

**CICC-SZSE 100 INDEX TRACKER*,
(A SUB-FUND OF THE CICC INDEX TRUST*)**

*** This is a synthetic ETF**

For the period from 26 January 2010
(Date of Inception) to 31 December 2010

(Stock code: 3051)

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INVESTMENT MANAGER'S REPORT

To the unitholders of CICC-SZSE 100 Index Tracker* ("Fund")

(* This is a synthetic ETF)

Fund Performance

The Fund is an index tracking collective investment scheme whose investment objective is to track the performance of the SZSE 100 Index. The Fund aims to achieve its investment objective by investing in financial derivatives. As at 31 December 2010, the net asset value ("NAV") per unit of the Fund was HK\$41.0379 (for valuation purposes), the total number of issued units was 4,250,000 and the total assets under management was HK\$174,410,964 (for valuation purposes). Since the listing of the Fund on the Hong Kong Stock Exchange on 29 January 2010 and up to 31 December 2010, while the SZSE 100 Index has increased by 6.41%, the NAV of the Fund has increased by 7.82%, indicating the Fund slightly outperformed the underlying index. The tracking error between the yield of the Fund and that of the underlying index was 0.15% and the accumulated tracking difference was 1.42%. The correlation between the yield of the Fund and that of the underlying index was 99.72%.

The performance of the Fund is summarized as follows:

Return ¹	1-Month	3-Month	6-Month	1-Year	Since listing
SZSE100 Price Index	0.36%	8.77%	34.81%	N/A	6.41%
The Fund NAV-to-NAV ²	1.29%	10.68%	37.11%	N/A	7.82%
The Fund Market-to-Market ³	-1.78%	11.46%	36.79%	N/A	15.84%

Fund Activities

Waiver of establishment costs and management fee from the inception date to 31 October 2010

In order to reduce the fees and expenses of the Fund, the Manager has decided to waive the Fund's establishment costs in the amount of HK\$2 million and the management fees paid or payable by the Fund for the period from 26 January 2010, the inception date, up to and including 31 October 2010 in the amount of approximately HK\$1.12 million. The establishment costs waived have been borne by the Manager.

Change in shareholding structure of the controlling shareholder of the Manager

Following the completion of the formal registration with the State Administration for Industry and Commerce on 25 January 2011, the shareholding structure of the Manager's controlling shareholder, China International Capital Corporation Limited ("CICC"), has been changed effective on the same day. Morgan Stanley International Incorporated has sold its holdings in CICC to Government of Singapore Investment Corporation Pte Ltd., TPG Asia V Delaware, L.P., KKR Institutions Investments L.P. and The Great Eastern Life Assurance Company Limited.

¹ Past performance figures are not indicative of the future performance of the Fund. The return is based on NAV of the Fund for valuation purposes.

² Units in the Fund are issued and redeemed at NAV and therefore the returns of the Fund have been calculated base on its NAV.

³ Market returns are calculated using historical market closing prices.

INVESTMENT MANAGER'S REPORT

Index Activities

Since the listing of the Fund on the Hong Kong Stock Exchange on 29 January 2010, the SZSE 100 Index underwent one regular semi-annual review. Details of the changes are as follows:

Effective date	Stock code	Stock name	Change
1 July 2010	000046	Oceanwide Estate	Deletion
1 July 2010	000581	Weifu High-Tech	Deletion
1 July 2010	000959	Beijing Shougang Company Limited	Deletion
1 July 2010	000006	Shenzhen Zhenye	Deletion
1 July 2010	000089	Shenzhen International Airport	Deletion
1 July 2010	000532	Leaguer Stock Co., Ltd.	Deletion
1 July 2010	000952	Guangji Pharmaceutical Co., Ltd.	Deletion
1 July 2010	000927	Tianjin Faw Xiali Automobile Co., Ltd.	Addition
1 July 2010	000829	Telling Holding	Addition
1 July 2010	000522	Guangzhou Baiyunshan Pharmaceutical Co., Ltd.	Addition
1 July 2010	002069	Dalian Zhangzi Island Fishery Group, Ltd.	Addition
1 July 2010	000066	Greatwall Computer	Addition
1 July 2010	000786	BNBM Plc	Addition
1 July 2010	002078	Shandong Sun Paper Industry Joint Stock Co., Ltd.	Addition

Market Review

Reviewing 2010 A-shares market in the People's Republic of China ("the PRC"), the stock index moved lower in the earlier part of the year, rebounded and then weakened again. After opening at 3,289.75 in the beginning of the year, the SSE Composite Index fell to the year-low of 2,319.74 on 2 July before staging a rebound. The rising momentum accelerated after the national day holiday in increased volume to reach a year-high of 3,186.72 on 11 November. However, the SSE Composite Index fell back again and continued to retreat until the end of the year. For the whole year, the SSE Composite Index, the representative index of the PRC stock market, recorded a decrease of 14.31% and was the third worst performer among global major stock markets in 2010. This is in great contrast with the rapidly-growing PRC economy which has tremendous contribution to the recovery of the global economy. The same happened to CSI 300 index, another benchmark index usually adopted for measuring the performance of PRC A-shares market, which recorded a decline of 14.22%. Sectoral performance was much more divergent with some industries performing particularly stronger than others. Among which, health care, information technology and daily consumables were better performers with around 20% price increase for health care and information technology stocks; while other sectors such as financial, telecommunication services and energy recorded larger declines. Among which, financial and public utilities stocks suffered an average price drop of more than 20%. FTSE A50 China Index and SSE 50 Index, mainly comprised of large cap blue chips from financial and energy sectors were mostly affected, dropping more than 20% in 2010 and lagged behind the overall market. But SZSE 100 Index, an index with more balanced sectoral coverage, weakened only by approximately 4% and outperformed the other major indices.

For and on behalf of the Manager

China International Capital Corporation Hong Kong Asset Management Limited

28 April 2011

TRUSTEE'S REPORT

CICC-SZSE 100 Index Tracker* (“the Fund”), a sub-fund of CICC Index Trust*

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 18 December 2009, for the period ended 31 December 2010.

For and on behalf of the Trustee

HSBC Institutional Trust Services (Asia) Limited

28 April 2011

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF CICC-SZSE 100 INDEX TRACKER*

Report on the financial statements

We have audited the financial statements of CICC-SZSE 100 Index Tracker* ("the Fund") set out on page 5 to 19, which comprise the statement of financial position as at 31 December 2010, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Manager's and Trustee's responsibilities for the financial statements

The Manager and the Trustee are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In addition, the Manager and the Trustee also have responsibility to ensure that the financial statements comply with the relevant disclosure provisions of the Trust Deed and the relevant disclosure requirements set out in Appendix E to the Hong Kong Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission ("the Code").

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager and the Trustee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2010 and of its transactions and cash flows for the period then ended in accordance with International Financial Reporting Standards.

Report on disclosure requirements under the Code

We report that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure requirements of the Code.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 April 2011

STATEMENT OF FINANCIAL POSITION

as at 31 December 2010
(Expressed in Hong Kong Dollars)

	Note	2010
Assets		
Investments at fair value through profit or loss	4	\$ 171,484,983
Cash and cash equivalents	5(c)	4,239,789
Total assets		<u>\$ 175,724,772</u>
Liabilities		
Deferred tax liabilities	3(b)	\$ 2,986,397
Accrued expenses and other payables	5(a), (b) & 6	1,313,808
Total liabilities		<u>\$ 4,300,205</u>
Net assets attributable to unitholders	9	<u>\$ 171,424,567</u>
Total equity		<u>\$ 171,424,567</u>
Number of units in issue	8	<u>4,250,000</u>
Net asset value per unit		<u>\$ 40.3352</u>

Approved and authorised for issue by the Trustee and the Manager on 28 April 2011

The notes on pages 9 to 19 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

for the period from 26 January 2010 (date of inception) to 31 December 2010

(Expressed in Hong Kong Dollars)

	Note	Period from 26 January 2010 (date of inception) to 31 December 2010
Dividend income		\$ 1,370,926
Realised loss on investments at fair value through profit or loss		(1,713,089)
Unrealised gain on investments at fair value through profit or loss		14,266,185
Net foreign exchange loss		(3,517)
Net investment gain		\$ 13,920,505
Management fees	5(a)	\$ 292,244
Trustee's fees	5(b)	783,548
Maintenance and servicing fees	6	3,365,637
Transaction costs		219,393
Auditor's remuneration		250,000
Other operating expenses		165,351
Operating expenses		\$ 5,076,173
Profit before taxation		\$ 8,844,332
Taxation	3(a)	(3,180,390)
Profit and total comprehensive income for the period		\$ 5,663,942

The notes on pages 9 to 19 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the period from 26 January 2010 (date of inception) to 31 December 2010

(Expressed in Hong Kong Dollars)

	Period from 26 January 2010 (date of inception) to 31 December 2010
Subscription of units	\$ 165,760,625
Profit and total comprehensive income for the period	5,663,942
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Net assets at the end of the period	\$ 171,424,567
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The notes on pages 9 to 19 form part of these financial statements.

CASH FLOW STATEMENT

for the period from 26 January 2010 (date of inception) to 31 December 2010

(Expressed in Hong Kong Dollars)

**Period from
26 January 2010
(date of inception) to
31 December 2010**

Operating activities

Payment on purchase of investments	\$ (8,632,424)
Proceeds from sale of investments, net of withholding tax	5,481,102
Dividend income received, net of withholding tax	1,178,667
Maintenance and servicing fees paid	(2,717,212)
Trustee's fees paid	(713,548)
Transaction costs paid	(210,793)
Other operating expenses paid	(126,064)
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Net cash used in operating activities	\$ (5,740,272)
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Financing activities

Proceeds from issue of units	\$ 9,980,061
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Net cash generated from financing activities	\$ 9,980,061
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Net increase in cash and cash equivalents and at the end of the period	\$ 4,239,789
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Major non-cash transaction

During the period, unitholders subscribed for the Fund by tendering a basket of the constituent stocks of SZSE 100 Index with a market value of \$155,780,564.

The notes on pages 9 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

1 BACKGROUND

CICC-SZSE 100 Index Tracker (“the Fund”) is a sub-fund of CICC Index Trust (“the Trust”). It is an open-ended unit trust governed by its Trust Deed dated 18 December 2009 (“the Trust Deed”), entered into between China International Capital Corporation Hong Kong Asset Management Limited (“the Manager”) and HSBC Institutional Trust Services (Asia) Limited (“the Trustee”). The Fund is authorised by the Hong Kong Securities and Futures Commission (“the SFC”) under Section 104(1) of the Hong Kong Securities and Futures Ordinance (“HKSF”). The Fund is also listed on The Stock Exchange of Hong Kong Limited.

The Fund is an index-tracking collective investment scheme which seeks to track the performance of SZSE 100 Index, which is a diversified index consisting of 100 constituent index shares compiled and managed by the Shenzhen Securities Information Company Limited. The Fund aims to achieve its investment objective by investing in financial derivatives which track the performance of SZSE 100 Index by adopting “synthetic representative” strategy or “synthetic replication” strategy.

Under the prevailing regulations in the People’s Republic of China (“PRC”), foreign investors can invest in the PRC A-shares market through institutions that have obtained qualified foreign institutional investor (“QFII”) status. The Fund itself is not a QFII, but may invest in A-share related participatory notes issued by financial institutions.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of the Fund have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), issued by the International Accounting Standards Board (“IASB”), the relevant disclosure provisions of the Trust Deed, and the relevant disclosure requirements of the Hong Kong Code on Unit Trusts and Mutual Funds issued by the SFC. A summary of the significant accounting policies adopted by the Fund is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Fund. There have been no significant changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Fund for the current accounting period in these financial statements.

The Fund has not applied any new standards or Interpretation that is not yet effective for the current accounting period (see note 13).

(b) Basis of preparation of the financial statements

The financial statements are presented in Hong Kong dollars and rounded to the nearest dollar.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investments are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) *Financial instruments*

(i) **Classification**

Investments at fair value through profit or loss are financial assets or financial liabilities which are acquired or incurred principally for the purpose of trading, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Financial assets and financial liabilities under this category are carried at fair value. Changes in the fair value are included in profit or loss in the period in which they arise. Upon disposal or repurchase, the difference between the net sale proceeds or the net payment and the carrying value is included in profit or loss.

Financial liabilities that are not at fair value through profit or loss include accrued expenses and other payables.

(ii) **Recognition**

The Fund recognises financial assets and financial liabilities on the date they become a party to the contractual provisions of the instruments.

Purchase of financial assets is recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed its obligations under the contract or the contract is a derivative contract not exempted from the scope of International Accounting Standards 39 *Financial Instrument: Recognition and Measurement*.

(iii) **Measurement**

Financial instruments are measured initially at fair value (transaction price). Transaction costs of financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all investments are measured at fair value with changes in their fair value recognised in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate.

(iv) **Fair value measurement principles**

The fair value of the investments is based on their quoted market prices at the date of statement of financial position. Financial assets are priced at current bid prices while financial liabilities are priced at current asking prices.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(v) Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial asset, the difference between the carrying value of the asset and the consideration received is recognised in profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(e) Revenue and expense recognition

Dividend income is recognised when the underlying securities are quoted ex-dividend. Dividend is presented gross of any non-recoverable withholding taxes, which are disclosed separately in profit or loss.

All expenses are accounted for on an accruals basis.

All expenses, including investment management and custodian fees, are recognised in the statement of comprehensive income on an accruals basis.

(f) Translation of foreign currency

Foreign currency transactions during the period are translated into Hong Kong dollars at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the foreign exchange rates ruling at the date of statement of financial position. Exchange gains and losses are recognised in profit or loss.

(g) Related parties

For the purposes of these financial statements, a party is considered to be related to the Fund if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Fund or exercise significant influence over the Fund in making financial and operating policy decisions, or has joint control over the Fund;
- (ii) the Fund and the party are subject to common control;
- (iii) the party is a subsidiary, an associate of the Fund or a joint venture in which the Fund is a venturer;
- (iv) the party is a member of key management personnel of the Fund or the Fund's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals; or
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Units in issue

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Fund has only one class of redeemable units in issue and they are the most subordinate class of financial instrument in the Fund. The redeemable units provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each redemption date and also in the event of the Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Fund's net assets in the event of Fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

The Fund's units in issue meet these conditions and are classified as equity.

(i) Taxation

Taxation for the period comprises current tax and movements in deferred tax assets and liabilities.

Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the date of statement of financial position. Current tax also includes non-recoverable withholding taxes on investment income and capital gains.

Deferred tax liabilities arise from taxable temporary differences, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The amounts of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the date of statement of financial position. Deferred tax liabilities are not discounted.

(j) Segment reporting

An operating segment is a component of the Fund that engages in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Fund's other components whose operating results are reviewed by the chief operating decision maker to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the chief operating decision maker include directly attributable to a segment as well as those that can be allocated on a reasonable basis. The chief operating decision maker of the Fund is identified as the Manager.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

3 TAXATION

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

Under the current general provisions of the PRC Corporate Income Tax Law and published tax circulars, the Fund would be subject to PRC withholding tax at the rate of 10% in respect of its PRC sourced income earned, including capital gains realised on the sale of PRC listed companies and dividend income derived from PRC listed companies.

On the basis of the available information, the Manager has determined that it is appropriate to provide for PRC taxation at the withholding tax rate of 10% on realised gains and dividend income from A-share related participatory notes, and deferred tax arising from unrealised gains on A-share related participatory notes at the end of the period.

(a) Taxation in the statement of comprehensive income represents:

	Period from 26 January 2010 (date of inception) to 31 December 2010
Current tax – overseas	
PRC withholding tax	\$ 193,993
Deferred tax – overseas	
PRC withholding tax	2,986,397
Taxation	<u>\$ 3,180,390</u>

(b) Deferred tax liabilities in the statement of financial position represent:

	2010
Deferred tax liabilities arising from PRC withholding tax on unrealised gain on investments:	
Charged to profit or loss	<u>\$ 2,986,397</u>
Balance at the end of the period	<u>\$ 2,986,397</u>

4 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2010
A-share related participatory notes	<u>\$ 171,484,983</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

5 RELATED PARTY TRANSACTIONS

The following is a summary of transactions with related parties for the period. All such transactions were entered into in the ordinary course of business and on normal commercial terms.

(a) *Management fees*

The fees payable to the Manager are calculated at the rate of 0.99% per annum of the net asset value of the Fund and are accrued daily and calculated as at each Dealing Day and payable monthly in arrears. Any fees payable to the Investment Adviser are borne by the Manager. The Manager has decided to waive the management fees payable by the Fund for the period from 26 January 2010 (date of inception) to 31 October 2010 in the amount of approximately \$1.12 million. The management fees charged by the Manager in respect of the period and payable at the end of the period amounted to \$292,244 and \$292,244 respectively.

(b) *Trustee's fees*

The fees payable to the Trustee are calculated at the rate of 0.14% per annum for the first \$800 million of the net asset value, 0.12% per annum for the next \$800 million of the net asset value, and 0.1% per annum for the remaining balance of the net asset value. The trustee fees are currently subject to a monthly minimum of \$70,000. The trustee fees are accrued daily and calculated as at each Dealing Day and payable in arrears on a monthly basis. The trustee fees charged by the Trustee in respect of the period and payable at the end of the period amounted to \$783,548 and \$70,000 respectively.

(c) *Bank balances*

Bank balances are maintained with The Hongkong and Shanghai Banking Corporation Limited ("HSBC"). The bank balances held as at 31 December 2010 amounted to \$4,239,789.

6 MAINTENANCE AND SERVICING FEES

	Period from 26 January 2010 (date of inception) to 31 December 2010
– Maintenance fees	\$ 1,425,343
– Servicing fees	1,940,394
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	\$ 3,365,637
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Maintenance fees are payable to participatory note issuers, equal to 1.0% per annum of the daily mark to market value of all participatory notes held by the Fund. The fees are accrued daily and payable to participatory note issuers quarterly.

Servicing fees are payable to participatory note issuers for providing collaterals to the Fund to ensure the net exposure to each participatory note issuer would not exceed 10% of the net asset value. The fees are calculated at 1.5% – 2.2% per annum of the daily market value of the loaned securities lent to the participatory note issuers. The fees are accrued daily and payable to participatory note issuers monthly.

7 SOFT DOLLAR COMMISSION

As regards to the Fund, the Manager has not entered into any soft dollar commission arrangements during the period.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

8 UNITS IN ISSUE

	Period from 26 January 2010 (date of inception) to 31 December 2010 Units
Units issued during the period	4,250,000
Balance at the end of the period	4,250,000

9 RECONCILIATION OF NET ASSET VALUES

The net assets attributable to unitholders as reported in the financial statements are different from the adjusted total net assets for valuation purposes at the date of financial position. The reconciliation between the net assets attributable to unitholders as reported in the financial statements and the adjusted total net assets for valuation purposes is as follows:

	2010
Net assets attributable to unitholders as reported in the financial statements	\$ 171,424,567
Adjustment for different principles adopted by the Fund in arising at the adjusted total net assets for valuation purposes:	
– Adjustment made for deferred tax liabilities	2,986,397
Adjusted total net assets for valuation purposes	\$ 174,410,964
Total number of units in issue	4,250,000
Net asset value per unit for valuation purposes	\$ 41.0379

10 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Fund invests in PRC A-shares through the purchase of participatory notes. The risk exposures inherent in the Fund as at 31 December 2010 are summarised below. Details of the investments held by the Fund as at 31 December 2010 are shown in the investment portfolio.

The Fund's investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. The Manager has set out below the most important types of financial risks inherent in each type of financial instruments. The list of associated risks only sets out some of the risks but does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

10 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

During the period, the Manager invested in financial instruments which the Manager considered are commensurate with the risk level of the Fund in accordance with its investment objective.

The nature and extent of the financial instruments outstanding at the date of the statement of financial position and the risk management policies employed by the Fund are discussed below.

(a) Market risk

(i) Market price risk

Market price risk is the risk that value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Fund is designated to track the performance of SZSE 100 Index, therefore the exposures to market risk in the Fund will be substantially the same as the tracked index. The Manager manages the Fund's exposures to market risk by ensuring that the key characteristics of the portfolio such as security weight and industry weight are closely aligned to the characteristics of the tracked index.

Price sensitivity

The impact on a 5% increase or decrease in value of the investments at 31 December 2010, with all other variables held constant, is shown below.

	Change in index %	Effect on net assets attributable to unitholders HK\$
SZSE 100 Index	+5%	7,716,824
	-5%	(8,574,249)

(ii) Currency risk

The Fund may invest in financial investments and enter into transactions denominated in currencies other than its functional currency. Consequently, the 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 value of that portion of the Fund's assets or liabilities denominated in currencies other than the Hong Kong dollars ("HKD").

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset or liability. The Manager may attempt to mitigate this risk by using financial derivative instruments.

In accordance with the Fund's policy, the Manager monitors the Fund's currency exposure on an ongoing basis.

At the date of the statement of financial position, the Fund had the following exposure:

	Assets HK\$	Liabilities HK\$	Net exposures HK\$
31 December 2010			
United States dollar	<u>171,484,983</u>	<u>(51,405)</u>	<u>171,433,578</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

10 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

(a) *Market risk (continued)*

(ii) *Currency risk (continued)*

Currency sensitivity

As the HKD is pegged to the United States dollars ("USD"), the impact on changes in exchange rate would be minimal. Therefore, no sensitivity analysis has been prepared.

(iii) *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 financial assets and liabilities and future cash flows.

As at 31 December 2010, the Fund had no interest bearing assets and liabilities. The Manager considers that the impact of interest rate risk would be minimal. Therefore, no sensitivity analysis has been prepared.

(b) *Credit risk*

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund resulting in a financial loss to the Fund. The Fund's exposure to credit risk is monitored by the Manager on an ongoing basis. At 31 December 2010, all the Fund's financial assets were exposed to credit risk.

The Fund invests in A-share related participatory notes. In the event of liquidation or default of a participatory note issuer and that a replacement cannot be appointed, dealing of the units of the Fund may be suspended and the Fund may ultimately be terminated.

As part of its risk management process, the Manager closely monitors the credit risk of the Fund. In the event of any substantial downgrading of credit rating or other material adverse factors concerning the participatory note issuers, the Manager will take appropriate actions such as seeking additional collateral, additional participatory notes issuers and/or dispose the relevant participatory notes.

The Manager will also from time to time implement measures including, but not limited to, obtaining collateral or seeking the provision of other credit support from issuers (for example, by way of a securities borrowing and lending arrangement, or putting a charge on assets or appointing additional issuers) to mitigate the credit risk.

All of the assets of the Fund are held by HSBC and the participatory note issuers. Bankruptcy or insolvency of HSBC or the participatory note issuers may cause the Fund's rights with respect to the assets to be delayed or limited. The counterparties have Standard and Poor's credit ratings of A or above and the Manager monitors their ratings on an ongoing basis.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the date of the statement of financial position. At 31 December 2010, there were no significant concentrations of credit risk to counterparties.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

10 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

(c) *Liquidity risk*

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund's policy to manage liquidity is to have sufficient liquidity to meet its liability without incurring undue losses or risking damage to the Fund's reputation.

The Fund's majority of financial assets are the A-share related participatory notes which are considered to be readily realizable as they can be sold back to the issuers. As a result, the Fund is able to liquidate quickly some of its investments in order to meet its liquidity requirements.

The Fund's prospectus provides for the subscription and redemption of units and it is therefore exposed to the liquidity risk of meeting unitholder redemptions.

All financial liabilities are repayable on demand or have contractual maturities of less than one year. There were no significant exposures to liquidity risk for the Fund at the end of the reporting period.

(d) *Capital Management*

At 31 December 2010, the Fund had a capital of \$171,424,567 classified as equity.

The Fund's objective in managing the capital is to ensure a stable and strong base to maximise returns to all investors. The Manager manages the capital of the Fund in accordance with the Fund's investment objectives and policies stated in the Trust Deed.

There were no changes in the policies and procedures during the period with respect to the Fund's approach to its capital management.

The Fund does not have any internally and externally imposed capital requirement and therefore the Fund is not subject to significant capital risk.

11 FAIR VALUE INFORMATION

The Fund's financial instruments are measured at fair value on the date of statement of financial position. Fair value estimates are made at a specified point in time, based on market conditions and information about the financial instruments. Usually, fair values can be reliably determined within a reasonable range of estimates. For certain other financial instruments, including dividend and other receivables, taxation, amounts payable on purchase of investments, accrued expenses and other payables, the carrying amounts approximate fair values due to the immediate or short-term nature of these financial instruments.

Valuation of financial instruments

The Fund's accounting policy on fair value measurements is detailed in significant accounting policy in note 2(c)(iv).

The Fund measures fair values using the three levels of fair value hierarchy defined in IFRS 7, *Financial Instruments: Disclosures*, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong Dollars)

11 FAIR VALUE INFORMATION (CONTINUED)

All investments held by the Fund are A-share related participatory notes, the fair values of A-shares are based on quoted market price in active markets.

The following analyses financial instruments measured at fair value at 31 December 2010 by the level in the fair value hierarchy into which the fair value measurement is categorised.

	2010			
	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Assets				
Investments at fair value through profit or loss	—	171,484,983	—	171,484,983

There were no transfers of financial instruments between fair value hierarchy levels during the period.

12 SEGMENT INFORMATION

The Manager makes strategic resource allocation on behalf of the Fund and determines operating segment based on internal reports reviewed which are used to make strategic decisions.

The Manager considers that the Fund has one single operating segment based on one single integrated investment strategy by investing in constituent stocks of the index with the objective to match, before expenses, as closely as practicable, the performance of SZSE 100 Index as stipulated in the prospectus. There were no changes in the operating segment during the period.

All revenues generated by the Fund are from participatory notes. The segment information provided to the Manager is the same as that disclosed in the statement of comprehensive income and statement of financial position.

The Fund is domiciled in Hong Kong. All of the Fund's income from investment is from participatory notes tracking relevant listed A-shares.

13 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE PERIOD ENDED 31 DECEMBER 2010

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and Interpretations and one new standard which are not yet effective for the period ended 31 December 2010 and which have not been adopted in these financial statements. These include the following which may be relevant to the Fund.

	Effective for accounting periods beginning on or after
Improvements to IFRSs 2010	1 July 2010 or 1 January 2011
IAS 24 (Revised), <i>Related party disclosures</i>	1 January 2011
IFRS 9, <i>Financial instruments</i>	1 January 2013

The Fund is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Fund's results of operations and financial position.

INVESTMENT PORTFOLIO (UNAUDITED)

as at 31 December 2010

	Holdings	Participatory notes Maturity Date	Market value HKD	% of Total net assets attributable to unitholders %
INVESTMENTS (100.04%)				
PARTICIPATORY NOTES (100.04%)				
CHINA (100.04%)				
ISSUED BY CITIGROUP GLOBAL MARKETS HOLDINGS INC. WITH BELOW UNDERLYING LISTED EQUITIES (5.90%)				
ADVANCED TECHNOLOGY & MATERIALS CO LTD	2,880	21/01/2014	78,670	0.05
ANGANG STEEL CO LTD	8,300	20/01/2015	75,574	0.04
ANHUI BBKA BIOCHEMICAL CO LTD	5,200	20/01/2015	50,585	0.03
BANK OF NINGBO CO LTD	6,600	21/01/2014	96,563	0.06
BEIJING NEW BUILDING MATERIAL PUBLIC LIMITED	1,800	20/01/2015	31,518	0.02
BEIJING YANJING BREWERY CO	3,400	20/01/2015	76,204	0.04
CHANGJIANG SECURITIES CO LTD	7,200	21/01/2014	95,816	0.05
CHANGSHA ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY DEVELOPMENT CO LTD	14,000	20/01/2015	233,158	0.13
CHENZHOU MINING GROUP CO	2,000	21/01/2014	84,671	0.05
CHINA BAOAN GROUP CO LTD	6,200	21/01/2014	122,556	0.07
CHINA CIFCO INVESTMENT CO LTD	1,000	21/01/2014	30,896	0.02
CHINA GREATWALL COMPUTER SHENZHEN CO LTD	3,800	20/01/2015	43,176	0.02
CHINA INTL MARINE CONTAINERS (GRP) CO LTD	5,400	20/01/2015	146,245	0.08
CHINA MERCHANTS PROPERTY DEV	4,400	21/01/2014	82,866	0.05
CHINA NONFERROUS METAL IND	2,400	21/01/2014	89,279	0.05
CHINA RESOURCES SANJIU MEDICAL AND PHARMACEUTICAL CO LTD	2,200	21/01/2014	66,259	0.04
CHINA VANKE CO LTD	52,400	20/01/2015	509,741	0.29
CHONGQING CHANGAN AUTOMOBILE CO LTD	4,400	20/01/2015	49,309	0.03
CITIC GUOAN INFORMATION INDUSTRY CO	6,000	20/01/2015	84,983	0.05
COFCO PROPERTY (GROUP) CO LTD	6,000	21/01/2014	43,892	0.03
CSG HOLDING CO LTD	5,100	21/01/2014	118,672	0.07
DALIAN ZHANGZIDAO FISHERY GROUP CO LTD	900	17/01/2012	45,456	0.03
FAW CAR CO LTD	5,200	21/01/2014	98,337	0.06
FINANCE STREET HOLDING CO LTD	14,428	17/01/2012	112,283	0.06
FOSHAN ELECTRICAL & LIGHT CO LTD	3,400	21/01/2014	66,414	0.04
GREE ELECTRIC APPLIANCES INC OF ZHUHAI	12,900	17/01/2012	276,077	0.17
GUANGDONG BAOLIHUA NEW ENERGY STOCK CO LTD	7,200	21/01/2014	47,067	0.03
GUANGDONG ELECTRIC POWER DEV CO LTD	4,600	20/01/2015	31,861	0.02
GD MIDEA HOLDING CO LTD	11,000	17/01/2012	225,998	0.13
GUANGXI LIUGONG MACHINERY CO LTD	2,600	17/01/2012	113,513	0.07
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL CO LTD	2,000	20/01/2015	40,312	0.02
GUOYUAN SECURITIES CO LTD	5,100	21/01/2014	73,823	0.04
HAN'S LASER TECHNOLOGY CO LTD	3,000	21/01/2014	79,146	0.05
HEBEI IRON & STEEL CO LTD	23,700	21/01/2014	105,131	0.06
HENAN SHEN HUO COAL INDUSTRY & ELECTRICITY POWER CO LTD	3,640	17/01/2012	107,645	0.06
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD	2,000	20/01/2015	205,141	0.13
HONG YUAN SECURITIES CO LTD	3,400	17/01/2012	67,208	0.04
HUALAN BIOLOGICAL ENGINEERING INC	1,920	21/01/2014	109,525	0.06
HUAWEN MEDIA INVESTMENT CORPORATION	5,400	21/01/2014	37,402	0.02
HUBEI YIHUA CHEMICAL INDUSTRY CO LTD	3,000	21/01/2014	66,772	0.04
HUNAN TV & BROADCAST INTERMEDIARY CO LTD	2,000	21/01/2014	57,589	0.03
HUNAN VALIN STEEL AND WIRE CO LTD	6,200	20/01/2015	27,020	0.02
HUOLINHE OPENCUT COAL INDUSTRY CORPORATION LTD	1,440	21/01/2014	43,369	0.02
JIANGLING MOTORS CORP LTD	1,000	21/01/2014	32,452	0.02
JIANGSU WUJIANG CHINA EASTERN SILK MARKET CO LTD	5,200	21/01/2014	31,160	0.02
JIAOZUO WANFANG ALUMINUM MANUFACTURING CO LTD	1,800	21/01/2014	46,227	0.03
JILIN AODONG MEDICINE INDUSTRY GROUPS CO LTD	3,200	17/01/2012	128,501	0.08
JIZHONG ENERGY RESOURCES CO LTD	2,200	17/01/2012	103,925	0.06
LIAONING HUAJIN TONGDA CHEMICALS CO LTD	4,000	20/01/2015	54,787	0.03
LUZHOU LAOJIAO CO LTD	4,400	17/01/2012	212,301	0.12

INVESTMENT PORTFOLIO (UNAUDITED)

as at 31 December 2010

	Holdings	Participatory notes Maturity Date	Market value HKD	% of Total net assets attributable to unitholders %
INVESTMENTS (100.04%) (CONTINUED)				
PARTICIPATORY NOTES (100.04%) (CONTINUED)				
CHINA (100.04%) (CONTINUED)				
ISSUED BY CITIGROUP GLOBAL MARKETS HOLDINGS INC. WITH BELOW UNDERLYING LISTED EQUITIES (5.90%) (CONTINUED)				
MILORD REAL ESTATE DEVELOPMENT GROUP CO LTD	11,020	21/01/2014	39,450	0.02
NORTHEAST PHARMACEUTICAL GROUP CO LTD	1,000	21/01/2014	20,234	0.01
NORTHEAST SECURITIES CO LTD	1,200	21/01/2014	31,565	0.02
QINGHAI SALT LAKE POTASH	2,600	20/01/2015	203,149	0.13
SEARAINBOW HOLDING CORP	3,800	21/01/2014	55,597	0.03
SGIS SONGSHAN CO LTD	7,200	17/01/2012	31,939	0.02
SHANDONG CHENMING PAPER HLDGS LTD	5,400	20/01/2015	44,966	0.03
SHANDONG DONG-E E-JIAO CO LTD	3,400	17/01/2012	204,799	0.12
SHANDONG HAIHUA CO LTD	3,600	21/01/2014	29,137	0.02
SHANDONG JINLING MINING CO LTD	1,600	21/01/2014	44,203	0.03
SHANGHAI KEHUA BIO-ENGINEERING CO	2,400	21/01/2014	50,803	0.03
SHANGHAI SIYUAN ELECTRIC CO LTD	1,600	21/01/2014	49,558	0.03
SHANDONG SUN PAPER INDUSTRY CO LTD	2,200	20/01/2015	29,106	0.02
SHANTUI CONSTRUCTION MACHINE CO LTD	4,000	21/01/2014	85,917	0.05
SHANXI TAIGANG STAINLESS	13,200	20/01/2015	83,208	0.05
SHANXI XISHAN COAL & ELEC POWER CO LTD	9,380	20/01/2015	294,912	0.17
SHENYANG INGENIOUS DEVELOPMENT CO	6,200	21/01/2014	24,125	0.01
SHENZHEN AGRICULTURAL PRODUCTS CO	3,200	17/01/2012	66,492	0.04
SHENZHEN DEVELOPMENT BANK CO LTD	16,000	20/01/2015	297,595	0.18
SHENZHEN ENERGY INVESTMENT CO LTD	4,000	20/01/2015	47,628	0.03
SHENZHEN KAIFA TECHNOLOGY CO LTD	3,600	21/01/2014	49,869	0.03
SHENZHEN OVERSEAS CHINESE TOWN HOLDINGS CO LTD	8,400	20/01/2015	120,283	0.07
SHENZHEN ZHONGJIN LINGNAN NONFERMET CO LTD	6,510	20/01/2015	172,760	0.1
SICHUAN NEW HOPE AGRIBUSINESS CO LTD	2,640	21/01/2014	65,129	0.04
SUNING APPLIANCE CO LTD	25,200	20/01/2015	388,306	0.22
SUNING UNIVERSAL CO LTD	4,000	21/01/2014	44,203	0.03
TAIYUAN COAL GASIFICATION CO LTD	1,600	21/01/2014	48,935	0.03
TANGSHAN JIDONG CEMENT CO. LTD.	4,200	20/01/2015	117,015	0.07
TCL CORPORATION	13,600	20/01/2015	55,036	0.03
TELLING TELECOMMUNICATION HOLDING CO LTD	3,300	20/01/2015	45,713	0.03
TIANJIN FAW XIALI AUTOMOBILE CO LTD	2,400	20/01/2015	22,973	0.01
TIANJIN JINBIN DEVELOPMENT CO LTD	8,400	21/01/2014	51,643	0.03
TIANJIN TEDA CO LTD	6,600	21/01/2014	60,609	0.03
TONGLING NONFERROUS METALS GROUP CO LTD	3,800	20/01/2015	157,031	0.09
WEICHAI POWER CO LTD	3,600	17/01/2012	222,169	0.13
WULIANGYE YIBIN CO LTD	11,200	20/01/2015	457,599	0.26
XI'AN AIRCRAFT INTERNATIONAL CORP	7,200	21/01/2014	103,100	0.06
XIANDAI INVESTMENT CO LTD	1,800	21/01/2014	43,565	0.02
XINJIANG GOLDWIND SCI & TECH CO LTD	6,720	21/01/2014	176,764	0.1
XINJIANG ZHONGTAI CHEMICAL CO LTD	3,000	21/01/2014	51,130	0.03
XINXING DUCTILE IRON PIPES	6,500	20/01/2015	68,290	0.04
XJ ELECTRIC CO LTD	1,800	21/01/2014	70,601	0.04
XCMG CONSTRUCTION MACHINERY CO LTD	2,300	21/01/2014	155,187	0.09
YANTAI CHANGYU PIONEER WINE CO LTD	400	20/01/2015	45,262	0.03
YUNNAN ALUMINIUM CO LTD	3,600	21/01/2014	50,709	0.03
YUNNAN BAIYAO GROUP CO LTD	1,560	17/01/2012	111,085	0.06
YUNNAN COPPER INDUSTRY CO LTD	3,800	17/01/2012	123,318	0.07
YUNNAN TIN CO LTD	2,600	21/01/2014	100,158	0.06
ZHEJIANG NHU CO LTD	1,560	21/01/2014	46,498	0.03
ZTE CORPORATION	8,700	20/01/2015	280,300	0.17
			10,096,698	5.90

INVESTMENT PORTFOLIO (UNAUDITED)

as at 31 December 2010

	Holdings	Participatory notes Maturity Date	Market value HKD	% of Total net assets attributable to unitholders %
INVESTMENTS (100.04%) (CONTINUED)				
PARTICIPATORY NOTES (100.04%) (CONTINUED)				
CHINA (100.04%) (CONTINUED)				
ISSUED BY ROYAL BANK OF SCOTLAND N.V., LONDON BRANCH ("RBS") WITH BELOW UNDERLYING LISTED EQUITIES (52.95%)				
ADVANCED TECHNOLOGY & MATERIALS CO LTD	25,920	30/06/2011	708,027	0.41
ANGANG STEEL CO LTD	74,400	30/06/2011	677,434	0.40
ANHUI BBKA BIOCHEMICAL CO LTD	46,800	30/06/2011	455,265	0.26
BANK OF NINGBO CO LTD	59,500	30/06/2011	870,528	0.51
BEIJING NEW BUILDING MATERIAL PUBLIC LIMITED	16,100	30/06/2011	281,914	0.16
BEIJING YANJING BREWERY CO	30,600	30/06/2011	685,839	0.40
CHANGJIANG SECURITIES CO LTD	64,600	30/06/2011	859,680	0.50
CHANGSHA ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY DEVELOPMENT CO LTD	126,000	30/06/2011	2,098,419	1.22
CHENZHOU MINING GROUP CO	18,000	30/06/2011	762,043	0.44
CHINA BAOAN GROUP CO LTD	55,800	30/06/2011	1,103,001	0.64
CHINA CIFCO INVESTMENT CO LTD	9,000	30/06/2011	278,062	0.16
CHINA GREATWALL COMPUTER SHENZHEN CO LTD	33,700	30/06/2011	382,905	0.22
CHINA INTL MARINE CONTAINERS (GRP) CO LTD	48,600	30/06/2011	1,316,205	0.77
CHINA MERCHANTS PROPERTY DEV	39,600	30/06/2011	745,793	0.43
CHINA NONFERROUS METAL IND	21,600	30/06/2011	803,507	0.47
CHINA RESOURCES SANJIU MEDICAL AND PHARMACEUTICAL CO LTD	19,800	30/06/2011	596,327	0.35
CHINA VANKE CO LTD	472,100	30/06/2011	4,592,530	2.68
CHONGQING CHANGAN AUTOMOBILE CO LTD	39,600	30/06/2011	443,778	0.26
CITIC GUOAN INFORMATION INDUSTRY CO	54,000	30/06/2011	764,844	0.45
COFCO PROPERTY (GROUP) CO LTD	54,000	30/06/2011	395,030	0.23
CSG HOLDING CO LTD	45,900	30/06/2011	1,068,051	0.62
DALIAN ZHANGZIDAO FISHERY GROUP CO LTD	8,000	30/06/2011	404,057	0.24
FAW CAR CO LTD	46,800	30/06/2011	885,034	0.52
FINANCE STREET HOLDING CO LTD	129,752	30/06/2011	1,009,769	0.59
FOSHAN ELECTRICAL & LIGHT CO LTD	30,600	30/06/2011	597,727	0.35
GREE ELECTRIC APPLIANCES INC OF ZHUHAI	116,100	30/06/2011	2,484,694	1.45
GUANGDONG BAOLIHUA NEW ENERGY STOCK CO LTD	64,800	30/06/2011	423,606	0.25
GUANGDONG ELECTRIC POWER DEV CO LTD	41,400	30/06/2011	286,747	0.17
GD MIDEA HOLDING CO LTD	99,000	30/06/2011	2,033,982	1.19
GUANGXI LIUGONG MACHINERY CO LTD	23,400	30/06/2011	1,021,614	0.60
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL CO LTD	17,700	30/06/2011	356,764	0.21
GUOYUAN SECURITIES CO LTD	45,600	30/06/2011	660,064	0.39
HAN'S LASER TECHNOLOGY CO LTD	27,000	30/06/2011	712,314	0.42
HEBEI IRON & STEEL CO LTD	213,500	30/06/2011	947,067	0.55
HENAN SHEN HUO COAL INDUSTRY & ELECTRICITY POWER CO LTD	32,760	30/06/2011	968,803	0.56
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD	18,000	30/06/2011	1,846,273	1.08
HONG YUAN SECURITIES CO LTD	30,600	30/06/2011	604,871	0.35
HUALAN BIOLOGICAL ENGINEERING INC	17,280	30/06/2011	985,725	0.57
HUAWEN MEDIA INVESTMENT CORPORATION	48,600	30/06/2011	336,616	0.20
HUBEI YIHUA CHEMICAL INDUSTRY CO LTD	27,000	30/06/2011	600,949	0.35
HUNAN TV & BROADCAST INTERMEDIARY CO LTD	18,000	30/06/2011	518,301	0.30
HUNAN VALIN STEEL AND WIRE CO LTD	55,800	30/06/2011	243,181	0.14
HUOLINHE OPENCUT COAL INDUSTRY CORPORATION LTD	12,960	30/06/2011	390,323	0.23
JIANGLING MOTORS CORP LTD	9,000	30/06/2011	292,070	0.17
JIANGSU WUJIANG CHINA EASTERN SILK MARKET CO LTD	46,800	30/06/2011	280,443	0.16
JIAOZUO WANFANG ALUMINUM MANUFACTURING CO LTD	16,200	30/06/2011	416,042	0.24
JILIN AODONG MEDICINE INDUSTRY GROUPS CO LTD	28,800	30/06/2011	1,156,512	0.67
JIZHONG ENERGY RESOURCES CO LTD	19,800	30/06/2011	935,324	0.54
LIAONING HUAJIN TONGDA CHEMICALS CO LTD	36,000	30/06/2011	493,087	0.29
LUZHOU LAOJIAO CO LTD	39,600	30/06/2011	1,910,710	1.11
MILORD REAL ESTATE DEVELOPMENT GROUP CO LTD	99,180	30/06/2011	355,050	0.21

INVESTMENT PORTFOLIO (UNAUDITED)

as at 31 December 2010

	Holdings	Participatory notes Maturity Date	Market value HKD	% of Total net assets attributable to unitholders %
INVESTMENTS (100.04%) (CONTINUED)				
PARTICIPATORY NOTES (100.04%) (CONTINUED)				
CHINA (100.04%) (CONTINUED)				
ISSUED BY RBS WITH BELOW UNDERLYING LISTED EQUITIES (52.95%) (CONTINUED)				
NORTHEAST PHARMACEUTICAL GROUP CO LTD	9,000	30/06/2011	182,106	0.11
NORTHEAST SECURITIES CO LTD	10,800	30/06/2011	284,085	0.16
QINGHAI SALT LAKE POTASH	23,400	30/06/2011	1,828,342	1.07
SEARAINBOW HOLDING CORP	34,200	30/06/2011	500,371	0.29
SGIS SONGSHAN CO LTD	64,800	30/06/2011	287,447	0.17
SHANDONG CHENMING PAPER HLDGS LTD	48,600	30/06/2011	404,695	0.24
SHANDONG DONG-E E-JIAO CO LTD	30,600	30/06/2011	1,843,191	1.08
SHANDONG HAIHUA CO LTD	32,400	30/06/2011	262,232	0.15
SHANDONG JINLING MINING CO LTD	14,400	30/06/2011	397,831	0.23
SHANGHAI KEHUA BIO-ENGINEERING CO	21,600	30/06/2011	457,226	0.27
SHANGHAI SIYUAN ELECTRIC CO LTD	14,400	30/06/2011	446,019	0.26
SHANDONG SUN PAPER INDUSTRY CO LTD	19,200	30/06/2011	254,014	0.15
SHANTUI CONSTRUCTION MACHINE CO LTD	36,000	30/06/2011	773,249	0.45
SHANXI TAIGANG STAINLESS	118,500	30/06/2011	746,984	0.44
SHANXI XISHAN COAL & ELEC POWER CO LTD	84,120	30/06/2011	2,644,774	1.54
SHENYANG INGENIOUS DEVELOPMENT CO	55,800	30/06/2011	217,126	0.13
SHENZHEN AGRICULTURAL PRODUCTS CO	28,800	30/06/2011	598,428	0.35
SHENZHEN DEVELOPMENT BANK CO LTD	144,300	30/06/2011	2,683,936	1.56
SHENZHEN ENERGY INVESTMENT CO LTD	36,000	30/06/2011	428,649	0.25
SHENZHEN KAIFA TECHNOLOGY CO LTD	32,400	30/06/2011	448,821	0.26
SHENZHEN OVERSEAS CHINESE TOWN HOLDINGS CO LTD	75,500	30/06/2011	1,081,117	0.63
SHENZHEN ZHONGJIN LINGNAN NONFEMET CO LTD	58,590	30/06/2011	1,554,841	0.91
SICHUAN NEW HOPE AGRIBUSINESS CO LTD	23,760	30/06/2011	586,157	0.34
SUNING APPLIANCE CO LTD	226,900	30/06/2011	3,496,292	2.04
SUNING UNIVERSAL CO LTD	36,000	30/06/2011	397,831	0.23
TAIYUAN COAL GASIFICATION CO LTD	14,400	30/06/2011	440,416	0.26
TANGSHAN JIDONG CEMENT CO. LTD.	37,800	30/06/2011	1,053,132	0.61
TCL CORPORATION	122,400	30/06/2011	495,328	0.29
TELLING TELECOMMUNICATION HOLDING CO LTD	29,300	30/06/2011	405,878	0.24
TIANJIN FAW XIALI AUTOMOBILE CO LTD	21,100	30/06/2011	201,974	0.12
TIANJIN JINBIN DEVELOPMENT CO LTD	75,600	30/06/2011	464,790	0.27
TIANJIN TEDA CO LTD	59,400	30/06/2011	545,477	0.32
TONGLING NONFERROUS METALS GROUP CO LTD	34,200	30/06/2011	1,413,281	0.82
WEICHAI POWER CO LTD	32,400	30/06/2011	1,999,522	1.17
WULIANGYE YIBIN CO LTD	100,400	30/06/2011	4,102,050	2.39
XI'AN AIRCRAFT INTERNATIONAL CORP	64,800	30/06/2011	927,899	0.54
XIANDAI INVESTMENT CO LTD	16,200	30/06/2011	392,088	0.23
XINJIANG GOLDWIND SCI & TECH CO LTD	60,480	30/06/2011	1,590,876	0.93
XINJIANG ZHONGTAI CHEMICAL CO LTD	27,000	30/06/2011	460,167	0.27
XINXING DUCTILE IRON PIPES	58,500	30/06/2011	614,607	0.36
XJ ELECTRIC CO LTD	16,200	30/06/2011	635,409	0.37
XCMG CONSTRUCTION MACHINERY CO LTD	20,700	30/06/2011	1,396,682	0.81
YANTAI CHANGYU PIONEER WINE CO LTD	3,600	30/06/2011	407,357	0.24
YUNNAN ALUMINIUM CO LTD	32,400	30/06/2011	456,385	0.27
YUNNAN BAIYAO GROUP CO LTD	14,040	30/06/2011	999,761	0.58
YUNNAN COPPER INDUSTRY CO LTD	34,200	30/06/2011	1,109,865	0.65
YUNNAN TIN CO LTD	22,600	30/06/2011	870,606	0.51
ZHEJIANG NHU CO LTD	14,040	30/06/2011	418,479	0.24
ZTE CORPORATION	78,300	30/06/2011	2,522,724	1.47
			90,777,418	52.95

INVESTMENT PORTFOLIO (UNAUDITED)

as at 31 December 2010

	Holdings	Participatory notes Maturity Date	Market value HKD	% of Total net assets attributable to unitholders %
INVESTMENTS (100.04%) (CONTINUED)				
PARTICIPATORY NOTES (100.04%) (CONTINUED)				
CHINA (100.04%) (CONTINUED)				
ISSUED BY UBS AG, ACTING THROUGH ITS LONDON BRANCH ("UBS") WITH BELOW UNDERLYING LISTED EQUITIES (41.19%)				
ADVANCED TECHNOLOGY & MATERIALS CO LTD	20,160	22/01/2015	550,688	0.32
ANGANG STEEL CO LTD	57,900	22/01/2015	527,196	0.31
ANHUI BBKA BIOCHEMICAL CO LTD	36,400	22/01/2015	354,095	0.21
BANK OF NINGBO CO LTD	46,300	22/01/2015	677,403	0.40
BEIJING NEW BUILDING MATERIAL PUBLIC LIMITED	12,500	13/07/2015	218,877	0.13
BEIJING YANJING BREWERY CO	23,800	22/01/2015	533,430	0.31
CHANGJIANG SECURITIES CO LTD	50,300	22/01/2015	669,379	0.39
CHANGSHA ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY DEVELOPMENT CO LTD	98,000	22/01/2015	1,632,104	0.95
CHENZHOU MINING GROUP CO	14,000	22/01/2015	592,700	0.35
CHINA BAOAN GROUP CO LTD	43,400	22/01/2015	857,890	0.50
CHINA CIFCO INVESTMENT CO LTD	7,000	22/01/2015	216,270	0.13
CHINA GREATWALL COMPUTER SHENZHEN CO LTD	26,200	13/07/2015	297,689	0.17
CHINA INTL MARINE CONTAINERS (GRP) CO LTD	37,800	22/01/2015	1,023,715	0.60
CHINA MERCHANTS PROPERTY DEV	30,800	22/01/2015	580,062	0.34
CHINA NONFERROUS METAL IND	16,800	22/01/2015	624,950	0.36
CHINA RESOURCES SANJIU MEDICAL AND PHARMACEUTICAL CO LTD	15,400	22/01/2015	463,810	0.27
CHINA VANKE CO LTD	367,300	22/01/2015	3,573,049	2.08
CHONGQING CHANGAN AUTOMOBILE CO LTD	30,800	22/01/2015	345,161	0.20
CITIC GUOAN INFORMATION INDUSTRY CO	42,000	22/01/2015	594,879	0.35
COFCO PROPERTY (GROUP) CO LTD	42,000	22/01/2015	307,245	0.18
CSG HOLDING CO LTD	35,700	22/01/2015	830,706	0.48
DALIAN ZHANGZIDAO FISHERY GROUP CO LTD	6,200	13/07/2015	313,144	0.18
FAW CAR CO LTD	36,400	22/01/2015	688,360	0.40
FINANCE STREET HOLDING CO LTD	100,996	22/01/2015	785,981	0.46
FOSHAN ELECTRICAL & LIGHT CO LTD	23,800	22/01/2015	464,899	0.27
GREE ELECTRIC APPLIANCES INC OF ZHUHAI	90,300	22/01/2015	1,932,540	1.13
GUANGDONG BAOLIHUA NEW ENERGY STOCK CO LTD	50,400	22/01/2015	329,471	0.19
GUANGDONG ELECTRIC POWER DEV CO LTD	32,200	22/01/2015	223,025	0.13
GD MIDEA HOLDING CO LTD	77,000	22/01/2015	1,581,986	0.92
GUANGXI LIUGONG MACHINERY CO LTD	18,200	22/01/2015	794,588	0.46
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL CO LTD	13,800	13/07/2015	278,155	0.16
GUOYUAN SECURITIES CO LTD	35,500	22/01/2015	513,865	0.30
HAN'S LASER TECHNOLOGY CO LTD	21,000	22/01/2015	554,022	0.32
HEBEI IRON & STEEL CO LTD	166,100	22/01/2015	736,805	0.43
HENAN SHEN HUO COAL INDUSTRY & ELECTRICITY POWER CO LTD	25,480	22/01/2015	753,513	0.44
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD	14,000	22/01/2015	1,435,990	0.84
HONG YUAN SECURITIES CO LTD	23,800	22/01/2015	470,456	0.27
HUALAN BIOLOGICAL ENGINEERING INC	13,440	22/01/2015	766,675	0.45
HUAWEN MEDIA INVESTMENT CORPORATION	37,800	22/01/2015	261,812	0.15
HUBEI YIHUA CHEMICAL INDUSTRY CO LTD	21,000	22/01/2015	467,405	0.27
HUNAN TV & BROADCAST INTERMEDIARY CO LTD	14,000	22/01/2015	403,123	0.24
HUNAN VALIN STEEL AND WIRE CO LTD	43,400	22/01/2015	189,141	0.11
HUOLINHE OPENCUT COAL INDUSTRY CORPORATION LTD	10,080	22/01/2015	303,584	0.18
JIANGSU MOTORS CORP LTD	7,000	22/01/2015	227,165	0.13
JIANGSU WUJIANG CHINA EASTERN SILK MARKET CO LTD	36,400	22/01/2015	218,122	0.13
JIAOZUO WANFANG ALUMINUM MANUFACTURING CO LTD	12,600	22/01/2015	323,588	0.19
JILIN AODONG MEDICINE INDUSTRY GROUPS CO LTD	22,400	22/01/2015	899,509	0.52

INVESTMENT PORTFOLIO (UNAUDITED)

as at 31 December 2010

	Holdings	Participatory notes Maturity Date	Market value HKD	% of Total net assets attributable to unitholders %
INVESTMENTS (100.04%) (CONTINUED)				
PARTICIPATORY NOTES (100.04%) (CONTINUED)				
CHINA (100.04%) (CONTINUED)				
ISSUED BY UBS WITH BELOW UNDERLYING LISTED EQUITIES (41.19%) (CONTINUED)				
JIZHONG ENERGY RESOURCES CO LTD	15,400	22/01/2015	727,474	0.42
LIAONING HUAJIN TONGDA CHEMICALS CO LTD	28,000	22/01/2015	383,512	0.22
LUZHOU LAOJIAO CO LTD	30,800	22/01/2015	1,486,108	0.87
MILORD REAL ESTATE DEVELOPMENT GROUP CO LTD	77,140	22/01/2015	276,150	0.16
NORTHEAST PHARMACEUTICAL GROUP CO LTD	7,000	22/01/2015	141,638	0.08
NORTHEAST SECURITIES CO LTD	8,400	22/01/2015	220,955	0.13
QINGHAI SALT LAKE POTASH	18,200	22/01/2015	1,422,044	0.83
SEARAINBOW HOLDING CORP	26,600	22/01/2015	389,177	0.23
SGIS SONGSHAN CO LTD	50,400	22/01/2015	223,570	0.13
SHANDONG CHENMING PAPER HLDGS LTD	37,800	22/01/2015	314,763	0.18
SHANDONG DONG-E E-JIAO CO LTD	23,800	22/01/2015	1,433,593	0.84
SHANDONG HAIHUA CO LTD	25,200	22/01/2015	203,959	0.12
SHANDONG JINLING MINING CO LTD	11,200	22/01/2015	309,424	0.18
SHANGHAI KEHUA BIO-ENGINEERING CO	16,800	22/01/2015	355,620	0.21
SHANGHAI SIYUAN ELECTRIC CO LTD	11,200	22/01/2015	346,904	0.20
SHANDONG SUN PAPER INDUSTRY CO LTD	14,900	13/07/2015	197,126	0.11
SHANTUI CONSTRUCTION MACHINE CO LTD	28,000	22/01/2015	601,416	0.35
SHANXI TAIGANG STAINLESS	92,200	22/01/2015	581,198	0.34
SHANXI XISHAN COAL & ELEC POWER CO LTD	65,460	22/01/2015	2,058,094	1.20
SHENYANG INGENIOUS DEVELOPMENT CO	43,400	22/01/2015	168,876	0.10
SHENZHEN AGRICULTURAL PRODUCTS CO	22,400	22/01/2015	465,444	0.27
SHENZHEN DEVELOPMENT BANK CO LTD	112,300	22/01/2015	2,088,746	1.22
SHENZHEN ENERGY INVESTMENT CO LTD	28,000	22/01/2015	333,394	0.19
SHENZHEN KAIFA TECHNOLOGY CO LTD	25,200	22/01/2015	349,083	0.20
SHENZHEN OVERSEAS CHINESE TOWN HOLDINGS CO LTD	58,700	22/01/2015	840,551	0.49
SHENZHEN ZHONGJIN LINGNAN NONFEMET CO LTD	45,570	22/01/2015	1,209,320	0.71
SICHUAN NEW HOPE AGRIBUSINESS CO LTD	18,480	22/01/2015	455,900	0.27
SUNING APPLIANCE CO LTD	176,500	22/01/2015	2,719,680	1.59
SUNING UNIVERSAL CO LTD	28,000	22/01/2015	309,424	0.18
TAIYUAN COAL GASIFICATION CO LTD	11,200	22/01/2015	342,546	0.20
TANGSHAN JIDONG CEMENT CO. LTD.	29,400	22/01/2015	819,103	0.48
TCL CORPORATION	95,200	22/01/2015	385,255	0.23
TELLING TELECOMMUNICATION HOLDING CO LTD	22,800	13/07/2015	315,837	0.18
TIANJIN FAW XIALI AUTOMOBILE CO LTD	16,400	13/07/2015	156,985	0.09
TIANJIN JINBIN DEVELOPMENT CO LTD	58,800	22/01/2015	361,503	0.21
TIANJIN TEDA CO LTD	46,200	22/01/2015	424,260	0.25
TONGLING NONFERROUS METALS GROUP CO LTD	26,600	22/01/2015	1,099,219	0.64
WEICHAI POWER CO LTD	25,200	22/01/2015	1,555,184	0.91
WULIANGYE YIBIN CO LTD	78,100	22/01/2015	3,190,938	1.86
XI'AN AIRCRAFT INTERNATIONAL CORP	50,400	22/01/2015	721,699	0.42
XIANDAI INVESTMENT CO LTD	12,600	22/01/2015	304,957	0.18
XINJIANG GOLDWIND SCI & TECH CO LTD	47,040	22/01/2015	1,237,348	0.72
XINJIANG ZHONGTAI CHEMICAL CO LTD	21,000	22/01/2015	357,908	0.21
XINXING DUCTILE IRON PIPES	45,500	22/01/2015	478,028	0.28
XJ ELECTRIC CO LTD	12,600	22/01/2015	494,207	0.29
XCMG CONSTRUCTION MACHINERY CO LTD	16,100	22/01/2015	1,086,308	0.63
YANTAI CHANGYU PIONEER WINE CO LTD	2,800	22/01/2015	316,833	0.19

INVESTMENT PORTFOLIO (UNAUDITED)

as at 31 December 2010

	Holdings	Participatory notes Maturity Date	Market value HKD	% of Total net assets attributable to unitholders %
INVESTMENTS (100.04%) (CONTINUED)				
PARTICIPATORY NOTES (100.04%) (CONTINUED)				
CHINA (100.04%) (CONTINUED)				
ISSUED BY UBS WITH BELOW UNDERLYING LISTED EQUITIES (41.19%) (CONTINUED)				
YUNNAN ALUMINIUM CO LTD	25,200	22/01/2015	354,966	0.21
YUNNAN BAIYAO GROUP CO LTD	10,920	22/01/2015	777,592	0.45
YUNNAN COPPER INDUSTRY CO LTD	26,600	22/01/2015	863,228	0.50
YUNNAN TIN CO LTD	17,600	22/01/2015	677,994	0.40
ZHEJIANG NHU CO LTD	10,920	22/01/2015	325,484	0.19
ZTE CORPORATION	60,900	22/01/2015	1,962,120	1.15
			<u>70,610,867</u>	<u>41.19</u>
Total participatory notes			<u>171,484,983</u>	<u>100.04</u>
Total investments			171,484,983	100.04
Other net liabilities			<u>(60,416)</u>	<u>(0.04)</u>
Total net assets			<u>171,424,567</u>	<u>100.00</u>
Total cost of investments			<u>157,218,798</u>	

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE PERIOD FROM 26 JANUARY 2010 (DATE OF INCEPTION) TO 31 DECEMBER 2010

	% of total net assets attributable to unitholders 2010
Participatory notes	100.04
	<hr/>
Total investments	100.04
Other net assets	(0.04)
	<hr/>
Total net assets	100.00
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HOLDINGS OF COLLATERAL (UNAUDITED)

as at 31 December 2010

Name of collateral	Counterparty	Nature	Holdings	Price as at 31 December		NAV (%)
				2010	Fair Value	
Bank of Communications Ltd	RBS	Hong Kong listed equity	680,000	7.83	\$ 5,324,400	3.11%
Cathay Pacific Airways Ltd	RBS	Hong Kong listed equity	5,548	21.45	119,005	0.07%
China Railway Group Ltd	RBS	Hong Kong listed equity	159,953	5.61	897,336	0.52%
China Telecom Corp Ltd	RBS	Hong Kong listed equity	159,000	4.07	647,130	0.38%
China Life Insurance Co Ltd	RBS	Hong Kong listed equity	150,000	31.75	4,762,500	2.78%
CNOOC Ltd	RBS	Hong Kong listed equity	836,600	18.44	15,426,904	9.00%
Hutchison Whampoa Ltd	RBS	Hong Kong listed equity	178,703	80.00	14,296,240	8.34%
Industrial & Commercial Bank of China	RBS	Hong Kong listed equity	3,270,000	5.79	18,933,300	11.04%
PetroChina Co Ltd	RBS	Hong Kong listed equity	407,000	10.16	4,135,120	2.41%
Ping An Insurance Group Co	RBS	Hong Kong listed equity	15,363	86.90	1,335,045	0.78%
Wharf Holdings Ltd	RBS	Hong Kong listed equity	200,000	59.80	11,960,000	6.98%
Air China Ltd	UBS	Hong Kong listed equity	432,763	8.73	3,778,021	2.20%
BYD CO LTD	UBS	Hong Kong listed equity	84,510	40.85	3,452,234	2.01%
China Merchants Bank Co Ltd	UBS	Hong Kong listed equity	129,328	19.62	2,537,415	1.48%
China Minsheng Banking Corp Ltd	UBS	Hong Kong listed equity	652,229	6.65	4,337,323	2.53%
China Oilfield Services Ltd	UBS	Hong Kong listed equity	103,728	16.84	1,746,780	1.02%
China Pacific Insurance (GR) Co Ltd	UBS	Hong Kong listed equity	16,969	32.30	548,099	0.32%
China Shenhua Energy Co Ltd	UBS	Hong Kong listed equity	110,000	32.60	3,586,000	2.09%
China Shipping Development Co Ltd	UBS	Hong Kong listed equity	214,631	10.36	2,223,577	1.30%
China Longyuan Power Group Corp	UBS	Hong Kong listed equity	249,144	7.11	1,771,414	1.03%
CNOOC Ltd	UBS	Hong Kong listed equity	280,000	18.44	5,163,200	3.01%
Datang International Power Generation Co Ltd	UBS	Hong Kong listed equity	1,632,103	2.73	4,455,641	2.60%
Dongfeng Motor Group Co Ltd	UBS	Hong Kong listed equity	162,483	13.40	2,177,272	1.27%
Guangzhou Automobile Group Co Ltd	UBS	Hong Kong listed equity	36,733	10.72	393,778	0.23%
Guangzhou R&F Properties Co Ltd	UBS	Hong Kong listed equity	377,560	11.12	4,198,467	2.45%
Huaneng Power International Inc	UBS	Hong Kong listed equity	685,130	4.11	2,815,884	1.64%
Jiangxi Copper Co Ltd	UBS	Hong Kong listed equity	187,534	25.55	4,791,494	2.80%
PICC Property & Casualty Co Ltd	UBS	Hong Kong listed equity	122,685	11.26	1,381,433	0.81%
Sinopharm Medicine Holding Co Ltd.	UBS	Hong Kong listed equity	174,120	27.10	4,718,652	2.75%
Tencent Holding Ltd	UBS	Hong Kong listed equity	18,067	168.9	3,051,516	1.78%
					<u>\$134,965,180</u>	<u>78.73%</u>

PERFORMANCE RECORD (UNAUDITED)

(a) Net asset value

As at financial period ended 31 December 2010	\$171,424,567
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(b) Net asset value per unit

As at financial period ended 31 December 2010	\$40.3352
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(c) Highest and lowest net asset value per unit

	Highest net asset value per unit	Lowest net asset value per unit
Financial period ended		
31 December 2010 (since inception)	\$44.8900	\$29.3985

SZSE 100 INDEX CONSTITUENT STOCK DISCLOSURE (UNAUDITED)

There was no index constituent stock of the SZSE 100 Index that accounted for more than 10% of the weighting of the Index as at 31 December 2010.

PERFORMANCE OF CICC-SZSE 100 INDEX TRACKER*
(* This is a synthetic ETF)
AND SZSE 100 INDEX
FOR THE PERIOD FROM 26 JANUARY 2010 (DATE OF INCEPTION)
TO 31 DECEMBER 2010 (UNAUDITED)

Fund/Index	Performance in Hong Kong dollars (based on NAV for valuation purposes)
CICC-SZSE 100 Index Tracker*	7.82%
SZSE 100 Index	6.41%

(1) Performance is calculated in base currency with unit price to unit price.

Source: China International Capital Corporation Hong Kong Asset Management Limited.

Investors should note that investment involves risks and not all investment risks are predictable. Prices of fund units may go up as well as down and past performance information presented is not indicative of future performance. Investors should refer to the Fund's prospectus (including the full text of the risk factors stated therein) before making any investment decision.

ADMINISTRATION AND MANAGEMENT

Manager

China International Capital Corporation Hong Kong Asset Management Limited
25th, 29th Floor, One International Finance Centre,
1 Harbour View Street, Central,
Hong Kong

Directors of the Manager

Mr. Yao Lei
Mr. Han Wei Qiang (resigned on 6 May 2010)
Dr. Zhu Yong (resigned on 1 March 2011)
Ms. Miu Hung Lucy (appointed on 1 March 2011)

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central,
Hong Kong

Service Agent

HK Conversion Agency Services Limited
2nd Floor,
Vicwood Plaza,
199 Des Voeux Road Central,
Hong Kong

Listing Agent

China International Capital Corporation Hong Kong Securities Limited
25th, 29th Floor, One International Finance Centre,
1 Harbour View Street, Central,
Hong Kong

Legal Adviser to the Manager

Baker & McKenzie Solicitors
14th Floor, Hutchison House,
10 Harcourt, Central,
Hong Kong

Auditor

KPMG
8th Floor, Prince's Building,
10 Chater Road, Central,
Hong Kong