

ChinaAMC Investment Trust

**ChinaAMC Global Investment Grade
Bond Fund**

Annual Report

For the year ended
31 December 2021



华夏基金
ChinaAMC

**CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND
– A SUB-FUND OF CHINAAMC INVESTMENT TRUST**

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

FOR THE YEAR ENDED 31 DECEMBER 2021

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CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

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

Mr. Yang Minghui
Ms. Li Yimei
Mr. Gan Tian
Mr. Li Fung Ming

Trustee

Cititrust Limited
50/F, Champion Tower
Three Garden Road
Central, Hong Kong

Auditor

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

Custodian and Administrator

Citibank N.A., Hong Kong Branch
50/F, Champion Tower
Three Garden Road
Central, Hong Kong

Transfer Agent

Citicorp Financial Services Limited
9/F, Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Legal Counsel to the Manager

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

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

MANAGER'S REPORT

Market Review

In 2021, global economy growth had benefited from synchronized fiscal and monetary stimulus. Economy growth in major developed markets had picked up momentum and many emerging markets had recovered well. However, there are issues to be closely monitored in post-pandemic era: shocks in global supply chain, structural shortage in labor market and weak demand in contact-based service consumption.

With unemployment rate continued to drop, monetary policy in the U.S. starts to focus more on inflation pressure. Financial market has started to price in quicker interest rate hike and possible quantitative tightening by Federal Reserve (Fed) later in 2022. Rising real yield and tighter liquidity condition will put pressure on global risk assets. European Central Bank might lag U.S. in policy tightening as both recovery and inflation are milder in Eurozone. China, on the other hand, has room to conduct policy aiming at economic growth, People's Bank of China has clearly signaled its commitment to open monetary policy tool box wider and to avoid a collapse in credit.

We expect probability of another large-scale COVID-19 caused lockdown is low, and it is anticipated we are getting closer to the end of the pandemic. In 2022, we will enhance our capacity in ESG investment and analysis.

China Asset Management (Hong Kong) Limited
29 March 2022

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

TRUSTEE'S REPORT TO UNITHOLDERS

We hereby confirm that, in our opinion, China Asset Management (Hong Kong) Limited in all material respects, managed ChinaAMC Global Investment Grade Bond Fund – a sub-fund of ChinaAMC Investment Trust in accordance with the provisions of the Trust Deed dated 7 October 2010, as supplemented, amended and restated from time to time, for the year ended 31 December 2021.

For and on behalf of
Cititrust Limited

Trustee
29 March 2022

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

Manager's responsibilities

China Asset Management (Hong Kong) Limited (the "Manager"), the Manager of the ChinaAMC Global Investment Grade Bond Fund (the "Sub-Fund"), a sub-fund of ChinaAMC Investment Trust (the "Trust"), is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code") and the trust deed dated 7 October 2010, as supplemented, amended and restated from time to time (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund at the end of that period and of the transactions for the year/period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently; and
- make judgements and estimates that are prudent and reasonable.

The Manager is also required to manage the Sub-Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

The Trust is an umbrella unit trust governed by its Trust Deed. As at 31 December 2021, the Trust has established three sub-funds.

Trustee's responsibilities

The Trustee of the Sub-Fund is required to:

- ensure that the Sub-Fund is managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting year on the conduct of the Manager in the management of the Sub-Fund.

Independent Auditor’s Report

To the unitholders of ChinaAMC Global Investment Grade Bond Fund (a sub-fund of ChinaAMC Investment Trust)

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of ChinaAMC Global Investment Grade Bond Fund (the “Sub-Fund”), a sub-fund of ChinaAMC Investment Trust, which are set out on pages 8 to 33, comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended ; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2021, 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Sub-Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the “IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other Information

The Trustee and the Manager (the “Management”) of the Sub-Fund are responsible for the other information. The other information comprises all of 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.

Independent Auditor's Report (Continued)

To the unitholders of ChinaAMC Global Investment Grade Bond Fund (a sub-fund of ChinaAMC Investment Trust)

Responsibilities of the Management for the Financial Statements

The Management of the Sub-Fund is 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 Management determines 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 Management of the Sub-Fund is 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 Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 7 October 2010, as amended (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

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. We report our opinion solely to you, as a body, 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 Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment 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.
- 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 Management.

Independent Auditor's Report (Continued)

To the unitholders of ChinaAMC Global Investment Grade Bond Fund (a sub-fund of ChinaAMC Investment Trust)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of the Management'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 Management 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 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 Appendix E of the SFC Code.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 March 2022

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

(Expressed in United States dollars)

	Notes	2021	2020
Assets			
Cash and cash equivalents	8(d)	\$ 1,081,677	\$ 497,895
Margin accounts		347,253	–
Financial assets at fair value through profit or loss	3, 11(a)	9,194,918	10,034,079
Total assets		<u>\$ 10,623,848</u>	<u>\$ 10,531,974</u>
Liabilities			
Financial liabilities at fair value through profit or loss	4, 11(a)	\$ 500	\$ –
Accruals and other payables		48,014	46,365
Total liabilities		<u>\$ 48,514</u>	<u>\$ 46,365</u>
Net assets attributable to unitholders	9(c)	<u>\$ 10,575,334</u>	<u>\$ 10,485,609</u>

The notes on pages 13 to 33 are an integral part of these financial statements.

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

(Expressed in United States dollars)

		For the year ended 31 December 2021	For the period from 15 June 2020 (date of commencement of operations) to 31 December 2020
Interest income on investments		\$ 347,570	\$ 172,398
Net (loss)/gain on financial assets and financial liabilities at fair value through profit or loss	6	(132,106)	1,142,010
Total income		<u>\$ 215,464</u>	<u>\$ 1,314,408</u>
Management fee	8(a)	\$ (42,184)	\$ (22,535)
Audit fee		(18,262)	(16,769)
Trustee and Custodian fee	8(b)	(31,733)	(8,651)
Financial statements preparation fee	8(c)	(8,000)	(4,000)
Bank charges	8(d)	(249)	(43)
Interest expense	8(d)	(1,090)	(1,945)
Establishment costs	9(c)	1,762	(34,000)
Transaction costs	8(e)	(14,171)	(8,702)
Transfer agency fee	8(f)	(6,544)	-
Others		(1,768)	(1,020)
Total operating expenses		<u>\$ (122,239)</u>	<u>\$ (97,665)</u>
Profit before tax		\$ 93,225	\$ 1,216,743
Withholding tax	5	(3,500)	-
Increase in net assets attributable to unitholders from operations for the year/period		<u>\$ 89,725</u>	<u>\$ 1,216,743</u>

The notes on pages 13 to 33 are an integral part of these financial statements.

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(Expressed in United States dollars)

	Notes	For the year ended 31 December 2021	For the period from 15 June 2020 (date of commencement of operations) to 31 December 2020
Balance at the beginning of the year/period		\$ 10,485,609	\$ –
Subscription		\$ 8,500,000	\$ 10,000,000
Redemption		(8,500,000)	(731,134)
Total transactions with unitholders		\$ –	\$ 9,268,866
Increase in net assets attributable to unitholders from operations for the year/period		\$ 89,725	\$ 1,216,743
Balance at the end of the year/period	9(c)	\$ 10,575,334	\$ 10,485,609
Number of units issued and redeemed:			Class I USD units
At 15 June 2020 (date of commencement of operations)			–
Subscription of units during the period			1,000,000
Redemption of units during the period			(67,560)
At 31 December 2020 and 1 January 2021			932,440
Subscription of units during the year			747,450
Redemption of units during the year			(747,450)
At 31 December 2021	9(a)		932,440

The notes on pages 13 to 33 are an integral part of these financial statements.

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**
(Expressed in United States dollars)

	Notes	For the year ended 31 December 2021	For the period from 15 June 2020 (date of commencement of operations) to 31 December 2020
Operating activities			
Increase in net assets attributable to unitholders from operations for the year/period		\$ 89,725	\$ 1,216,743
Adjustments for:			
Interest income		(347,570)	(172,398)
Interest expense		1,090	1,945
Withholding tax	5	3,500	–
		<hr/>	<hr/>
Operating (loss)/profit before changes in working capital		\$ (253,255)	\$ 1,046,290
Decrease/(increase) in financial assets at fair value through profit or loss		839,161	(10,034,079)
Increase in financial liabilities at fair value through profit or loss		500	–
Increase in margin accounts		(347,253)	–
Increase in accruals and other payables		1,649	46,365
Interest received, net of withholding tax paid		344,070	172,398
		<hr/>	<hr/>
Net cash generated from/(used in) operating activities		\$ 584,872	\$ (8,769,026)
Financing activities			
Proceeds from subscription of units		\$ 8,500,000	\$ 10,000,000
Payments on redemption of units		(8,500,000)	(731,134)
Interest paid		(1,090)	(1,945)
		<hr/>	<hr/>
Net cash (used in)/generated from financing activities		\$ (1,090)	\$ 9,266,921
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 13 to 33 are an integral part of these financial statements.

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**
(Expressed in United States dollars)

	Notes	For the year ended 31 December 2021	For the period from 15 June 2020 (date of commencement of operations) to 31 December 2020
Net increase in cash and cash equivalents		\$ 583,782	\$ 497,895
Cash and cash equivalents at the beginning of the year/period		497,895	–
Cash and cash equivalents at the end of the year/period	8(d)	\$ 1,081,677	\$ 497,895

The notes on pages 13 to 33 are an integral part of these financial statements.

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Expressed in United States dollars, unless otherwise indicated)

1 General Information

ChinaAMC Global Investment Grade Bond Fund (the “Sub-Fund”) is a sub-fund of ChinaAMC Investment Trust (the “Trust”), which is an open-ended unit trust initially established as an exempted trust under the laws of the Cayman Islands pursuant to a trust deed dated 7 October 2010, as amended or supplemented from time to time and restated on 28 July 2017 (the “Trust Deed”), between Citigroup First Investment Management Limited (the “Former Manager”) and Cititrust (Cayman) Limited (the “Former Trustee”).

Redomicile of the Trust and the Sub-Fund

The Trust was initially established as an exempted trust under the laws of the Cayman Islands. With effect from 28 July 2017, the Trust shall take effect in accordance with the laws of Hong Kong and the laws of Hong Kong shall be the governing law of the Trust.

Pursuant with the supplemental deeds dated 28 July 2017, the Former Manager retired as the manager of the Trust and China Asset Management (Hong Kong) Limited (the “Manager”) was appointed as the manager of the Trust with effect from 28 July 2017. On the same day, the Former Trustee retired as the trustee of the Trust and Cititrust Limited (the “Trustee”) was appointed as the trustee of the Trust.

The Sub-Fund is authorised by the Hong Kong Securities and Futures Commission (the “SFC”) under Section 104 of the Hong Kong Securities and Futures Ordinance, and governed by the Hong Kong Code on Unit Trusts and Mutual Funds (the “Code”) issued by the SFC. The Sub-Fund was authorised by the SFC on 1 June 2020 and the first dealing day was 15 June 2020.

The investment objective of the Sub-Fund is to provide unitholders with long term capital growth primarily through investing in investment grade fixed income and debt instruments in markets worldwide.

The investment strategy of the Sub-Fund is to invest up to 100% of the net asset value of the Sub-Fund in fixed income and debt instruments of varying maturities in markets worldwide. At least 70% of the Sub-Fund’s net asset value will be invested in fixed income instruments with an investment grade rating (i.e. having a credit rating of Baa3 or BBB- or above by Standard & Poor’s, Fitch, Moody’s or another recognised credit rating agency) or fixed income instruments with issuers of investment grade rating if the instrument does not have a credit rating.

The custodian and administration functions are delegated to Citibank N.A., Hong Kong Branch (the “Custodian” and the “Administrator”). Citibank N.A., Hong Kong Branch is a related party of the Former Manager, the Former Trustee and the Trustee.

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(Expressed in United States dollars, unless otherwise indicated)

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the year/period presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards (“IFRSs”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (collectively the “Management”) to exercise judgements in the process of applying the Sub-Fund’s accounting policies.

All references to “net assets” or “net asset value” throughout these financial statements refer to net assets attributable to unitholders unless otherwise stated.

Standards and amendments to existing standards effective 1 January 2021

There are no standards, amendments to existing standards or interpretations that are effective for annual periods beginning on 1 January 2021 that have a material effect on the financial statements of the Sub-Fund.

New standards, amendments and interpretations effective after 1 January 2021 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Fund.

(b) Foreign currency translation

(i) Functional and presentation currency

The subscriptions and redemptions of the units of the Sub-Fund are denominated in United States dollars (“USD”). The performance of the Sub-Fund is measured and reported to unitholders in USD. The Management considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in USD, which is the Sub-Fund’s functional and presentation currency.

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(Expressed in United States dollars, unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

(b) Foreign currency translation (Continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to the financial assets and financial liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net (loss)/gain on financial assets and financial liabilities at fair value through profit or loss”.

(c) Financial assets and financial liabilities at fair value through profit or loss

(i) Classification

The Sub-Fund classifies its investments based on both the Sub-Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund primarily focuses on fair value information and uses that information to assess the assets’ performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Sub-Fund’s debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Sub-Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

The Sub-Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as financial liabilities at fair value through profit or loss.

As such, the Sub-Fund classifies all of its investment portfolio as financial assets or financial liabilities at fair value through profit or loss.

The Sub-Fund’s policy requires the Manager to evaluate the information about these financial assets and financial liabilities on a fair value basis together with other related financial information.

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(Expressed in United States dollars, unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

(c) Financial assets and financial liabilities at fair value through profit or loss (Continued)

(ii) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Sub-Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value.

Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of financial assets and financial liabilities at fair value through profit or loss are presented in the statement of comprehensive income within “net (loss)/gain on financial assets and financial liabilities at fair value through profit or loss” in the year/period in which they arise.

Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income.

(iii) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the date of the statement of financial position. The quoted market price used for financial assets and financial liabilities held by the Sub-Fund is the last traded market price where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Sub-Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Investments which are not listed on an exchange or are thinly traded are valued by using quotes from brokers or based on the Manager’s judgements and estimates. The fair value of debt securities based on quoted market prices.

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(Expressed in United States dollars, unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

(c) Financial assets and financial liabilities at fair value through profit or loss (Continued)

(iv) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

(d) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(e) Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and other short-term investments in an active market with original maturities of three months or less.

(f) Interest income from financial assets at fair value through profit or loss

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from financial assets at fair value through profit or loss.

(g) Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(h) Increase in net assets attributable to unitholders from operations

Income not distributed is included in net assets attributable to unitholders.

(i) Taxation

The Sub-Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

(j) Net (loss)/gain on financial assets and financial liabilities at fair value through profit or loss

Net (loss)/gain on financial assets and financial liabilities at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but exclude interest and dividend income.

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(Expressed in United States dollars, unless otherwise indicated)

2 Summary of significant accounting policies (Continued)

(k) Units in issue

The Sub-Fund has authorised multiple classes of redeemable units and issued one class, which is redeemable at the unitholders' option. All the classes are the most subordinate classes of financial instruments in the Sub-Fund and rank pari passu in all material respects and have the same terms and conditions other than that different classes of unit are denominated in different currencies. The redeemable units provide unitholders with the right to require redemption for cash at a value proportionate to the unitholders' units in the net assets of the applicable class of units of the Sub-Fund at the redemption date, and also in the event of the Sub-Fund's liquidation.

The redeemable units of the Sub-Fund are classified as equity.

(l) Collateral

Cash collateral provided by the Sub-Fund is identified in the statement of financial position as margin accounts and is not included as a component of cash and cash equivalents.

(m) Establishment costs

Establishment costs are recognised as an expense in the year in which they are incurred in accordance with IFRSs. However, this has resulted in a difference between the Sub-Fund's trading net asset value and the sum of assets and liabilities measured in accordance with IFRSs as disclosed in Note 9(c).

(n) Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

3 Financial assets at fair value through profit or loss

	2021	2020
Financial assets at fair value through profit or loss:		
- Quoted debt securities	\$ 9,194,840	\$ 10,034,079
- Futures contracts (a)	78	–
	<hr/>	<hr/>
Total financial assets at fair value through profit or loss	\$ 9,194,918	\$ 10,034,079
	<hr/>	<hr/>

The detail of derivative financial instrument is disclosed below.

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3 Financial assets at fair value through profit or loss (Continued)

(a) Futures contracts

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities.

Details of the futures contracts as at 31 December 2021:

Type	Description	Number of contracts long/(short)	Notional amount long/(short)	Fair value assets
Bond futures	US 5YR NOTE (CBT) FUTURE 31/03/2022	(5)	\$ (604,883)	\$ 78

As at 31 December 2020, there were no futures contracts as financial assets at fair value through profit or loss held by the Sub-Fund.

4 Financial liabilities at fair value through profit or loss

	2021	2020
Financial liabilities at fair value through profit or loss:		
- Futures contracts (a)	\$ 500	\$ –
Total financial liabilities at fair value through profit or loss	\$ 500	\$ –

The details of each type of derivative financial instruments are disclosed below.

(a) Futures contracts

Details of the futures contracts as at 31 December 2021:

Type	Description	Number of contracts long/(short)	Notional amount long/(short)	Fair value liabilities
Bond futures	US 10YR NOTE FUTURE 22/03/2022	(5)	\$ (652,344)	\$ (500)

As at 31 December 2020, there were no futures contracts as financial liabilities at fair value through profit or loss held by the Sub-Fund.

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5 Taxation

Taxation in the statement of comprehensive income represents:

	For the year ended 31 December 2021	For the period from 15 June 2020 (date of commencement of operations) to 31 December 2020
Withholding tax on interest income	\$ 3,500	\$ –

(a) Hong Kong

No provision for Hong Kong profits tax has been made in the financial statements as the Sub-Fund is exempted from taxation under section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

(b) Foreign countries

The Sub-Fund invests in securities issued by entities which are domiciled in countries other than Hong Kong. Many of these foreign countries have tax laws that indicate that capital gains taxes maybe applicable to non-residents, such as the Sub-Fund. Typically, these capital gains taxes are required to be determined on a self-assessment basis; therefore, such taxes may not be deducted by the Sub-Fund's broker on a withholding basis.

At 31 December 2021 and 31 December 2020, the Sub-Fund has applied the most likely amount method in measuring uncertain tax liabilities and related interest and penalties with respect to foreign capital gains taxes at nil while this represents the Management's best estimate that estimated value could differ significantly from the amount ultimately payable.

6 Net (loss)/gain on financial assets and financial liabilities at fair value through profit or loss

	For the year ended 31 December 2021	For the period from 15 June 2020 (date of commencement of operations) to 31 December 2020
Net realised gain	\$ 131,095	\$ 861,787
Net change in unrealised (loss)/gain in financial assets and financial liabilities at fair value through profit or loss	(263,201)	280,223
	<u>\$ (132,106)</u>	<u>\$ 1,142,010</u>

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7 Soft dollar arrangements

The Manager has not received any soft dollar commissions or entered into any soft dollar arrangements for the Sub-Fund for the year/period ended 31 December 2021 and 31 December 2020.

8 Transactions with related parties or the Connected Persons

The following is a summary of transactions entered into during the year/period between the Sub-Fund and its related parties, including the Manager, the investment delegate, the Trustee/Custodian and their connected persons (the “Connected Persons”). The Connected Persons are those as defined in the Code issued by the SFC. All such transactions were entered into in the ordinary course of business and under normal commercial terms. To the best of the knowledge of the Trustee and the Manager, the Sub-Fund did not have any other transactions with the Connected Persons except for those disclosed below.

(a) Management fee

The fee payable to the Manager is calculated at 0.8% per annum of the net asset value of Class A units, and 0.4% per annum of the net asset value of Class I units, payable monthly in arrears. The management fee for the year ended 31 December 2021 amounted to \$42,184 (for the period ended 31 December 2020: \$22,535), of which \$10,684 (for the period ended 31 December 2020: \$22,535) was payable as at 31 December 2021.

(b) Trustee and Custodian fee

The fee payable to the Trustee and the Custodian is calculated at 0.08% per annum of net asset value of the Sub-Fund. It is accrued daily and payable in arrears on a monthly basis, subject to a monthly minimum of \$4,000, waived for first 12 months. The fee charged for the year ended 31 December 2021 amounted to \$31,733 (for the period ended 31 December 2020: \$8,651), of which \$12,099 (for the period ended 31 December 2020: \$710) was payable as at 31 December 2021.

(c) Financial statements preparation fee

The Administrator is entitled to a financial statements preparation fee of \$7,000 per annum. The financial statements preparation fee for the year ended 31 December 2021 amounted to \$8,000 (for the period ended 31 December 2020: \$4,000), of which \$4,000 (for the period ended 31 December 2020: \$4,000) was payable as at 31 December 2021.

(d) Cash and cash equivalents

All bank balances of the Sub-Fund are held in interest-bearing accounts with Citibank N.A., Hong Kong Branch. As at 31 December 2021, the balances amounted to \$1,081,677 (2020: \$497,895). For the year ended 31 December 2021, the bank charges and interest expense amounted to \$249 (for the period ended 31 December 2020: \$43) and \$1,090 (for the period ended 31 December 2020: \$1,945) respectively.

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8 Transactions with related parties or the Connected Persons (Continued)

(e) Transaction costs

In the purchase and sales of investments, the Sub-Fund may utilise the brokerage services of fellow subsidiaries of the Trustee. For the year/period ended 31 December 2021 and 31 December 2020, there is no commission incurred for the transactions effected through these entities.

(f) Transfer agency fee

The Trustee is entitled to a transfer agency fee of \$6,000 per annum. The transfer agency fee for the year ended 31 December 2021 amounted to \$6,544 (for the period ended 31 December 2020: \$nil), of which \$1,512 (for the period ended 31 December 2020: \$nil) was payable as at 31 December 2021.

(g) Unit holdings

As at 31 December 2021, there are two unitholders related to the Manager: a subsidiary of the Manager and a fund managed by the Manager respectively. These unitholders held 100% of the interest in the Sub-Fund. As at 31 December 2020, the only unitholder of the Sub-Fund is a subsidiary of the Manager.

9 Net assets attributable to unitholders

(a) Units issued and redeemed

The following table shows the net asset value per unit:

	2021	2020
Total number of units in issue		
Class I (USD) units	932,440	932,440
	<hr/>	<hr/>
Net asset value per unit in local currency (calculated in accordance with the EM)		
Class I (USD) units	USD 11.365	USD 11.278
	<hr/>	<hr/>

The Trust and the Sub-Fund do not have any externally imposed capital requirements. As at 31 December 2021, the Sub-Fund had net assets attributable to unitholders of \$10,575,334 (2020: \$10,485,609). The Sub-Fund strives to invest funds received from the issuance of redeemable units in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet the funding needs when unitholders redeem their units.

The Manager may from time to time permit unitholders to convert some or all of their units of any class into units of any other class whether in respect of the Sub-Fund or any other sub-funds of the Trust which have been authorised by the SFC.

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9 Net assets attributable to unitholders (Continued)

(b) Distributions

The Sub-Fund does not intend to pay dividends or other distributions for the year/period ended 31 December 2021 and 31 December 2020.

(c) Reconciliation of net asset value for subscriptions and redemptions to net asset value per statement of financial position

Adjustment for establishment costs

The Sub-Fund’s Explanatory Memorandum (“EM”) requires the establishment costs to be amortised over a period of 5 years for the purpose of calculating its trading net asset value, whereas IFRSs require the establishment costs to be expensed when incurred.

The costs of establishment of the Sub-Fund (including legal, structuring and advisory fees) are estimated to be approximately \$32,000. The costs will be amortised over the first 5 financial years of the Sub-Fund. As at 31 December 2021, \$21,883 (2020: \$30,303) are unamortised for the Sub-Fund, with remaining amortisation period of 3 years and 5 months.

All establishment costs have been expensed when incurred in accordance with IFRSs, however, this has resulted in a difference between the Sub-Fund’s trading net asset value and the sum of assets and liabilities measured in accordance with IFRSs.

	2021	2020
Net assets attributable to unitholders (before adjustment for establishment costs)	\$ 10,597,217	\$ 10,515,912
Adjustment for establishment costs	(21,883)	(30,303)
Net assets attributable to unitholders (after adjustment for establishment costs)	<u>\$ 10,575,334</u>	<u>\$ 10,485,609</u>

10 Financial instruments and associated risks

The Sub-Fund’s investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests according to the investment strategy. The risks that the Sub-Fund is exposed to are market risk, credit risk and liquidity risk. Market risk includes price risk, interest rate risk and currency risk.

The Sub-Fund maintains an investment portfolio in a variety of debt securities and derivative financial instruments as dictated by its investment management strategy.

The nature and extent of the financial instruments outstanding at the end of the reporting period and the risk management policies employed by the Sub-Fund are discussed below.

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10 Financial instruments and associated risks (Continued)

(a) Market risk

All investments held by the Sub-Fund are measured at fair value through profit or loss, and all changes in market conditions directly affect profit or loss. Market risk is the risk that the value of the investments will fluctuate as a result of changes in prices, interest rates or exchange rates.

(i) Price risk

Price risk is the risk that value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual instrument or factors affecting all instruments traded in the market.

The following table shows the concentration of investments of the Sub-Fund by product type:

By product type	2021		2020	
	Market value	% of total net assets	Market value	% of total net assets
Financial assets at fair value through profit or loss				
Quoted debt securities	\$ 9,194,840	86.95	\$ 10,034,079	95.69
Futures contracts	78	0.00	–	–
	<u>\$ 9,194,918</u>	<u>86.95</u>	<u>\$ 10,034,079</u>	<u>95.69</u>
Financial liabilities at fair value through profit or loss				
Futures contracts	\$ (500)	(0.00)	\$ –	–
	<u>\$ 9,194,418</u>	<u>86.95</u>	<u>\$ 10,034,079</u>	<u>95.69</u>
Total investments	<u>\$ 9,194,418</u>	<u>86.95</u>	<u>\$ 10,034,079</u>	<u>95.69</u>

The following table shows the net market exposure of quoted debt securities by market:

By market	2021	2020
Luxembourg	\$ 7,219,090	\$ 5,826,604
United Kingdom	212,705	213,794
United States	1,763,045	3,993,681
	<u>\$ 9,194,840</u>	<u>\$ 10,034,079</u>

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10 Financial instruments and associated risks (Continued)

(a) Market risk (Continued)

(i) Price risk (Continued)

The following table shows the net market exposure of quoted debt securities by industry:

By industry	2021 % investment portfolio	2020 % investment portfolio
Basic Materials	3.21	–
Communication services	–	2.02
Consumer, Cyclical	5.46	–
Consumer, Non-cyclical	4.22	–
Consumer staples	–	2.93
Energy	2.95	5.71
Financials	65.45	69.62
Government	4.35	7.35
Industrials	7.73	7.11
Materials	–	5.26
Technology	2.21	–
Utilities	4.42	–
	100.00	100.00

The Sub-Fund's overall exposure to price risk including the notional exposure on derivative contracts are as follows:

31 December 2021	Carrying value of financial assets at fair value through profit or loss	% of net assets	Notional exposure
Futures contracts	\$ 78	0.00	\$ (604,883)
31 December 2021	Carrying value of financial liabilities at fair value through profit or loss	% of net assets	Notional exposure
Futures contracts	\$ (500)	(0.00)	\$ (652,344)

As at 31 December 2020, there are no futures contracts as financial assets and financial liabilities at fair value through profit or loss held by the Sub-Fund.

The sensitivity analysis of market risk for debt securities is disclosed in the interest rate risk in Note 10(a)(ii) below.

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10 Financial instruments and associated risks (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of interest-bearing financial instruments and their future cash flows. The Sub-Fund invests in debt securities which are subject to interest rate fluctuations.

As interest rates rise, prices of fixed income securities may fall and vice versa. The rationale is that as interest rates increase, the opportunity cost of holding a fixed income security increases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rates.

The table below summarises the Sub-Fund's exposure to interest rate risk for financial assets and liabilities, categorised by contractual repricing or maturity dates.

	2021				Total
	Up to 1 year	1 - 5 years	Over 5 years	Non interest-bearing	
Assets					
Cash and cash equivalents	\$ 1,081,677	\$ –	\$ –	\$ –	\$ 1,081,677
Margin accounts	347,253	–	–	–	347,253
Financial assets at fair value through profit or loss	401,458	5,473,726	3,319,656	78	9,194,918
Total assets	\$ 1,830,388	\$ 5,473,726	\$ 3,319,656	\$ 78	\$ 10,623,848
Liabilities					
Financial liabilities at fair value through profit or loss	\$ –	\$ –	\$ –	\$ 500	\$ 500
Accruals and other payables	–	–	–	48,014	48,014
Total liabilities	\$ –	\$ –	\$ –	\$ 48,514	\$ 48,514
Total interest sensitivity gap	\$ 1,830,388	\$ 5,473,726	\$ 3,319,656		

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10 Financial instruments and associated risks (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

	2020				Total
	Up to 1 year	1 - 5 years	Over 5 years	Non interest-bearing	
Assets					
Cash and cash equivalents	\$ 497,895	\$ –	\$ –	\$ –	\$ 497,895
Financial assets at fair value through profit or loss	–	4,228,082	5,805,997	–	10,034,079
Total assets	\$ 497,895	\$ 4,228,082	\$ 5,805,997	\$ –	\$ 10,531,974
Liabilities					
Accruals and other payables	\$ –	\$ –	\$ –	\$ 46,365	\$ 46,365
Total liabilities	\$ –	\$ –	\$ –	\$ 46,365	\$ 46,365
Total interest sensitivity gap	\$ 497,895	\$ 4,228,082	\$ 5,805,997		

The following table demonstrates the sensitivity of the Sub-Fund's net asset value as at year/period ended 31 December 2021 and 31 December 2020 to a reasonably possible change in interest rates, with all other variable held constant.

	Carrying value of financial assets at fair value through profit or loss	% of net assets	Weighted average duration	Change in basis points	Estimated possible change in net asset value increase/ (decrease)
31 December 2021					
Quoted debt securities	\$ 9,194,840	86.95	2.92	50 (50)	\$ (134,245) 134,245
31 December 2020					
Quoted debt securities	\$ 10,034,079	95.69	5.44	50 (50)	\$ (272,927) 272,927

The Manager has used its view of what would be a “reasonable shift” in each key market to estimate the impact on the sensitivity analysis above.

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10 Financial instruments and associated risks (Continued)

(a) Market risk (Continued)

(iii) Currency risk

The Sub-Fund may invest in financial instruments and enter into transactions that are denominated in currencies other than its functional currency. Consequently, the Sub-Fund is exposed to risks that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value of that portion of the Sub-Fund's financial assets or liabilities denominated in currencies other than USD. The Manager monitors the Sub-Fund's foreign currency exposures on an ongoing basis.

As at 31 December 2021 and 31 December 2020, the Sub-Fund holds monetary and non-monetary assets and liabilities, which are mainly denominated in USD, the Sub-Fund's functional currency and presentation currency and therefore there is no significant exposure to currency risk.

(b) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund. The Sub-Fund's exposure to credit risk is monitored by the Manager on an ongoing basis. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. This relates to financial assets carried at amortised cost, as they have short term maturity.

The Sub-Fund applies the IFRS 9 general model for cash and cash equivalents and margin accounts to measure the expected credit losses. The identified impairment loss was immaterial as the history of defaults are minimal.

All the Sub-Fund's cash and cash equivalents, margin accounts and financial assets at fair value through profit or loss are held in major financial institutions located in Hong Kong, which the Sub-Fund believes are of high credit quality. The Manager considers that the Sub-Fund does not have a significant concentration of credit risk.

The Manager mitigates the counterparty risk associated with the Sub-Fund by putting in place appropriate counterparty risk management procedures. The Manager monitors the credit rating of the brokers on an ongoing basis.

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10 Financial instruments and associated risks (Continued)

(b) Credit risk (Continued)

The table below sets out the net exposure of the Sub-Fund to counterparties as at 31 December 2021 and 31 December 2020 together with their credit ratings provided by Standard & Poor's rating services:

		2021			2020	
	Credit rating		Net exposure to counterparties	Credit rating		Net exposure to counterparties
Cash and cash equivalents						
Citibank N.A., Hong Kong Branch	A-1	\$	1,081,677	A-1	\$	497,895
Margin accounts						
CITIC Futures Co., Ltd	A-2	\$	347,253	–		–
Financial assets at fair value through profit or loss						
Citibank N.A., Hong Kong Branch	A-1	\$	9,194,918	A-1	\$	10,034,079

The Sub-Fund invests in debt securities which have credit ratings as rated by well-known rating agencies. An analysis of the Sub-Fund's investments in debt securities by credit rating sourced from Standard and Poor's rating services is set out in the following table.

By rating category	2021	2020
AA	–	7.09%
AA-	2.21%	–
A+	2.16%	3.27%
A	8.77%	1.99%
A-	31.60%	15.68%
BBB+	6.91%	7.17%
BBB	27.65%	20.51%
BBB-	18.53%	3.32%
BB+	2.17%	3.24%
BB	–	2.23%
Unrated	–	35.50%
Total	100.00%	100.00%

The Management manages the credit risk of the unrated debt securities by monitoring the credit ratings of the issuers.

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10 Financial instruments and associated risks (Continued)

(c) Liquidity risk

Liquidity risk arises from the risk that the Manager may not be able to convert investments into cash to meet liquidity needs in a timely manner. As unitholders may realise units on any dealing day, the Sub-Fund is exposed to liquidity risk of meeting unitholder redemptions.

As at 31 December 2021 and 31 December 2020, the Sub-Fund's investments in quoted debt securities are considered to be readily realisable because they are traded in an active market.

The table below analyses the remaining contractual maturities of the Sub-Fund's financial liabilities as at 31 December 2021 and 31 December 2020:

	2021					Total
	Repayable on demand	Within 1 month	1 month to 3 months	3 months to 1 year	No specified maturity	
Financial liabilities at fair value through profit or loss	\$ –	\$ –	\$ 500	\$ –	\$ –	\$ 500
Accruals and other payables	\$ –	\$ 48,014	\$ –	\$ –	\$ –	\$ 48,014
Total financial liabilities	\$ –	\$ 48,014	\$ 500	\$ –	\$ –	\$ 48,514

	2020					Total
	Repayable on demand	Within 1 month	1 month to 3 months	3 months to 1 year	No specified maturity	
Accruals and other payables	\$ –	\$ 46,365	\$ –	\$ –	\$ –	\$ 46,365
Total financial liabilities	\$ –	\$ 46,365	\$ –	\$ –	\$ –	\$ 46,365

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10 Financial instruments and associated risks (Continued)

(d) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 31 December 2021, the Sub-Fund was subject to one master netting arrangement with its sole derivative counterparty. All the derivative assets and liabilities of the Sub-Fund are held with this counterparty and the margin balance maintained by the Sub-Fund is for the purpose of providing collateral on derivative positions.

The following tables present the Sub-Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C=A-B	D		E=C-D
		Gross amounts of recognised financial assets/ (liabilities) set- off in the statement of financial position	Net amounts of financial assets/ (liabilities) presented in the statement of financial position	Related amounts not set-off in the statement of financial position		
	Gross amounts of recognised financial assets/ (liabilities)			D(i) Financial instruments	D(ii) Cash collateral	Net amount
As at 31 December 2021						
Assets						
Financial assets at fair value through profit or loss	\$ 78	\$ –	\$ 78	\$ –	\$ –	\$ 78
Margin accounts	347,253	–	347,253	–	–	347,253
Liabilities						
Financial liabilities at fair value through profit or loss	\$ (500)	\$ –	\$ (500)	\$ –	\$ –	\$ (500)

Amounts in D(i) and D(ii) above relate to amounts subject to set-off that do not qualify for offsetting under (B) above. This includes (i) amounts which are subject to set-off against the asset (or liability) disclosed in (A) above which have not been offset in the statement of financial position, and (ii) any financial collateral (including cash collateral), both received and pledged.

Under all the current master netting arrangement, the Sub-Fund's overall exposure to credit risk associated with favourable contracts is reduced to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. Pursuant to the terms of the master netting agreement, an event of default includes the following:

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10 Financial instruments and associated risks (Continued)

(d) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

- failure by a party to make payment when due;
- failure by a party to comply with or perform any agreement or obligation (other than payment) required by the agreement if such failure is not remedied within 30 days after notice of such failure is given to the party; and
- bankruptcy.

As at 31 December 2020, the Sub-Fund was not subject to any master netting arrangement with its counterparties.

11 Fair value information

(a) Financial instruments carried at fair value

The table below presents the fair value of the Sub-Fund's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using level 2 inputs i.e. observable inputs which fail to meet level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

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11 Fair value information (Continued)

(a) Financial instruments carried at fair value (Continued)

	2021			Total
	Level 1	Level 2	Level 3	
<u>Assets</u>				
Financial assets at fair value through profit or loss				
- Quoted debt securities	\$ –	\$ 9,194,840	\$ –	\$ 9,194,840
- Futures contracts	78	–	–	78
Total assets	\$ 78	\$ 9,194,840	\$ –	\$ 9,194,918
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
- Futures contracts	\$ 500	\$ –	\$ –	\$ 500
Total liabilities	\$ 500	\$ –	\$ –	\$ 500
	2020			Total
	Level 1	Level 2	Level 3	
<u>Assets</u>				
Financial assets at fair value through profit or loss				
- Quoted debt securities	\$ –	\$ 10,034,079	\$ –	\$10,034,079

For the year/period ended 31 December 2021 and 31 December 2020, there were no transfers between levels of investments held by the Sub-Fund.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

(b) Fair values of financial instruments carried at other than fair value

The financial assets and financial liabilities included in the statement of financial position, except the financial assets and financial liabilities at fair value through profit or loss, are carried at amortised cost. Their carrying values are an appropriate approximation of fair value.

12 Approval of financial statements

The financial statements were approved and authorized for issue by the Management on 29 March 2022.

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

(Expressed in United States dollars, unless otherwise indicated)

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Sub-Fund's total net asset value for the year ended 31 December 2021.

	2021 % of net asset value	2020 % of net asset value
Lowest gross exposure	0.00	–
Highest gross exposure	28.80	–
Average gross exposure	6.80	–

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Sub-Fund's total net asset value for the year ended 31 December 2021.

	2021 % of net asset value	2020 % of net asset value
Lowest net exposure	-28.80	–
Highest net exposure	0.00	–
Average net exposure	-6.80	–

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 31 DECEMBER 2021

(Expressed in United States dollars)

	Holdings	Market value	% of total net assets
Financial assets at fair value through profit or loss			
Quoted debt securities			
<i>Denominated in USD</i>			
AAC TECHNOLOGIES AACTEC 3 11/27/24	300,000	\$ 304,039	2.86
AERCAP IRELAND CAP/GLOBA 6.5%15JUL2025	300,000	352,235	3.33
AMIPEACE LTD BCHINA 1 3/4 11/09/26	200,000	198,655	1.88
ANADOLU EFES AEFES 3 3/8 06/29/28	200,000	194,831	1.84
BANGKOK BANK PCL BBLTB 3.466 09/23/36	200,000	201,943	1.91
BANK OF CHINA BCHINA 5 11/13/24	200,000	219,270	2.07
BANK OF COMM HK BOCOHK 2.304 07/08/31	300,000	296,968	2.81
BOC AVIATION BOCAVI 1 3/4 01/21/26	200,000	197,925	1.87
BOC AVIATION BOCAVI 3 1/2 01/31/23	200,000	206,958	1.96
BP CAPITAL MARKETS PLC FRN 31DEC2049	250,000	270,879	2.56
CEBI SPLENDID CEBINT 2 12/15/24	200,000	199,541	1.89
CENTRAL INT DVLP HENINV 2.2 08/25/24	200,000	202,358	1.91
CHARLES SCHWAB SCHW 4 PERP	300,000	304,661	2.88
CHINA MODERN DAI CNMDHL 2 1/8 07/14/26	200,000	193,264	1.83
CHINALCO CAPITAL CHALUM 2 1/8 06/03/26	300,000	295,002	2.79
COUNTRY GARDEN COGARD 4 3/4 01/17/23	200,000	199,989	1.89
EASTN/STHN AFRI PTABNK 4 1/8 06/30/28	200,000	199,648	1.89
EXPORT-IMPORT EIBMAL 1.831 11/26/26	200,000	200,675	1.90
FAR EAST HORIZON FRESHK 2 5/8 03/03/24	200,000	197,482	1.87
GLP CHINA GLPCHI 2.95 03/29/26	300,000	298,987	2.83
HSBC HOLDINGS HSBC 1.162 11/22/24	300,000	299,565	2.83
HSBC HOLDINGS HSBC 2.871 11/22/32	200,000	202,444	1.91
HUARONG FINANCE HRAM 4 1/2 12/29/49	200,000	203,824	1.93
JJ MUNICIPAL DEV JIUJDV 3.45 06/01/24	200,000	202,421	1.91

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

AS AT 31 DECEMBER 2021

(Expressed in United States dollars)

	Holdings	Market value	% of total net assets
Financial assets at fair value through profit or loss (Continued)			
Quoted debt securities (Continued)			
<i>Denominated in USD (Continued)</i>			
KOREA INV & SECS DFHOLD 2 1/8 07/19/26	200,000	\$ 200,301	1.89
NH INV & SECS LGSECS 1 7/8 10/07/26	200,000	198,791	1.88
PEAK RE BVI HLDN PEAKRN 5.35 PERP	200,000	207,958	1.97
PHOENIX GRP HLD PLC FRN 31DEC2049	200,000	212,705	2.01
PUBLIC STORAGE	200,000	200,550	1.90
PUBLIC STORAGE PSA 1.95 11/09/28	200,000	200,535	1.90
RONGSHI INTERNATIONAL FI	200,000	200,761	1.90
SCENTRE GROUP TRUST 2 FRN 24SEP2080	200,000	212,075	2.01
SF HLD INV 2021 SFHOLD 3 11/17/28	200,000	203,919	1.93
SINOCHEM OFFSH SINOCH 1 09/23/24	300,000	295,228	2.79
SPIC PREF NO 2 SPICPT 3.45 PERP	200,000	203,710	1.93
TSMC ARIZONA TAISEM 2 1/2 10/25/31	200,000	203,556	1.92
VERTEX CAPITAL GZINFU 2.85 07/28/26	200,000	201,559	1.91
XI YANG OVERSEAS NJYZSO 1.98 11/02/22	400,000	401,458	3.80
ZHONGSHENG ZHOSHK 3 01/13/26	200,000	203,033	1.92
ZHONGYUAN ZHIC HNYUZI 3.2 07/06/26	200,000	205,137	1.94
		<u>\$ 9,194,840</u>	<u>86.95</u>

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

AS AT 31 DECEMBER 2021

(Expressed in United States dollars)

	Expiration date	Contracts	Market value	% of total net assets
Financial assets at fair value through profit or loss (Continued)				
Futures contracts¹				
US 5YR NOTE (CBT) FUTURE 03/31/22	31 March 2022	(5)	\$ 78	0.00
			<u>78</u>	<u>0.00</u>
Financial liabilities at fair value through profit or loss				
Futures contracts¹				
US 10YR NOTE FUTURE 03/22/22	22 March 2022	(5)	\$ (500)	(0.00)
			<u>(500)</u>	<u>(0.00)</u>

¹ The underlying assets of futures contracts are bonds and the counterparty of the future contracts is CITIC Futures Co., Ltd.

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

AS AT 31 DECEMBER 2021

(Expressed in United States dollars)

	Market value	% of total net assets
Total Investments <i>(Total cost of investments: \$9,113,879)</i>	\$ 9,194,418	86.95
Other net assets	1,380,916	13.05
Total net assets	<u>\$ 10,575,334</u>	<u>100.00</u>

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

(Expressed in United States dollars)

	2021 % of total net assets	2020 % of total net assets
Financial assets at fair value through profit or loss		
Quoted debt securities		
Luxembourg	68.27	55.57
United Kingdom	2.01	2.04
United States	16.67	38.08
	<u>86.95</u>	<u>95.69</u>
Futures contracts	<u>0.00</u>	<u>–</u>
Financial liabilities at fair value through profit or loss		
Futures contracts	<u>(0.00)</u>	<u>–</u>
Total investments	86.95	95.69
Other net assets	13.05	4.31
Total net assets	<u>100.00</u>	<u>100.00</u>

CHINAAMC GLOBAL INVESTMENT GRADE BOND FUND – A SUB-FUND OF CHINAAMC INVESTMENT TRUST

PERFORMANCE TABLE (UNAUDITED)

(Expressed in United States dollars, unless otherwise indicated)

	2021	2020
Total net asset value for valuation purposes (calculated in accordance with the EM)	\$ 10,597,217	\$ 10,515,912
Net asset value per unit in unit denomination currency (calculated in accordance with the EM)		
– Class I (USD) units	USD 11.365	USD 11.278

Price record in unit denomination currency (calculated in accordance with the EM)¹

	2021		2020²	
	Lowest net asset value per unit	Highest net asset value per unit	Lowest net asset value per unit	Highest net asset value per unit
– Class I (USD) units	10.866	11.539	10.000	11.279

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

² The financial period of the Sub-Fund was from 15 June 2020 (date of commencement of operations) to 31 December 2020.

