

ChinaAMC Select Fund
ChinaAMC Select Money Market Fund

Unaudited Semi-Annual Report

For the period from
1 January 2021 to 30 June 2021



华夏基金
ChinaAMC

UNAUDITED SEMI-ANNUAL REPORT

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

For the period from 1 January 2021 to 30 June 2021

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
Li Yimei
Gan Tian
Li Fung Ming

LEGAL ADVISER TO THE MANAGER

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TRUSTEE, ADMINISTRATOR AND REGISTRAR

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

AUDITOR

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

CUSTODIAN

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

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

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

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

Market Review

Global growth is projected to recover, fueled by robust rebounds in major economies. Vaccination has progressed well, particularly in East Asia and advanced economy. Growing inflation expectations and fears of deepening fiscal deficit intensified sell off in the U.S. treasuries, and the interest rate curve steepened considerably. The momentum of decent returns of USD bonds in 2020 has not continued in the first half of 2021. Along with other asset classes, risk-on is seen in the most of the global credit markets. The USD credit bond index’s credit spread has largely tightened during the first half, the credit spread of the high yield bond generally tightened more than the credit spread of the investment grade bond. The contraction of onshore credit environment had resulted a few credit events and deterioration in China USD credit sentiment. Lower rated credit name underperformed.

There are a few aspects we are monitoring closely, which are regulation and policy changes in China, the monetary and fiscal policies in major economies and labor market and inflation in the U.S.

China Asset Management (Hong Kong) Limited
23 August 2021

CHINAAMC SELECT MONEY MARKET FUND
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STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period from 1 January 2021 to 30 June 2021

	For the period from 1 January 2021 to 30 June 2021 (Unaudited) HKD	For the period from 1 January 2020 to 30 June 2020 (Unaudited) HKD
INCOME		
Interest income on financial assets at fair value through profit or loss	70,733	533,851
Interest income on bank deposits	<u>162,874</u>	<u>477,640</u>
	<u>233,607</u>	<u>1,011,491</u>
EXPENSES		
Management fee	(24,514)	(25,870)
Trustee fee	(36,745)	(38,812)
Custodian fee and bank charges	(5,610)	(6,227)
Auditors' remuneration	(60,038)	(66,071)
Legal and professional fees	-	(45,349)
Transaction handling fee	(5,000)	(6,988)
Other expenses	<u>(13,812)</u>	<u>(14,736)</u>
	<u>(145,719)</u>	<u>(204,053)</u>
PROFIT BEFORE INVESTMENT AND EXCHANGE DIFFERENCES	87,888	807,438
INVESTMENT (LOSSES)/GAINS AND EXCHANGE DIFFERENCES		
Net loss on financial assets at fair value through profit or loss	(45,811)	(136,087)
Net foreign exchange gain	<u>842</u>	<u>60,194</u>
	<u>(44,969)</u>	<u>(75,893)</u>
PROFIT BEFORE TAX	42,919	731,545
Withholding tax	<u>-</u>	<u>-</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>42,919</u>	<u>731,545</u>

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

As at 30 June 2021

	30 June 2021 (Unaudited) HKD	31 December 2020 (Audited) HKD
ASSETS		
Financial assets at fair value through profit or loss	22,685,998	-
Interest receivable	215,010	48,707
Subscription receivable	18,053	-
Time deposits	6,010,035	21,087,570
Cash and cash equivalents	83,485,791	43,089,679
TOTAL ASSETS	<u>112,414,887</u>	<u>64,225,956</u>
LIABILITIES		
Management fee payable	24,514	11,505
Trustee fee payable	6,937	4,344
Redemption payable	4,000	-
Accrued expenses and other payables	329,464	274,838
TOTAL LIABILITIES	<u>364,915</u>	<u>290,687</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>112,049,972</u>	<u>63,935,269</u>
TOTAL LIABILITIES	112,049,972	64,225,956
TOTAL EQUITY	-	-
TOTAL LIABILITIES AND EQUITY	<u>112,049,972</u>	<u>64,225,956</u>

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

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in Note 2 of the annual financial statements.

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

For the period from 1 January 2021 to 30 June 2021

	Number of Units	HKD
At 31 December 2020 and 1 January 2021	6,376,745.58	63,935,269
Reclassification of the redeemable units as financial liabilities		
Subscription of units		
- Class I HKD	4,615,084.18	46,500,000
- Class I USD	200,000.00	15,532,774
- Class A HKD	8,821.51	88,503
	<u>4,823,905.69</u>	<u>62,121,277</u>
Redemption of units		
- Class I HKD	(1,389,615.49)	(14,000,485)
- Class I USD	-	-
- Class A HKD	(4,885.02)	(49,008)
	<u>(1,394,500.51)</u>	<u>(14,049,493)</u>
Increase in net assets attributable to unitholders	<u>-</u>	<u>42,919</u>
At 30 June 2021	<u>9,806,150.76</u>	<u>112,049,972</u>

NUMBER OF UNITS IN ISSUE

- Class I HKD	9,599,639
- Class A HKD	6,512
- Class I USD	<u>200,000</u>

NET ASSET VALUE PER UNIT

- Class I HKD	HKD 10.0512
- Class A HKD	HKD 10.0083
- Class I USD	<u>USD 9.9792</u>

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

For the period from 1 January 2021 to 30 June 2021

	For the period from 1 January 2021 to 30 June 2021 (Unaudited) USD	For the period from 1 January 2020 to 30 June 2020 (Unaudited) HKD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	42,919	731,545
Increase in financial assets at fair value through profit or loss	(22,685,998)	(9,375,935)
Increase in time deposits	15,077,535	-
(Increase)/decrease in interest receivable	(166,303)	75,571
Increase in management fee payable	13,009	3,336
Increase in trustee fee payable	2,593	2,019
Increase/(decrease) in accrued expenses and other payables	54,626	(60,639)
Decrease in amount due to broker	-	(2,385,396)
Cash used in operations	(7,661,619)	(11,009,499)
Tax paid	-	-
Net cash flows used in operating activities	<u>(7,661,619)</u>	<u>(11,009,499)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of units	62,103,224	5,711,963
Payments on redemption of units	(14,045,493)	(20,103,799)
Net cash flows (used in)/generated from financing activities	<u>48,057,731</u>	<u>(14,391,836)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	40,396,112	(25,401,335)
Cash and cash equivalents at the beginning of the period	43,089,679	97,503,612
Decrease due to change in functional currency	-	(457,540)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>83,485,791</u>	<u>71,644,737</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balance	3,298,320	1,408,495
Short-term deposit	<u>80,187,471</u>	<u>70,236,242</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:		
Interest income on bank deposits	<u>162,874</u>	<u>477,640</u>

CHINAAMC SELECT MONEY MARKET FUND
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PERFORMANCE TABLE (UNAUDITED)

Net assets attributable to unitholders

(calculated in accordance with International Financial Reporting Standards)

	Net asset value per unit	Net asset value HKD
As at 30 June 2021 (Unaudited)		
– Class I HKD	HKD 10.0512	96,487,954
– Class A HKD	HKD 10.0083	65,203
– Class I USD	USD 9.9792	15,496,815
As at 31 December 2020 (Audited)		
– Class I HKD	HKD 10.0263	63,909,547
– Class A HKD	HKD 9.9984	25,722
As at 31 December 2019 (Audited)		
– Class I HKD	HKD 10.0037	111,538,502

Highest issue price and lowest redemption price per unit¹

(calculated in accordance with the Trust Deed)

	Highest issue price per unit	Lowest redemption price per unit
For the period from 1 January 2021 to 30 June 2021 (Unaudited)		
– Class I HKD	HKD 10.0761	HKD 10.0731
– Class A HKD	HKD 10.0379	HKD 10.0314
– Class I USD	USD 10.0115	USD 10.0000
For the year ended 31 December 2020		
- Class I HKD	HKD 10.0773	HKD 10.0243
- Class A HKD	HKD 10.0400	HKD 10.0000
For the period from 29 March 2019 (date of inception) to 31 December 2019 (Audited)		
- Class I HKD	HKD 10.0840	HKD 9.9558

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

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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

For the period from 1 January 2021 to 30 June 2021

	As at	Movement in holdings			As at
	01 January 2021	Addition	Bonus/ Dividends	Disposal	30 June 2021
<u>DEBT SECURITIES</u>					
LEGEND FORTUNE LTD 3M L+1.28% Q 16JUL2021	-	450,000	-	-	450,000
BLUESTAR FINANCE HLDGS LTD 3.5% S/A 30SEP2021	-	1,000,000	-	-	1,000,000
GUOTAI JUNAN INTL HLDGS LTD 0.78% A 12MAY2022	-	1,000,000	-	-	1,000,000
FOXCONN FAR EAST LTD 2.25% S/A 23SEP2021	-	480,000	-	-	480,000
SHENZHEN EXPRESSWAY CO LTD 2.875% S/A 18JUL2021	-	500,000	-	-	500,000
TMB BANK PCL/CAYMAN ISLANDS 3.108% S/A 01OCT2021	-	355,000	-	-	355,000
Total investment portfolio	-	3,785,000	-	-	3,785,000

CHINAAMC SELECT MONEY MARKET FUND
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INVESTMENT PORTFOLIO (UNAUDITED)

30 June 2021

	Nominal Value	Fair Value HKD	% of net asset
DEBT SECURITIES			
Hong Kong			
GUOTAI JUNAN INTL HLDGS LTD 0.78% A 12MAY2022	HKD 1,000,000	998,321	0.89%
		<u>998,321</u>	<u>0.89%</u>
China			
SHENZHEN EXPRESSWAY CO LTD 2.875% S/A 18JUL2021	USD 500,000	3,884,618	3.47%
		<u>3,884,618</u>	<u>3.47%</u>
Cayman			
FOXCONN FAR EAST LTD 2.25% S/A 23SEP2021	USD 480,000	3,738,551	3.34%
		<u>3,738,551</u>	<u>3.34%</u>
Thailand			
TMB BANK PCL/CAYMAN ISLANDS 3.108% S/A 01OCT2021	USD 355,000	2,768,582	2.47%
		<u>2,768,582</u>	<u>2.47%</u>
Virgin Isl, BT			
LEGEND FORTUNE LTD 3M L+1.28% Q 16JUL2021	USD 450,000	3,494,444	3.12%
BLUESTAR FINANCE HLDGS LTD 3.5% S/A 30SEP2021	USD 1,000,000	7,800,916	6.96%
		<u>11,295,360</u>	<u>10.08%</u>
FOREIGN CURRENCY FORWARD CONTRACTS			
Buy HKD 3,494,029.50 and Sell USD 450,000.00 (counterparty: BOCHK)		106	0.00%
Buy HKD 15,528,000.00 and Sell USD 2,000,000.00 (counterparty: BOCHK)		1,654	0.00%
Buy HKD 2,793,531.60 and Sell USD 360,000.00 (counterparty: BOCHK)		(1,194)	0.00%
Total investments portfolio (Cost: HKD 22,731,243)		22,685,998	20.25%
Other net assets		<u>89,363,974</u>	<u>79.75%</u>
Total net assets as at 30 June 2021		<u>112,049,972</u>	<u>100.00%</u>

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INVESTMENT PORTFOLIO (UNAUDITED) (continued)

30 June 2021

	Days
Portfolio weighted average maturity in days	52.23
Portfolio weighted average life in days	0.14

	Fair value (in HKD)	% of net assets
Daily liquid assets	112,396,834	100.09%
Weekly liquid assets	112,396,834	100.09%

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DISTRIBUTION DISCLOSURE (UNAUDITED)

For the period from 1 January 2021 to 30 June 2021

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

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

As at 30 June 2021

HKD

Net assets attributable to unitholders (calculated in accordance with International Financial Reporting Standards)	112,301,198
Adjustment for preliminary expenses	(265,279)
Adjustment for unsettled capital transactions	<u>14,053</u>
Net assets attributable to unitholders (calculated in accordance with the Trust Deed)	<u>112,049,972</u>
Net assets attributable to unitholders (per unit) (calculated in accordance with International Financial Reporting Standards)	
- Class I HKD	HKD 10.0512
- Class A HKD	HKD 10.0083
- Class I USD	USD 9.9792
Net assets attributable to unitholders (per unit) (calculated in accordance with the Trust Deed)	
- Class I HKD	HKD 10.0750
- Class A HKD	HKD 10.0320
- Class I USD	USD 10.0028

