

ChinaAMC Global ETF Series

**ChinaAMC Bloomberg Barclays
China Treasury + Policy Bank
Bond Index ETF**

Unaudited Semi-Annual Report

For the period from
1 January 2020 to 30 June 2020



UNAUDITED SEMI-ANNUAL REPORT

ChinaAMC Bloomberg Barclays China Treasury + Policy
Bank Bond Index ETF

Stock Code: 82813 (RMB counter) and 02813 (HKD counter)
(a sub-fund of ChinaAMC Global ETF Series)

For the period from 1 January 2020 to 30 June 2020

ChinaAMC Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

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IMPORTANT:

Any opinion expressed herein reflects the Manager 's view only and is subject to change. For more information about the Sub-Fund, please refer to the prospectus of the Sub-Fund which is available at our website: <http://www.chinaamc.com.hk/en/products/etf/bloomberg-barclays-china-treasury-policy-bank-bond-index/fund-details.html>

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

ChinaAMC Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

MANAGEMENT AND ADMINISTRATION

MANAGER

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

SERVICE AGENT

HK Conversion Agency Services Limited
1/F One & Two Exchange Square
8 Connaught Place
Central, Hong Kong

DIRECTORS OF THE MANAGER

Yang Minghui
Zhang Xiaoling
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Li Yimei
Li Fung Ming

LISTING AGENT

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21 Wing Wo Street
Central
Hong Kong

TRUSTEE AND REGISTRAR

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

AUDITOR

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

INVESTMENT ADVISER

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PRC CUSTODIAN AND ONSHORE SETTLEMENT AGENT

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CUSTODIAN

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

ChinaAMC Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF
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MANAGEMENT AND ADMINISTRATION (continued)

Participating Dealers

BNP Paribas Securities Services
21/F PCCW Tower, Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

China Merchants Securities (HK) Co., Limited
48/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

Haitong International Securities Company Limited
22/F Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Guotai Junan Securities (Hong Kong) Limited
27/F, Low Block, Grand Millennium Plaza
181 Queen's Road
Central, Hong Kong

Merril Lynch Far East Limited
55/F, Cheung Kong Center
2 Queen's Road
Central, Hong Kong

ChinaAMC Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF
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REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The ChinaAMC Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF (the “Sub-Fund”) is a sub-fund of ChinaAMC Global ETF Series, an umbrella unit trust established under Hong Kong law by a trust deed dated 17 September 2015 between China Asset Management (Hong Kong) Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”). The Sub Fund is a passively-managed ETF falling within Chapter 8.6 and Appendix I of the Code on Unit Trusts and Mutual Funds issued by the SFC. Units of the Sub-Fund (the “Units”) are traded on The Stock Exchange of Hong Kong Limited (the “SEHK”) like stocks. The Sub-Fund’s RMB counter (stock code: 82813) and HKD counter (stock code: 02813) commenced trading on the SEHK on 6 June 2018. The Sub-Fund is an index-tracking fund that seeks to track the performance of the Bloomberg Barclays China Treasury + Policy Bank Index (the “Index”).

The Manager uses a representative sampling strategy by investing in a representative sample of Treasury Bonds and Policy Bank Bonds in the Index that collectively reflects the investment characteristics of the Index. The Sub-Fund may or may not hold all of the Treasury Bonds and Policy Bank Bonds that are included in the Index, and may hold Treasury Bonds and Policy Bank Bonds which are not included in the Index, provided that these bonds collectively feature a high correlation with the Index. The Manager may overweight certain Treasury Bonds and Policy Bank Bonds which are included in the Index relative to those bonds’ respective weightings in the Index. The Sub-Fund will gain direct exposure to Treasury Bonds and Policy Bank Bonds by investing up to 100% of the NAV in the PRC inter-bank bond market under mutual bond market access between Hong Kong and Mainland China (“Bond Connect”) and the regime allowing foreign institutional investors to invest in the PRC inter-bank bond market (“Foreign Access Regime”). The Sub-Fund may also utilise other means as may be permitted by the relevant regulations from time to time.

Performance of the Sub-Fund

The investment objective is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. The Index aims to reflect the performance of the fixed rate RMB-denominated treasury bonds and policy bank bonds listed on the PRC inter-bank bond market.

The performance of the Sub-Fund is in below (Total Returns in respective currency^{1,2}):

	1-Month	3-Month	Since Launch ³
The Index	-0.95%	-0.93%	13.14%
RMB Counter of the Sub-Fund (NAV-to-NAV)	-0.82%	-0.82%	11.53%
RMB Counter of the Sub-Fund (Market-to-Market)	-0.47%	-0.94%	5.94%
HKD Counter of the Sub-Fund (NAV-to-NAV)	0.07%	-0.42%	-0.31%
HKD Counter of the Sub-Fund (Market-to-Market)	0.57%	-0.64%	-5.46%

Activities of the Sub-Fund

According to Bloomberg, the average daily trading volume of the Sub-Fund was approximately 1,311 units from 01 January 2020 to 30 June 2020. As of 30 June 2020, there were 350,000 units outstanding.

China Asset Management (Hong Kong) Limited
18 August 2020

¹ Source: Bloomberg, as of 30 June 2020. Performances of the benchmark Index and RMB Counter of the Sub-Fund are calculated in RMB while performances of HKD Counter of the Sub-Fund are calculated in HKD.

² Past performance figures shown are not indicative of the future performance of the Sub-Fund.

³ Calculated Since 06 June 2018.

ChinaAMC Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF
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STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2020

	30 June 2020 (Unaudited) RMB	31 December 2019 (Audited) RMB
ASSETS		
Financial assets at fair value through profit or loss	35,439,588	40,426,942
Interest receivables	724,418	955,644
Cash and cash equivalents	326,769	235,439
Amount due from the Manager	821,757	352,477
TOTAL ASSETS	<u>37,312,532</u>	<u>41,970,502</u>
LIABILITIES		
Management fee payable	9,722	11,767
Trustee and registrar fees payable	39,869	44,812
Inception fee payable	31,812	31,381
Other payables and accruals	509,961	400,984
Auditor's remuneration payable	45,357	89,577
TOTAL LIABILITIES	<u>636,721</u>	<u>578,521</u>
EQUITY		
Net assets attributable to unitholders	<u>36,675,811</u>	<u>41,391,981</u>
TOTAL LIABILITIES AND EQUITY	<u>37,312,532</u>	<u>41,970,502</u>
Number of units in issue	<u>350,000</u>	<u>400,000</u>
Net asset value per unit	<u>104.7880</u>	<u>103.4800</u>

Note: The semi-annual report of the sub-funds have been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements.

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STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period from 1 January 2020 to 30 June 2020

	Period from 1 January 2020 to 30 June 2020 (Unaudited) RMB	Period from 1 January 2019 to 30 June 2019 (Unaudited) RMB
INCOME		
Interest income	<u>629,815</u>	<u>1,302,801</u>
	<u>629,815</u>	<u>1,302,801</u>
EXPENSES		
Management fee ^{Note 2}	(54,893)	(113,540)
Trustee and registrar fees ^{Note 1}	(230,918)	(119,405)
Accounting fees ^{Note 1}	(30,283)	(29,866)
Auditor's remuneration	(48,048)	(42,483)
Transaction fees ^{Note 1}	(1,547)	(119,342)
Legal and other professional fees	(8,472)	-
Safe custody and bank charges ^{Note 1}	(12,850)	(23,612)
Other operating expenses	(<u>176,730</u>)	(<u>186,001</u>)
	(<u>563,741</u>)	(<u>634,249</u>)
Investment manager reimbursement of fees	<u>469,280</u>	<u>258,292</u>
	(<u>94,461</u>)	(<u>375,957</u>)
PROFIT BEFORE INVESTMENT GAINS AND EXCHANGE DIFFERENCES	535,354	926,844
INVESTMENT GAINS AND EXCHANGE DIFFERENCES		
Net realised gains on financial assets at fair value through profit or loss	546,477	513,323
Net change in unrealised gains/(losses) on financial assets at fair value through profit or loss	58,722	(354,224)
Foreign exchange (losses)/gains	(<u>8,124</u>)	<u>727</u>
	<u>597,075</u>	<u>159,826</u>
PROFIT BEFORE TAX	1,132,429	1,086,670
Tax (expenses)/credit	(<u>124</u>)	<u>111,368</u>
TOTAL COMPREHENSIVE INCOME	<u><u>1,132,305</u></u>	<u><u>1,198,038</u></u>

^{Note 1} During the period ended 30 June 2020 and 2019, trustee and registrar fees, accounting fees, transaction fees and safe custody and bank charges incurred were paid to the Trustee or its connected persons, no other amounts paid to the Trustee or its connected person.

^{Note 2} During the period ended 30 June 2020 and 2019, other than management fees that paid to the Manager, no other amounts paid to the Manager or its connected persons.

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

For the period from 1 January 2020 to 30 June 2020

	Period from 1 January 2020 to 30 June 2020 (Unaudited) RMB	Period from 1 January 2019 to 30 June 2019 (Unaudited) RMB
Balance at the beginning of the period	41,391,981	77,057,354
Issue of units during the period	10,530,215	-
Redemption of units during the period	(15,923,690)	(5,164,245)
Distributions to unitholders	(455,000)	(1,125,000)
Total comprehensive income	1,132,305	1,198,038
Balance at the end of the period	<u>36,675,811</u>	<u>71,966,147</u>
	Units	Units
Number of units in issue at the beginning of the period	400,000	750,000
Number of units issued during the period	100,000	-
Number of units redeemed during the period	(150,000)	(50,000)
Number of units in issue at the end of the period	<u>350,000</u>	<u>700,000</u>

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STATEMENT OF CASH FLOWS (UNAUDITED)

For the period from 1 January 2020 to 30 June 2020

	Period from 1 January 2020 to 30 June 2020 (Unaudited) RMB	Period from 1 January 2019 to 30 June 2019 (Unaudited) RMB
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,132,429	1,086,670
Adjustments for:		
Decrease in financial asset at fair value through profit or loss	4,987,354	232,595
Decrease in interest receivable	231,226	31,805
(Increase)/decrease in amount due from the Manager	(469,280)	250,355
Decrease in auditor's remuneration payable	(44,220)	(44,671)
Decrease in management fee payable	(2,045)	(3,120)
(Decrease)/increase in trustee and registrar fees payable	(4,943)	6,736
Increase/(decrease) in inception fee payable	431	(36)
Increase in other payables and accruals	108,977	123,156
	<u>5,939,929</u>	<u>1,683,490</u>
Cash generated from operations	5,939,929	1,683,490
Tax paid	(124)	(444)
	<u>5,939,805</u>	<u>1,683,046</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of units	10,530,215	-
Payments on redemption of units	(15,923,690)	(5,164,245)
Distribution paid to unitholders	(455,000)	(1,125,000)
	<u>(5,848,475)</u>	<u>(6,289,245)</u>
Net cash flows used in financing activities	(5,848,475)	(6,289,245)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	91,330	(4,606,199)
Cash and cash equivalents at beginning of the period	<u>235,439</u>	<u>5,131,720</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>326,769</u></u>	<u><u>525,521</u></u>
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash at banks	<u><u>326,769</u></u>	<u><u>525,521</u></u>
Net cash flows from operating activities includes:		
Interest income on bank deposits net of withholding tax	<u><u>2,064</u></u>	<u><u>4,349</u></u>

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STATEMENT OF DISTRIBUTION (UNAUDITED)

For the period from 1 January 2020 to 30 June 2020

	Period from 1 January 2020 to 30 June 2020 (Unaudited) RMB	Period from 1 January 2019 to 30 June 2019 (Unaudited) RMB
Undistributed income at the beginning of the period	-	-
Total comprehensive income	1,132,305	1,198,038
Less: Net gains on financial assets at fair value through profit or loss	<u>(605,199)</u>	<u>(159,099)</u>
Undistributed income before distribution	527,106	1,038,939
Interim distribution declared		
- on 07 January 2019 (RMB0.85 per unit)	-	(637,500)
- on 04 April 2019 (RMB0.65 per unit)	-	(487,500)
- on 09 January 2020 (RMB0.65 per unit)	(227,500)	-
- on 08 April 2020 (RMB0.65 per unit)	(227,500)	-
Transfer (to)/from capital	<u>(72,106)</u>	<u>86,061</u>
Undistributed income at the end of the period	<u><u>-</u></u>	<u><u>-</u></u>

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INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2020

	Holdings (units)	Fair Value (RMB)	% of net assets
LISTED BONDS			
China			
AGRICUL DEV BANK CHINA (SER 1908) (REG) 3.63% 19/07/2026	5,000,000	5,088,656	13.87
CHINA (GOVT OF) (SER 1911) (REG) 2.75% 08/08/2022	5,000,000	5,054,505	13.78
CHINA (GOVT OF) (SER INBK) (REG) 2.68% 21/05/2030	5,000,000	4,927,101	13.43
CHINA DEVELOPMENT BANK (SER 1903) (REG) 3.3% 01/02/2024	5,000,000	5,068,350	13.82
CHINA DEVELOPMENT BANK (REG) SER 1810 4.04% 06/07/2028	5,000,000	5,231,850	14.27
CHINA DEVELOPMENT BANK (SER 1905) (REG) 3.48% 08/01/2029	5,000,000	5,015,650	13.68
EXPORT-IMPORT BANK CHINA (SER 1905) (REG) 3.28% 11/02/2024	5,000,000	5,053,476	13.78
Total investment portfolio (cost: RMB34,792,090)		<u>35,439,588</u>	<u>96.63</u>
Other net assets		1,236,223	3.37
Total net assets		<u>36,675,811</u>	<u>100.00</u>

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MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

For the period from 1 January 2020 to 30 June 2020

	Movements in Holdings			As at 30 June 2020	
	As at 1 January 2020	Additions	Disposals		Bonus
LISTED BONDS					
China					
AGRICUL DEV BANK CHINA (SER 1908) (REG) 3.63% 19/07/2026	-	5,000,000	-	-	5,000,000
CHINA (GOVT OF) (SER 1911) (REG) 2 .75% 08/08/2022	-	5,000,000	-	-	5,000,000
CHINA (GOVT OF) (SER INBK) (REG) 2 .68% 21/05/2030	-	5,000,000	-	-	5,000,000
CHINA DEVELOPMENT BANK (SER 1903) (REG) 3.3% 1/2/2024	5,000,000	-	-	-	5,000,000
CHINA DEVELOPMENT BANK (REG) SER 1810 4.04% 06/07/2028	5,000,000	-	-	-	5,000,000
CHINA DEVELOPMENT BANK (SER 1905) (REG) 3.48% 8/1/2029	5,000,000	-	-	-	5,000,000
CHINA GOVERNMENT BOND (SER 1809) (REG) 3.17% 19/04/2023	5,000,000	-	(5,000,000)	-	-
CHINA GOVERNMENT BOND (SER 1819) (REG) 3.54% 16/08/2028	10,000,000	-	(10,000,000)	-	-
EXPORT-IMPORT BANK CHINA (SER 1905) (REG) 3.28% 11/02/2024	10,000,000	-	(5,000,000)	-	5,000,000
Total of fixed income securities	<u>40,000,000</u>	<u>15,000,000</u>	<u>(20,000,000)</u>	<u>-</u>	<u>35,000,000</u>

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PERFORMANCE RECORD (UNAUDITED)

For the period from 1 January 2020 to 30 June 2020

1. Net Asset Value

	Net asset value per unit RMB	Total net asset value RMB
As at:		
30 June 2020 (Unaudited)	104.7880	36,675,811
31 December 2019 (Audited)	103.4800	41,391,981
31 December 2018 (Audited)	102.7431	77,057,354

2. Highest issue and lowest redemption prices per unit

	Highest issue unit price RMB	Lowest redemption unit price RMB
During the period from 1 January 2020 to 30 June 2020 (Unaudited)	108.96	104.66
During the year ended 31 December 2019	104.71	102.22
During the period from 6 June 2018 (date of inception) to 31 December 2018	103.58	99.57

3. Comparison of the scheme performance and the actual index performance¹

The table below illustrates the comparison between the Sub-Fund's performance (Market-to-Market) and that of the index during the following periods:

	The Index	RMB counter of the Sub-Fund	HKD counter of the Sub-Fund
During the period from 1 January 2020 to 30 June 2020 (Unaudited)	2.59%	1.78%	-0.56%
During the year ended 31 December 2019	4.63%	0.97%	-1.02%
During the period from 6 June 2018 (date of inception) to 31 December 2018	5.42%	2.85%	-3.97%

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

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INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (UNAUDITED)

As at 30 June 2020

According to Chapter 7.1 of the investment limitations and prohibitions of a collective investment scheme, the value of a Sub-Fund's holding of securities issued by any single issuer may not exceed 10% of its total net asset value.

The SFC Code allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net asset value provided that:

- (a) the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the Index; and
- (b) the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the Index, except where weightings are exceeded as a result of changes in the composition of the Index and the excess is only transitional and temporary in nature.

The SFC Code further provides that, if the investment limits stated above are breached, the management company should take as a priority objective all steps as are necessary within a reasonable period of time to remedy the situation, taking due account of the interests of the holders.

The Trust Deed of the Trust also contains provisions mirroring the above provisions of the SFC Code.

According to Chapter 7.4 and 8.6(i) of the SFC Code, the Sub-Fund may invest all of its assets in Government and other public securities in any number of different issuers.

The Manager and the Trustee have confirmed that the Sub-Fund has complied with this limit during the period ended 30 June 2020 and 31 December 2019.

There were 7 (2019: 6) constituent securities that individually accounted for more than 10%, but less than 30% of the net asset value of the Sub-Fund as at 30 June 2020 and 31 December 2019 as shown below:

As at 30 June 2020

	Respective weighting in Index (%)	% of NAV
AGRICUL DEV BANK CHINA (SER 1908) (REG) 3.63% 19/07/2026	0.59%	13.87%
CHINA (GOVT OF) (SER 1911) (REG) 2.75% 08/08/2022	1.09%	13.78%
CHINA (GOVT OF) (SER INBK) (REG) 2.68% 21/05/2030	0.45%	13.43%
CHINA DEVELOPMENT BANK (SER 1903) (REG) 3.3% 01/02/2024	0.71%	13.82%
CHINA DEVELOPMENT BANK (REG) SER 1810 4.04% 06/07/2028	1.03%	14.27%
CHINA DEVELOPMENT BANK (SER 1905) (REG) 3.48% 08/01/2029	1.05%	13.68%
EXPORT-IMPORT BANK CHINA (SER 1905) (REG) 3.28% 11/02/2024	1.07%	13.78%

As at 31 December 2019

	Respective weighting in Index (%)	% of NAV
CHINA DEVELOPMENT BANK (REG) SER 1810 4.04% 06/07/2028	1.06%	12.36%
CHINA DEVELOPMENT BANK (SER 1903) (REG) 3.3% 01/02/2024	0.76%	12.11%
CHINA DEVELOPMENT BANK (SER 1905) (REG) 3.48% 08/01/2029	1.11%	11.87%
CHINA GOVERNMENT BOND (SER 1809) (REG) 3.17% 19/04/2023	0.52%	12.24%
CHINA GOVERNMENT BOND (SER 1819) (REG) 3.54% 16/08/2028	0.53%	24.92%
EXPORT-IMPORT BANK CHINA (SER 1905) (REG) 3.28% 11/02/2024	0.91%	24.17%

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REPORT ON INVESTMENT OVERWEIGHT (UNAUDITED)

For the period from 1 January 2020 to 30 June 2020

The Sub-Fund is permitted to overweight certain Treasury Bonds and Policy Bank Bonds which are included in the Index relative to those bonds' respective weightings in the Index. Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to adopt investment strategy other than representative sampling strategy. Up to 100% of the Net Asset Value will be invested in Treasury Bonds and Policy Bank Bonds.

In addition, the Sub-Fund is also subject to the investment and borrowing restrictions as stated below:

- not more than 30% of the Net Asset Value of the Sub-Fund may be invested in Government and other Public Securities of the same issue; and
- the Sub-Fund may invest all of its assets in Government and other Public Securities in at least 6 different issues.

The Manager confirmed that the Sub-Fund had complied with this limit during the period from 1 January 2020 to 30 June 2020 and period from 1 January 2019 to 30 June 2019.

