

ChinaAMC Select Fund
ChinaAMC Select Money Market Fund

Unaudited Semi-Annual Report

For the period from
28 March 2019 (date of inception) to 30 June 2019



UNAUDITED SEMI-ANNUAL REPORT

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

For the period from 28 March 2019 (date of inception) to
30 June 2019

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

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IMPORTANT:

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

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

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

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

ADMINISTRATION AND MANAGEMENT

MANAGER

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

DIRECTORS OF THE MANAGER

Yang Minghui
Zhang Xiaoling
Li Yimei
Gan Tian
Li Min

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

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

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

Market Review

The current valuation of Asian dollar high-yield bonds has been adjusted to the most attractive level since 2012. We are optimistic about the prospects of China's housing bonds for the following two reasons. Firstly, the property market policy has begun to fine-tune or relax at the municipal level, and banks have also provided loans at lower mortgage rates, all of which are beneficial to the industry's prospects. Secondly, since 2018, domestic enterprises have been allowed to issue new debts on the onshore market. Therefore, in 2019, the new supply of US dollar domestic bonds in the offshore market may possibly be reduced, providing a favorable supply and demand balance for the market.

Looking at the Asian bond market, the distribution ratio of Chinese mainland companies has reached 60% of the total scale, and its status is very important. In 2019, liquidity in the Mainland is expected to be relatively loose, and de-leverage may slow down. Relative to offshore financing costs, offshore financing interest is expected to be higher.

In addition, the relevant departments also tend to impose stricter approvals on the issuance of offshore US dollar bonds, and most of them are approved to meet the refinancing needs, which will also inhibit the issuance of offshore US dollar debts to a certain extent. Therefore, although the demand for offshore financing and refinancing of mainland enterprises is still strong in the future, it is expected that the scale of offshore US dollar credit bond issuance will tend to be stable and even decline. On the demand side, due to the relatively weak performance of the Asian bond market in 2018, the spread between Asian dollar credit bonds and US corporate bonds has increased, especially for high-yield bonds, compared with similarly rated bonds in Europe and the United States. The increase is particularly significant. This shows that Asian corporate bond prices are at a low level, and there is a certain so-called "price stagnation", which could be more attractive to investors.

China Asset Management (Hong Kong) Limited
23 August 2019

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

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period from 28 March 2019 (date of inception) to 30 June 2019

For the period
from 28 March 2019
(date of inception)
to 30 June 2019
(Unaudited)
USD

INCOME

Interest income on financial assets at fair value through profit or loss	17,392
Interest income on bank deposits	<u>22,721</u>
	<u>40,113</u>

EXPENSES

Management fee	(804)
Trustee fee	(6,060)
Custodian fee	(308)
Auditors' remuneration	(5,957)
Preliminary expenses	(65,000)
Other expenses	<u>(631)</u>
	(78,760)

LOSS BEFORE INVESTMENT AND EXCHANGE
DIFFERENCES

(38,647)

INVESTMENT GAINS AND EXCHANGE DIFFERENCES

Net gain on financial assets at fair value through profit or loss	1,418
Net foreign exchange loss	<u>(480)</u>
	938

LOSS BEFORE TAX

(37,709)

Withholding taxes

-

DECREASE IN NET ASSETS
ATTRIBUTABLE TO UNITHOLDERS

(37,709)

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

As at 30 June 2019

30 June 2019
(Unaudited)
USD

ASSETS

Financial assets at fair value through profit or loss	2,349,832
Interest receivable	29,711
Cash and cash equivalents	<u>3,992,209</u>
TOTAL ASSETS	<u>6,371,752</u>

LIABILITIES

Management fee payable	804
Trustee fee payable	1,867
Accrued expenses and other payables	<u>37,290</u>
TOTAL LIABILITIES	<u>39,961</u>

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS 6,331,791

NUMBER OF UNITS IN ISSUE

- Class I HKD 5,000,000

NET ASSET VALUE PER UNIT

- Class I HKD HKD 9.8919

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

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

For the period from 28 March 2019 (date of inception) to 30 June 2019

	Number of Units	USD
At 28 March 2019 (date of inception)	-	-
Subscription of units - Class I HKD	5,000,000	6,369,500
Decrease in net assets attributable to unitholders	<u>-</u>	<u>(37,709)</u>
At 30 June 2019	<u>5,000,000</u>	<u>6,331,791</u>

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

STATEMENT OF CASH FLOWS (UNAUDITED)

For the period from 28 March 2019 (date of inception) to 30 June 2019

For the period
from 28 March 2019
(date of inception)
to 30 June 2019
(Unaudited)
USD

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before tax	(37,709)
Adjustments for:	
Increase in financial assets at fair value through profit or loss	(2,349,832)
Increase in interest receivable	(29,711)
Increase in management fee payable	804
Increase in trustee fee payable	1,867
Increase in accrued expenses and other payables	<u>37,290</u>
Cash used in operations	(2,377,291)
Tax paid	-
Net cash flows used in operating activities	<u>(2,377,291)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issue of units	<u>6,369,500</u>
Net cash flows (used in)/generated from financing activities	<u>6,369,500</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 3,992,209

Cash and cash equivalents at the beginning of the period -

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD 3,992,209

ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS

Cash at banks	476,759
Short-term deposit	<u>3,515,450</u>

Net cash used in operating activities includes:

Interest income on bank deposits	<u><u>20,418</u></u>
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CHINAAMC SELECT MONEY MARKET FUND
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PERFORMANCE TABLE (UNAUDITED)

Net assets attributable to unitholders

(calculated in accordance with International Financial Reporting Standards)

	Net asset value per unit	Net asset value USD
As at 30 June 2019 (Unaudited)		
– Class I HKD	HKD 9.8919	6,331,791

Highest issue price and lowest redemption price per unit¹

(calculated in accordance with the Trust Deed)

	Highest issue price per unit	Lowest redemption price per unit
For the period from 28 March 2019 (date of inception) to 30 June 2019 (Unaudited)		
- Class I HKD	HKD 10.0211	HKD 9.9804

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

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

For the period from 28 March 2019 (date of inception) to 30 June 2019

	As at 28 March 2019 (date of inception)	Movement in holdings			As at 30 June 2019
		Addition	Bonus/ Dividends	Disposal	
<u>DEBT SECURITIES</u>					
AIRVESSEL FINANCE HLDG LTD 3.25% S/A 11AUG2019	-	300,000	-	-	300,000
BANK OF BARODA/LONDON 4.875% S/A 23JUL2019 REGS	-	300,000	-	-	300,000
BLUESTAR FINANCE HLDGS LTD 3.125% S/A 30SEP2019	-	300,000	-	-	300,000
CAIYUN INTL INVESTMENT LTD 3.125% S/A 12JUL2019	-	300,000	-	-	300,000
CCBL CAYMAN 1 CORP LTD 2.375% S/A 31MAY2019	-	300,000	-	(300,000)	-
CHONGQING NAN'AN URBAN CONSTRUCTION & DEVELOPMENT GROUP CO LTD 2.875% S/A 19JUL2019	-	300,000	-	-	300,000
CICC HONG KONG FINANCE 2016 MTN LTD 2.75% S/A 18MAY2019	-	500,000	-	(500,000)	-
CMBLEMTN 1 LTD 2.625% S/A 29NOV2019	-	250,000	-	-	250,000
HUARONG FINANCE CO LTD 4% S/A 17JUL2019	-	300,000	-	-	300,000
HUARONG FINANCE II CO LTD 2.875% S/A 22NOV2019	-	300,000	-	-	300,000
OIL INDIA LTD 3.875% S/A 17APR2019	-	500,000	-	(500,000)	-
POLY REAL ESTATE FINANCE LTD 5.25% S/A 25APR2019	-	300,000	-	(300,000)	-
RAIL TRANSIT INTL INVESTMENT CO LTD 2.5% S/A 13MAY2019	-	200,000	-	(200,000)	-
Total investment portfolio	-	4,150,000	-	(1,800,000)	2,350,000

CHINAAMC SELECT MONEY MARKET FUND
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INVESTMENT PORTFOLIO (UNAUDITED)

30 June 2019

	Nominal value USD	Fair value USD	% of net asset
DEBT SECURITIES			
CHINA			
CHONGQING NAN'AN URBAN CONSTRUCTION & DEVELOPMENT GROUP CO LTD 2.875% S/A 19JUL2019	300,000	299,820	4.74%
		<u>299,820</u>	<u>4.74%</u>
HONG KONG			
CAIYUN INTL INVESTMENT LTD 3.125% S/A 12JUL2019	300,000	299,526	4.73%
		<u>299,526</u>	<u>4.73%</u>
INDIA			
BANK OF BARODA/LONDON 4.875% S/A 23JUL2019 REGS	300,000	300,369	4.74%
		<u>300,369</u>	<u>4.74%</u>
VIRGIN ISLAND, BT			
AIRVESSEL FINANCE HLDG LTD 3.25% S/A 11AUG2019	300,000	300,174	4.74%
CMBLEMTN 1 LTD 2.625% S/A 29NOV2019	250,000	249,625	3.94%
BLUESTAR FINANCE HLDGS LTD 3.125% S/A 30SEP2019	300,000	300,249	4.74%
HUARONG FINANCE CO LTD 4% S/A 17JUL2019	300,000	300,138	4.74%
HUARONG FINANCE II CO LTD 2.875% S/A 22NOV2019	300,000	299,931	4.74%
		<u>1,450,117</u>	<u>22.90%</u>
Total investments portfolio (Cost: USD 2,348,513)		<u>2,349,832</u>	<u>37.11%</u>
Other net assets		3,981,959	62.89%
Total net assets as at 30 June 2019		<u>6,331,791</u>	<u>100.00%</u>

CHINAAMC SELECT MONEY MARKET FUND
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DISTRIBUTION DISCLOSURE (UNAUDITED)

For the period from 28 March 2019 (date of inception) to 30 June 2019

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

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

RECONCILIATION OF NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

As at 30 June 2019

USD

Net assets attributable to unitholders
(calculated in accordance with International Financial Reporting Standards) 6,331,791

Adjustment for preliminary expenses 61,565

Net assets attributable to unitholders
(calculated in accordance with the Trust Deed) 6,393,356

Net assets attributable to unitholders (per unit)
(calculated in accordance with International Financial Reporting Standards)
- Class I HKD HKD 9.8919

Net assets attributable to unitholders (per unit)
(calculated in accordance with the Trust Deed)
- Class I HKD HKD 9.9881

