		
- Class I USD	USD 11.16	USD 10.72
- Class I HKD	HKD 10.01	HKD 9.64
- Class A USD	USD 10.52	USD 10.07
Year ended 31 December 2017		
- Class I USD	USD 11.08	USD 10.12
- Class A USD	USD 10.45	USD 10.00
Period from 30 September 2016 (date of inception) to 31 December 2016		
- Class I USD	USD 10.11	USD 9.99

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



**华夏基金(香港)有限公司**  
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