

**E Fund CSI 100 A-Share Index ETF**  
**E Fund CES China 120 Index ETF**  
**E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

**For the year ended 31st December 2016**

**Sub-Funds of E Fund ETFs Trust**

**Annual Report 2016**

**E Fund ETFs Trust**

**- E Fund CSI 100 A-Share Index ETF**

**- E Fund CES China 120 Index ETF**

**- E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

**CONTENTS**

	<b>Page</b>
Report of the Manager to the Unitholders	1 - 6
Report of the Trustee to the Unitholders	7
Statement of Responsibilities of the Manager and the Trustee	8
Independent Auditor's Report	9 - 13
Statement of Financial Position	14
Statement of Comprehensive Income	15
Statement of Changes in Net Assets Attributable to Unitholders	16
Statement of Cash Flows	17
Notes to the Financial Statements	18 - 58
Investment Portfolio (unaudited)	59 - 67
Statement of Movements in Investment Portfolio (unaudited)	68 - 86
Performance Record (unaudited)	87 - 88
Management and Administration	89

## E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

## REPORT OF THE MANAGER TO THE UNITHOLDERS

### E Fund CSI 100 A-Share Index ETF

(a Sub-Fund of E Fund ETFs Trust)

## Introduction

E Fund CSI 100 A-Share Index ETF (the “CSI 100 ETF”), a sub-fund of the E Fund ETFs Trust, was launched and commenced trading under the stock code 83100 (RMB Counter) and 3100 (HKD Counter) on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 27th August 2012 and 9th November 2012 respectively. The CSI 100 ETF is benchmarked against the CSI 100 Index. The manager of the CSI 100 ETF is E Fund Management (Hong Kong) Co., Ltd. and the trustee is HSBC Institutional Trust Services (Asia) Limited.

## Fund Performance

E Fund CSI 100 A-Share Index ETF seeks to provide investment returns that, before deduction of fees and expenses, closely correspond to the performance of the CSI 100 Index. As of 31st December 2016, the Net Asset Value per unit of the CSI 100 ETF was RMB31.40, and there were 3,200,000 units outstanding. The total size of the fund was approximately RMB100.47 million.

A summary of the performance of the CSI 100 ETF is given below.

### Cumulative Performance\*

	Since Launch <sup>1</sup>	YTD	1 Month	3 Months	6 Months	1 Year
<b>Fund (RMB)</b>	46.8%	-8.0%	-6.7%	2.3%	6.2%	-8.0%
<b>Fund (HKD)</b>	29.8%	-13.0%	-7.7%	-2.0%	1.4%	-13.0%
<b>Index (Price Return)</b>	46.7%	-7.5%	-6.5%	3.0%	5.9%	-7.5%

### Calendar Year Cumulative Performance\*

	2016	2015	2014	2013	2012	2011
<b>Fund (RMB)</b>	-8.0%	2.4%	54.1%	-11.4%	-	-
<b>Fund (HKD)</b>	-13.0%	-3.4%	50.2%	-9.0%	-	-
<b>Index (Price Return)</b>	-7.5%	-1.5%	59.6%	-13.1%	-	-
<b>Index (Total Return)</b>	-4.8%	0.5%	65.2%	-10.4%	-	-

Source: Bloomberg

\*Fund: NAV-to-NAV return, net return with dividend (if any) NOT reinvested

1. The net return of index since launch is calculated from 27th August 2012

Note:  
Past performance information is not indicative of future performance. Investors may not get back the full amount invested. The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend not reinvested. These figures show by how much E Fund CSI 100 A-Share Index ETF increased or decreased in value during the calendar year being shown. Performance data has been calculated in RMB/HKD, including ongoing charges and excluding subscription fee and redemption fee you might have to pay.  
Where no past performance is shown there was insufficient data available in that year to provide performance.

The benchmark of the fund is CSI 100 A-Shares Index.

RMB Counter -Fund launch date: 2012

HKD Counter -Fund launch date: 2012

**E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

**REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)****E Fund CSI 100 A-Share Index ETF (continued)**

(a Sub-Fund of E Fund ETFs Trust)

CSI 100 Index was launched by China Securities Index Company Limited on 26th May 2006. It made up of 100 largest A-share issuers in terms of market capitalization listed in the Shanghai and Shenzhen stock exchanges. The difference in performance between CSI 100 Index and the CSI 100 ETF is mainly attributed to fees and expenses, and security misweights.

**Fund Activities**

The average daily trading volume for the CSI 100 ETF during the Year was reported by Bloomberg to be approximately RMB235,067. As of 31st December 2016, the CSI 100 ETF comprised of 3,200,000 outstanding units.

**Index Activities**

The CSI 100 Index underwent 2 regular reviews during the Year. As of 31st December 2016, the CSI 100 ETF held 100 constituents as CSI 100 Index.

## E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

### REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

#### E Fund CES China 120 Index ETF

(a Sub-Fund of E Fund ETFs Trust)

## Introduction

E Fund CES China 120 Index ETF (the “CES 120 ETF”), a sub-fund of the E Fund ETFs Trust, was launched and commenced trading under the stock code 83120 (RMB Counter) and 3120 (HKD Counter) on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 21st October 2013. The CES 120 ETF is benchmarked against the CES China 120 Index. The manager of the CES 120 ETF is E Fund Management (Hong Kong) Co., Ltd. and the trustee is HSBC Institutional Trust Services (Asia) Limited.

## Fund Performance

E Fund CES China 120 Index ETF aims to provide investment results that, before fees and expenses, closely correspond to the performance of the CES China 120 Index. As of 31st December 2016, the Net Asset Value per unit of the CES 120 ETF was RMB11.83, and there were 220,000 units outstanding. The total size of the fund was approximately RMB2.60 million.

A summary of the performance of the CES 120 ETF is given below.

### Cumulative Performance\*

	Since Launch <sup>1</sup>	YTD	1 Month	3 Months	6 Months	1 Year
<b>Fund (RMB)</b>	10.2%	-3.5%	-5.8%	1.8%	9.2%	-3.5%
<b>Fund (HKD)</b>	-3.9%	-9.1%	-6.9%	-2.6%	4.2%	-9.1%
<b>Index (Price Return)</b>	24.5%	0.2%	-4.3%	0.9%	8.2%	0.2%

Source: Bloomberg

\*Fund: NAV-to-NAV return, net return with dividend (if any) NOT reinvested

1. Since launch of the Fund, calculated from 21st October 2013.

Note:

Past performance information is not indicative of future performance. Investors may not get back the full amount invested.

The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend not reinvested.

These figures show by how much the fund increased or decreased in value during the calendar year being shown.

Performance data has been calculated in RMB/HKD, including ongoing charges and excluding subscription fee and redemption fee you might have to pay.

Where no past performance is shown there was insufficient data available in that year to provide performance.

The benchmark of the fund is CES China 120 Index.

Fund launch date: 2013

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)****E Fund CES China 120 Index ETF (continued)**

(a Sub-Fund of E Fund ETFs Trust)

CES China 120 Index was launched by China Exchange Services Company Limited on 10th December 2012. It is comprised of the 80 most liquid and largest stocks in terms of market value trading on the Shanghai and Shenzhen Exchanges as well as the 40 most liquid and largest Mainland companies in terms of market value listed on Hong Kong Exchange. The difference in performance between CES China 120 Index and the CES 120 ETF is mainly attributed to fees and expenses, and security misweights.

**Fund Activities**

The average daily trading volume for the HKD Counter of CES 120 ETF during the Year was reported by Bloomberg to be approximately HKD7,477. As of 31st December 2016, the CES 120 ETF comprised of 220,000 outstanding units.

**Index Activities**

The CES China 120 Index underwent 2 regular reviews during the Year. As of 31st December 2016, the CES 120 ETF held the same 116 constituents as CES China 120 Index. Four of the index constituents were not held by CES 120 ETF, since the constituents were suspended.

## E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

### REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

#### E Fund Citi Chinese Government Bond 5-10 Years Index ETF

(a Sub-Fund of E Fund ETFs Trust)

#### Introduction

E Fund Citi Chinese Government Bond 5-10 Years Index ETF (the “CGB ETF”), a sub-fund of the E Fund ETFs Trust, was launched and commenced trading under the stock code 82808 (RMB Counter) and 2808 (HKD Counter) on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 14th March 2014. The CGB ETF is benchmarked against the Citi Chinese Government Bond 5-10 Years Index. The manager of the CGB ETF is E Fund Management (Hong Kong) Co., Ltd. and the trustee is HSBC Institutional Trust Services (Asia) Limited.

#### Fund Performance

E Fund Citi Chinese Government Bond 5-10 Years Index ETF seeks to provide investment returns that, before deduction of fees and expenses, closely correspond to the performance of the Citi Chinese Government Bond 5-10 Years Index. As of 31st December 2016, the Net Asset Value per unit of the CGB ETF was RMB114.67, and there were 400,000 units outstanding. The total size of the fund was approximately RMB45.87 million.

A summary of the performance of the CGB ETF is given below.

#### Cumulative Performance\*

	Since Launch <sup>1</sup>	YTD	1 Month	3 Months	6 Months	1 Year
<b>Fund (RMB)</b>	14.5%	0.6%	-0.3%	-1.5%	-0.5%	0.6%
<b>Fund (HKD)</b>	0.9%	-4.9%	-1.4%	-5.6%	-4.9%	-4.9%
<b>Index</b>	20.1%	2.4%	0.2%	-0.6%	0.9%	2.4%

Source: Bloomberg

\*Fund: NAV-to-NAV return, total return with dividend (if any) reinvested.

1. Performance calculated since the launch of the fund (14th March 2014) to 31st December 2016.

Note:  
Past performance information is not indicative of future performance. Investors may not get back the full amount invested. The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested. These figures show by how much the fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in RMB/HKD, including ongoing charges and excluding subscription fee and redemption fee you might have to pay.  
Where no past performance is shown there was insufficient data available in that year to provide performance.  
The benchmark of the fund is Citi Chinese Government Bond 5-10 Years Index  
Fund launch date: 2014

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)****E Fund Citi Chinese Government Bond 5-10 Years Index ETF (continued)**

(a Sub-Fund of E Fund ETFs Trust)

Citi Chinese Government Bond 5-10 Years Index was launched by Citigroup Index LLC on 23rd March 2011. The Index is currently designed to provide exposure to RMB-denominated PRC Treasury Bonds that are issued and settled within the PRC. The Index includes fixed-rate Securities issued by the PRC government that are issued or distributed within the PRC with a maturity of 5 to 10 years and a minimum size outstanding of RMB20 billion. The difference in performance between CGB ETF and the Index is mainly attributed to transaction costs, asset valuations, corporate actions (such as mergers and spinoffs), timing variances and differences between the CGB ETF's portfolio and the Index, as the CGB ETF adopts a representative sampling strategy.

**Fund Activities**

The average daily trading volume for the CGB ETF during the Year was reported by Bloomberg to be approximately RMB14,070. As of 31st December 2016, the CGB ETF comprised of 400,000 outstanding units.

**Index Activities**

The CGB ETF underwent rebalancing monthly or upon each creation or redemption during the Year. As of 31st December 2016, the CGB ETF held 3 out of the 31 constituents of Citi Chinese Government Bond 5-10 Years Index.



**E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

**REPORT OF THE TRUSTEE TO THE UNITHOLDERS**

We hereby confirm that, in our opinion, the Manager of the Sub-Funds has, in all material respects, managed the Sub-Funds in accordance with the provisions of the Trust Deed dated 25th July 2012, as amended by the first supplemental deed dated 25th July 2012, the second supplemental deed dated 13th September 2013, the third and fourth supplemental deed dated 15th January 2014 and the fifth supplemental deed dated 29th October 2014, for the year ended 31st December 2016.

HSBC Institutional Trust Services (Asia) Limited  
28 April 2017

## **E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

## **STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE**

### **MANAGER'S RESPONSIBILITIES**

The Manager of E Fund CSI 100 A-Share Index ETF, E Fund CES China 120 Index ETF and E Fund Citi Chinese Government Bond 5-10 Years Index ETF, the Sub-Funds of E Fund ETFs 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 25th July 2012, as amended, (the "Trust Deed") to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Sub-Funds at the end of that year and of the transactions for the year then ended. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-Funds will continue in operation unless it is inappropriate to assume this.

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

E Fund ETFs Trust (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31st December 2016, the Trust has established three Sub-Funds, namely, E Fund CSI 100 A-Share Index ETF, E Fund CES China 120 Index ETF and E Fund Citi Chinese Government Bond 5-10 Years Index ETF.

### **TRUSTEE'S RESPONSIBILITIES**

The Trustee of the Sub-Funds is required to:

- ensure that the Sub-Funds are 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-Funds 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-Funds.

E Fund Management (Hong Kong) Co., Limited  
28 April 2017

HSBC Institutional Trust Services (Asia) Limited  
28 April 2017

## **E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

## **INDEPENDENT AUDITOR'S REPORT**

**TO THE UNITHOLDERS OF E FUND CSI 100 A-SHARE INDEX ETF, E FUND CES CHINA 120 INDEX ETF AND E FUND CITI CHINESE GOVERNMENT BOND 5-10 YEARS INDEX ETF (THE "SUB-FUNDS")**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

##### *What we have audited*

The financial statements of E Fund CSI 100 A-Share Index ETF, E Fund CES China 120 Index ETF and E Fund Citi Chinese Government Bond 5-10 Years Index ETF (the "Sub-Funds"), each a separate sub-fund of E Fund ETFs Trust (the "Trust"), set out on pages 14 to 58, which comprise:

- the statements of financial position as at 31st December 2016;
- the statements of comprehensive income for the year then ended;
- the statements of changes in net assets attributable to unitholders for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

##### *Our opinion*

In our opinion, the financial statements give a true and fair view of the financial positions of each of the Sub-Funds as at 31st December 2016, and of each of their financial transactions and 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-Funds in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

## E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

### INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF E FUND CSI 100 A-SHARE INDEX ETF, E FUND CES CHINA 120 INDEX ETF AND E FUND CITI CHINESE GOVERNMENT BOND 5-10 YEARS INDEX ETF (THE "SUB-FUNDS") (CONTINUED)

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in our audit are summarised as follows:

- Existence and valuation of investments
- Withholding income tax provisions on capital gains tax for certain PRC debt securities

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Existence and valuation of investments</i></p> <p>The investments of E Fund CSI 100 A-Share Index ETF as at 31st December 2016 mainly comprised of listed equities valued at HK\$100,382,929. These investments held by the Sub-Fund included listed equities of HK\$2,105,904 which have been suspended for trading as at 31st December 2016.</p> <p>The investments of E Fund CES China 120 Index ETF as at 31st December 2016 mainly comprised of listed equities valued at HK\$2,455,404. These investments held by the Sub-Fund included listed equities of HK\$35,745 which have been suspended for trading as at 31st December 2016.</p> <p>The investments of E Fund Citi Chinese Government Bond 5-10 Years Index ETF as at 31st December 2016 mainly comprised of debt securities and investment funds valued at HK\$44,950,505.</p> <p>We focused on the existence and valuation of the investments because the investments represented the principal element of the Sub-Funds' net asset values. In addition, we also focused on the valuation of listed equities which have been suspended for trading as at 31st December 2016 because the judgment made by the Manager in determining their fair values involved a higher degree of subjectivity.</p> <p>Refer to note 8 to the financial statements.</p>	<p>We tested the existence of investments by obtaining direct confirmations from the custodians and agreeing the Sub-Funds' holdings of investments to the confirmations. Based on the procedures we performed, we found the Sub-Fund's holdings of investments to be in agreement with the confirmations received.</p> <p>We agreed the valuation of the Sub-Funds' investments by comparing the pricing used by the Sub-Funds to external pricing sources as at 31st December 2016. We found no material exceptions from our testing.</p> <p>In addition, for investments which have been suspended for trading as at year end, we assessed the appropriateness of the valuation methodology adopted by the Manager. We also assessed the judgments made in determining the valuation of these investments by considering factors which may impact their fair values, including the duration of suspension period, the relevant market information and news of the suspended listed equities, the price movement of comparable listed indices during the suspension period and, if applicable, the market prices of the suspended listed equities upon resumption of trading after year end. Based on the procedures we performed, we found the judgments made by the Manager in determining the valuation of the investments to be supportable by available evidence.</p>

## E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

### INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF E FUND CSI 100 A-SHARE INDEX ETF, E FUND CES CHINA 120 INDEX ETF AND E FUND CITI CHINESE GOVERNMENT BOND 5-10 YEARS INDEX ETF (THE "SUB-FUNDS") (CONTINUED)

#### Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Withholding income tax provisions on capital gains tax for certain PRC debt securities</i></p> <p>During the period from 15th January 2014 (date of inception) to 31st December 2016 (the "Period"), E Fund Citi Chinese Government Bond 5-10 Years Index ETF invested in certain PRC debt securities.</p> <p>As at 31st December 2016, the Sub-Fund had made a withholding income tax ("WIT") provision of HK\$3,858,857 with respect to the gross realized gains for the Period and the gross unrealized gains as at 31st December 2016 (together, the "Capital Gains") for these PRC debt securities.</p> <p>In determining the WIT provision with respect to the Capital Gains, the Manager was required to make critical judgments based on their interpretation of the tax rules and regulations relevant to the Sub-Fund. Due to the level of judgment involved and the magnitude of the provision in the financial statements, we focused on this area in our audit.</p> <p>Refer to note 3 to the financial statements.</p>	<p>We discussed with the Manager of the Sub-Fund to understand their interpretation of the tax rules and regulations relevant to the Sub-Fund and the basis of determining the WIT provision with respect to the Capital Gains for the Sub-Fund's investments in those PRC debt securities.</p> <p>We also examined the filings and correspondences between the Sub-Fund and the relevant tax authorities and the correspondences between the Sub-Fund and its tax advisers.</p> <p>We evaluated the judgments made by the Manager based on our understanding of the relevant tax rules and regulations and the market practices. Based on the procedures performed, we found the Manager's judgments in respect of the Sub-Fund's provision for WIT on the Capital Gains are supportable based on the evidence available.</p>

#### Other Information

The Manager and the Trustee (the "Management") of the Sub-Funds 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.

## **E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

## **INDEPENDENT AUDITOR'S REPORT**

**TO THE UNITHOLDERS OF E FUND CSI 100 A-SHARE INDEX ETF, E FUND CES CHINA 120 INDEX ETF AND E FUND CITI CHINESE GOVERNMENT BOND 5-10 YEARS INDEX ETF (THE "SUB-FUNDS") (CONTINUED)**

### **Responsibilities of the Management for the Financial Statements**

The Management of the Sub-Funds 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-Funds is responsible for assessing the Sub-Funds' 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-Funds or to cease operations, or have no realistic alternative but to do so.

In addition, the Management of the Sub-Funds is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 25th July 2012 as amended ("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-Funds 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-Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**INDEPENDENT AUDITOR'S REPORT**

**TO THE UNITHOLDERS OF E FUND CSI 100 A-SHARE INDEX ETF, E FUND CES CHINA 120 INDEX ETF AND E FUND CITI CHINESE GOVERNMENT BOND 5-10 YEARS INDEX ETF (THE "SUB-FUNDS") (CONTINUED)**

**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-Funds' 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-Funds 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.

We also provide the Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Josephine W.T. Kwan.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 28 April 2017

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**STATEMENT OF FINANCIAL POSITION**

		E Fund CSI 100 A-Share Index ETF	E Fund CSI 100 A-Share Index ETF	E Fund CES China 120 Index ETF	E Fund CES China 120 Index ETF	E Fund Citi Chinese Government Bond 5-10 Years Index ETF	E Fund Citi Chinese Government Bond 5-10 Years Index ETF
		31st December 2016	31st December 2015	31st December 2016	31st December 2015	31st December 2016	31st December 2015
	<i>Notes</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
<b>ASSETS</b>							
<b>NON CURRENT ASSETS</b>							
Deposit reserve		252,000	252,000	8,400	8,400	252,000	308,000
<b>CURRENT ASSETS</b>							
Investments	8(a)	100,382,929	130,556,076	2,455,404	23,005,696	44,950,505	147,373,069
Interest receivable		1	-	-	-	607,753	2,145,335
Other receivables		-	-	978,125	-	-	-
Management fee rebate receivables		-	-	-	-	193,337	-
Cash and cash equivalents	7(c)	1,885,184	1,123,171	257,800	1,826,410	5,223,883	3,467,104
		102,268,114	131,679,247	3,691,329	24,832,106	50,975,478	152,985,508
<b>Total assets</b>		<b>102,520,114</b>	<b>131,931,247</b>	<b>3,699,729</b>	<b>24,840,506</b>	<b>51,227,478</b>	<b>153,293,508</b>
<b>LIABILITIES</b>							
<b>NON CURRENT LIABILITIES</b>							
Deferred tax liability	6	-	-	-	-	-	383,845
<b>CURRENT LIABILITIES</b>							
Amounts due to participating dealers		-	853,355	-	-	-	-
Amount due to broker		-	216,462	-	-	-	-
Management fee payable	7(a)	195,386	95,418	19,573	17,168	-	27,931
Provision for taxation	6	-	-	-	-	4,122,016	3,697,323
Other accounts payable	7(g)	846,386	1,042,028	1,011,682	872,169	111,930	105,000
Establishment costs payable	7(d)	1,512,235	1,512,235	803,307	2,059,926	2,005,675	2,005,675
		2,554,007	3,719,498	1,834,562	2,949,263	6,239,621	5,835,929
<b>Total liabilities</b>		<b>2,554,007</b>	<b>3,719,498</b>	<b>1,834,562</b>	<b>2,949,263</b>	<b>6,239,621</b>	<b>6,219,774</b>
<b>Equity</b>							
Net assets attributable to unitholders	4, 14	99,966,107	128,211,749	1,865,167	21,891,243	44,987,857	147,073,734

The financial statements on pages 14 to 58 were approved by the Trustee and the Manager on 28 April 2017 and were signed on their behalf.

For and on behalf of

For and on behalf of

E Fund Management (Hong Kong) Co., Limited  
as the Manager

HSBC Institutional Trust Services (Asia) Limited  
as the Trustee

*The notes on pages 18 to 58 form part of these financial statements.*



**E Fund ETFs Trust**
**- E Fund CSI 100 A-Share Index ETF**
**- E Fund CES China 120 Index ETF**
**- E Fund Citi Chinese Government Bond 5-10 Years Index ETF**
**STATEMENT OF COMPREHENSIVE INCOME**

		E Fund CSI 100 A-Share Index ETF	E Fund CSI 100 A-Share Index ETF	E Fund CES China 120 Index ETF	E Fund CES China 120 Index ETF	E Fund Citi Chinese Government Bond 5-10 Years Index ETF	E Fund Citi Chinese Government Bond 5-10 Years Index ETF
	Notes	Year ended 31st December 2016 RMB	Year ended 31st December 2015 RMB	Year ended 31st December 2016 RMB	Year ended 31st December 2015 RMB	Year ended 31st December 2016 RMB	Year ended 31st December 2015 RMB
<b>INCOME</b>							
Dividend income		3,185,215	11,132,434	99,725	701,531	1	-
Interest income		8,049	1,963,432	1,919	4,820	1,482,263	14,652,097
Net (loss)/gain on investments	5	(10,151,419)	299,785,800	(2,743,349)	(432,421)	5,071	15,198,581
Net foreign exchange losses		(299)	(815)	(79,760)	5,239	(969)	(592)
Other income	2(n), 7(a)	116,973	(5,423,697)	1,151,458	-	86,653	958,428
<b>Total net (loss)/income</b>		<b>(6,841,481)</b>	<b>307,457,154</b>	<b>(1,570,007)</b>	<b>279,169</b>	<b>1,573,019</b>	<b>30,808,514</b>
<b>EXPENSES</b>							
Management fee	7(a)	(827,574)	(5,701,118)	(59,987)	(220,877)	(218,732)	(1,908,343)
Trustee fee	7(b)	(479,346)	(1,099,155)	(481,316)	(478,484)	-	-
Transaction costs on investments		(71,578)	(8,095,511)	(20,021)	(61,142)	(2,863)	(3,708)
Audit fee		(136,535)	(236,437)	(101,678)	(187,382)	-	-
Bank charges		(168)	(738)	(377)	(2,395)	-	-
Other operating expenses		(883,957)	(1,277,655)	(414,821)	(636,837)	(21,103)	(39,637)
<b>Total operating expenses</b>		<b>(2,399,158)</b>	<b>(16,410,614)</b>	<b>(1,078,200)</b>	<b>(1,587,117)</b>	<b>(242,698)</b>	<b>(1,951,688)</b>
Operating profit/(loss)		(9,240,639)	291,046,540	(2,648,207)	(1,307,948)	1,330,321	28,856,826
<b>TAXATION</b>							
- Withholding tax on dividend	6	(327,283)	(1,141,292)	(8,851)	(65,457)	-	-
- Withholding tax on interest reversal/(accrual)	6	-	-	-	-	58,262	(306,148)
- Capital gains tax reversal/(expense)	6	-	88,465,873	-	260,550	(73,397)	(1,617,024)
- Value added tax	6	-	-	-	-	(25,713)	-
		(327,283)	87,324,581	(8,851)	195,093	(40,848)	(1,923,172)
<b>Total comprehensive income for the year</b>		<b>(9,567,922)</b>	<b>378,371,121</b>	<b>(2,657,058)</b>	<b>(1,112,855)</b>	<b>1,289,473</b>	<b>26,933,654</b>

The notes on pages 18 to 58 form part of these financial statements.

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

		E Fund CSI 100 A-Share Index ETF	E Fund CSI 100 A-Share Index ETF	E Fund CES China 120 Index ETF	E Fund CES China 120 Index ETF	E Fund Citi Chinese Government Bond 5-10 Years Index ETF	E Fund Citi Chinese Government Bond 5-10 Years Index ETF
	<i>Notes</i>	Year ended 31st December 2016 <i>RMB</i>	Year ended 31st December 2015 <i>RMB</i>	Year ended 31st December 2016 <i>RMB</i>	Year ended 31st December 2015 <i>RMB</i>	Year ended 31st December 2016 <i>RMB</i>	Year ended 31st December 2015 <i>RMB</i>
<b>Net assets attributable to unitholders at the beginning of the year</b>		128,211,749	1,335,467,808	21,891,243	23,004,098	147,073,734	299,219,080
Proceeds from subscription of units		-	1,779,239,520	-	-	34,965,570	907,798,360
Payments on redemption of units		(18,677,720)	(3,351,450,700)	(17,369,018)	-	(138,340,920)	(1,086,877,360)
Net decrease from unit transactions		(18,677,720)	(1,572,211,180)	(17,369,018)	-	(103,375,350)	(179,079,000)
Distribution to unitholders	12	-	(13,416,000)	-	-	-	-
Total comprehensive income for the year		(9,567,922)	378,371,121	(2,657,058)	(1,112,855)	1,289,473	26,933,654
<b>Net assets attributable to unitholders at the end of the year</b>	4,14	99,966,107	128,211,749	1,865,167	21,891,243	44,987,857	147,073,734

The notes on pages 18 to 58 form part of these financial statements.

## E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

### STATEMENT OF CASH FLOWS

	E Fund CSI 100 A-Share Index ETF	E Fund CSI 100 A-Share Index ETF	E Fund CES China 120 Index ETF	E Fund CES China 120 Index ETF	E Fund Citi Chinese Government Bond 5-10 Years Index ETF	E Fund Citi Chinese Government Bond 5-10 Years Index ETF
	Year ended 31st December 2016	Year ended 31st December 2015	Year ended 31st December 2016	Year ended 31st December 2015	Year ended 31st December 2016	Year ended 31st December 2015
	RMB	RMB	RMB	RMB	RMB	RMB
<b>OPERATING ACTIVITIES</b>						
Payments for purchase of investments	(12,373,364)	(1,876,475,833)	(414,387)	(18,644,944)	(91,441,343)	(1,408,247,679)
Proceeds from sale of investments	32,178,630	3,481,869,102	18,221,330	19,887,690	193,868,978	1,569,154,674
Dividend received	3,185,215	11,132,434	99,725	701,531	1	-
Interest received	8,048	2,200,820	1,919	4,820	3,019,845	17,256,387
Other income received/(paid)	116,973	(5,423,697)	173,333	-	86,653	958,428
Management fee paid	(727,606)	(6,493,699)	(57,582)	(220,910)	(440,000)	(2,074,450)
Transaction costs paid	(71,578)	(8,095,511)	(20,021)	(61,142)	(2,863)	(3,708)
Trustee fee paid	(439,346)	(1,223,133)	(441,097)	(480,000)	-	-
Audit fee, bank charges and other operating expenses (paid)/received	(1,256,601)	(1,126,241)	(497,342)	(593,654)	(15,142)	7,681
Taxation paid	(327,283)	(11,504,093)	(8,851)	(68,927)	-	(10,440)
Deposit reserve received/(paid)	-	28,000	-	19,600	56,000	(112,000)
Establishment costs paid	-	-	(1,256,619)	-	-	-
<b>Net cash generated from operating activities</b>	<b>20,293,088</b>	<b>1,584,888,149</b>	<b>15,800,408</b>	<b>544,064</b>	<b>105,132,129</b>	<b>176,928,893</b>
<b>FINANCING ACTIVITIES</b>						
Proceeds from subscription of units	-	1,779,239,520	-	-	34,965,570	907,798,360
Payments on redemption of units	(19,531,075)	(3,531,387,130)	(17,369,018)	-	(138,340,920)	(1,086,877,360)
Distribution paid to unitholders	-	(13,416,000)	-	-	-	-
<b>Net cash used in financing activities</b>	<b>(19,531,075)</b>	<b>(1,765,563,610)</b>	<b>(17,369,018)</b>	<b>-</b>	<b>(103,375,350)</b>	<b>(179,079,000)</b>
Increase/(decrease) in cash and cash equivalents	762,013	(180,675,461)	(1,568,610)	544,064	1,756,779	(2,150,107)
Cash and cash equivalents at the beginning of the year	1,123,171	181,798,632	1,826,410	1,282,346	3,467,104	5,617,211
Cash and cash equivalents at the end of the year	1,885,184	1,123,171	257,800	1,826,410	5,223,883	3,467,104
<b>Analysis of balances of cash and cash equivalents</b>						
Bank balances	1,885,184	1,123,171	257,800	1,826,410	5,223,883	3,467,104

The notes on pages 18 to 58 form part of these financial statements.

## **E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

E Fund ETFs Trust (the “Trust”) is an umbrella unit trust constituted by its trust deed dated 25th July 2012, as amended, (the “Trust Deed”) and authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to section 104(1) of the Securities and Futures Ordinance. The terms of the Trust Deed are governed by the laws of Hong Kong. As at 31st December 2016, the Trust has established three sub-funds, namely, E Fund CSI 100 A-Share Index ETF, E Fund CES China 120 Index ETF and E Fund Citi Chinese Government Bond 5-10 Years Index ETF (the “Sub-Funds”) which are authorised by the Securities and Futures Commission of Hong Kong. The Sub-Funds are also listed on The Stock Exchange of Hong Kong Limited. The date of inception of E Fund CSI 100 A-Share Index ETF was 25th July 2012, of E Fund CES China 120 Index ETF was 13th September 2013 and of E Fund Citi Chinese Government Bond 5-10 Years Index ETF was 15th January 2014.

The manager and the trustee of the Sub-Funds are E Fund Management (Hong Kong) Co., Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (“the Trustee”) respectively.

The investment objective of the Sub-Funds is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the underlying indices, namely, CSI 100 Index for E Fund CSI 100 A-Share Index ETF, CES China 120 Index for E Fund CES China 120 Index ETF and Citi Chinese Government Bond 5-10 Years Index for E Fund Citi Chinese Government Bond 5-10 Years Index ETF. In order to achieve the investment objective of E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF, the Manager will adopt a full replication strategy through investing directly in the constituent of the underlying indices in substantially the same weightings in which they are included in the respective indices. The Manager will not adopt representative sampling strategy for E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF. In order to achieve the investment objective of E Fund Citi Chinese Government Bond 5-10 Years Index ETF, the Manager will adopt a representative sampling strategy which involves investing in a representative sample of RMB denominated PRC bonds that collectively has an investment profile that reflects the profile of the Index.

Under current regulations in the People’s Republic of China (“PRC”), foreign investors can invest in the domestic securities market through certain qualified foreign institutional investors that have obtained status as a Renminbi Qualified Foreign Institutional Investor (“RQFII”) from the China Securities Regulatory Commission (“CSRC”) and have been granted quota by the State Administration of Foreign Exchange (“SAFE”) of the PRC to remit RMB into the PRC for the purpose of investing in the PRC’s domestic securities markets.

The Sub-Funds obtain exposures to securities issued within the PRC through the RQFII quotas of the Manager.

The Manager has obtained RQFII status in the PRC and the RQFII quotas have been granted to the Manager on behalf of the Sub-Funds. To the extent that the Manager has, on behalf of the Sub-Funds, utilised its entire RQFII quota, the Manager may, subject to any applicable regulations, apply for an increase of the RQFII quota. On the other hand, the Manager actively manages the RQFII quota obtained and may impose limits on creation applications as it considers appropriate.

### **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 all the periods presented, unless otherwise stated.

## E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

### NOTES TO THE FINANCIAL STATEMENTS (continued)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (a) Basis of preparation

The financial statements of the Sub-Funds have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Trustee and Manager to exercise their judgment in the process of applying the Sub-Funds’ accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

#### (i) Standards and amendments to existing standards effective 1st January 2016

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1st January 2016 that would be expected to have a material impact on the Sub-Funds.

#### (ii) New standards, amendments and interpretations effective after 1st January 2016 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual years beginning after 1st January 2016, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Sub-Funds except the following set out below:

IFRS 9, “Financial instruments”, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. IFRS 9 will be effective for annual periods beginning on or after 1st January 2018 and the new standard is not expected to have a significant impact on the financial statements of the Sub-Funds.

There is no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Sub-Funds.

## **E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **(b) Investments**

#### **(i) Classification**

The Sub-Funds classify their investments as financial assets at fair value through profit or loss. These financial assets are designated by the Management at fair value through profit or loss at inception. Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Sub-Funds' documented investment strategies. The Sub-Funds' policies require the Management to evaluate the information about these financial assets on a fair value basis together with other related financial information.

#### **(ii) Recognition/derecognition**

Purchases and sales of investments are accounted for on the trade date basis. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Funds have transferred substantially all risks and rewards of ownership.

#### **(iii) Measurement**

Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all investments are measured at fair value. Realised and unrealised gains and losses on investments are recognised in the statement of comprehensive income in the period in which they arise.

#### **(iv) Fair value estimation**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Sub-Funds utilise the last traded market price for both listed financial assets and liabilities 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.

PRC government bonds and policy banks bonds are trading in markets that are not considered to be active and are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs.

The fair value of financial assets that are not traded in an active market (for example, over-the-counter derivatives) is determined by using broker quotes or valuation techniques. Details of the fair value estimation of these securities are discussed in note 8(f).

#### **(v) Transfers between levels of the fair value hierarchy**

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

**E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(c) Dividend income and interest income**

Dividend income is recorded on the ex-dividend date with the corresponding foreign withholding taxes recorded as an expense.

Interest income is recognised on a time-proportionate basis using the effective interest method.

**(d) Distribution to unitholders**

For E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF, no distribution will be paid out of capital.

No distribution will be paid for E Fund Citi Chinese Government Bond 5-10 Years Index ETF.

Distributions to unitholders are recognised in the statement of changes in net assets attributable to unitholders when they are approved by the Manager.

**(e) Amounts due from/to participating dealers**

Amounts due from/to participating dealers represent the subscription receivable and redemption payable to the participating dealer at the end of the reporting period. The amounts are non-interest bearing and repayable on demand.

**(f) Other receivables and payables**

Other receivables and payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

**(g) Expenses**

Expenses are accounted for on an accrual basis.

**(h) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

**(i) Deposit reserve**

Deposit reserve is a balance deposited with China Securities Depository and Clearing Corporation Limited, and are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

## **E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **(j) Foreign currencies translation**

###### Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Funds operate (the “functional currency”). E Fund CSI 100 A-Share Index ETF invests in A-Shares in the PRC, E Fund CES China 120 Index ETF invests in A-Shares and Hong Kong listed PRC Shares and E Fund Citi Chinese Government Bond 5-10 Years Index ETF invests in RMB denominated and settled PRC Treasury Bonds and listed money market funds and the performance of the Sub-Funds is measured and reported to the unitholders in Chinese Renminbi (“RMB”). The Manager considers RMB as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in RMB, which is the Sub-Funds’ functional and presentation currency.

###### 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 period end 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 liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net (loss)/gain on investments”.

##### **(k) Redeemable units**

The Sub-Funds issue redeemable units which are redeemable at the holder’s option represents puttable financial instruments of the Sub-Funds. The Sub-Funds classify their puttable financial instruments as equity in accordance with IAS 32 (Amendment), “Financial instruments: Presentation” as those puttable financial instruments meet all the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of the respective Sub-Fund.

Units are issued and redeemed at the holder’s option at prices based on the Sub-Funds’ net asset value per unit at the time of issue or redemption. The Sub-Funds’ net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

In accordance with the prospectuses of the Sub-Funds, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for creations and redemptions of the Sub-Funds.



**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(l) Taxation**

The Sub-Funds currently incur withholding taxes imposed by PRC on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included as taxation in the statement of comprehensive income.

The Sub-Funds also make tax provisions on the gains arising from PRC bonds which the Management expects such amount may have to be paid to the tax authorities.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**(m) Establishment costs**

Establishment costs are recognised as an expense in the period in which they are incurred.

**(n) Other income**

Other income mainly represents the difference between the proceeds received from/paid to participating dealers and cost of investment purchased/sold.

**(o) Transactions costs**

Transactions 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, brokers and dealers. Transactions costs, when incurred, are immediately recognised in profit or loss as an expense.

## **E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

##### **PRC tax provision**

In preparing these financial statements, the Manager has made certain assumptions and used various estimates concerning the tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

##### Withholding Income Tax (“WIT”)

There are currently no specific tax rules or regulations on the WIT treatment for capital gains derived by foreign investors (including RQFII) from the disposal of debt securities and investment funds (“PRC Investments”). Under the general tax provision of PRC Corporate Income Tax Law (“PRC CIT Law”), the non-PRC residents with no place of effective management, establishment or place of business in the PRC may be subject to 10% PRC WIT on the PRC-sourced income, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties.

In addition, interest income derived by non-PRC tax resident enterprises from the debt securities issued by PRC tax resident enterprises will be subject to 10% WIT unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties. Pursuant to the PRC tax regulations, debt securities issuers in PRC are obligated to withhold the 10% WIT for those foreign debt securities holders who receive the interest payment and thus subject to the 10% WIT. Interest income derived from government bonds issued by the Finance Bureau of the State Council and/or local government bonds approved by the State Council is exempt from PRC income tax under the PRC CIT Law and regulations.

##### Value Added Tax (“VAT”) and surtaxes

According to the notice Caishui [2016] 36 (“Circular 36”), VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities starting from 1st May 2016. The gains derived by RQFIIs from trading of marketable securities (including PRC debt securities) are exempt from VAT in the PRC under Circular 36 and Caishui [2016] No. 70. In addition, deposit interest income and interest received from government bonds and local government bonds are also exempt from VAT.

However, the prevailing VAT regulations do not specifically exempt VAT on interest received by QFIIs and RQFIIs. Hence, interest income derived by QFIIs and RQFIIs from non-government bonds (including corporate bonds) technically should be subject to 6% VAT. In addition, urban maintenance and construction tax (currently at the rate ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) are imposed based on the VAT liabilities (the “surtaxes”).

## **E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)**

##### **PRC tax provision (continued)**

##### **(a) Capital gains on PRC Investments**

During the year ended 31st December 2016 and 2015, E Fund Citi Government Bond 5-10 Years Index ETF invests in PRC Investments in PRC through the RQFII program. The Manager considers that the enforcement of PRC WIT on gains derived from the PRC Investments is uncertain as at the date of approval of these financial statements and has exercised its judgment when assessing whether the Sub-Fund may be liable for PRC taxation on its gains, the amount of potential liability and the probability of such tax being levied up to the reporting date. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events. The Manager considers that its estimation may be impacted by any future clarification by the PRC State Administration of Taxation (“SAT”) and the applicability of the arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the “Arrangement”), which may be materially different from what the Manager envisioned.

The Manager considered that the WIT policy for RQFIIs’ investment in debt securities has not been clarified in the “Notice on temporary exemption of Corporate Income Tax on capital gains derived from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII” (the “Notice”). The Manager has reassessed the WIT provisioning approach and considered the assessment on the Sub-Fund’s PRC taxation position for investment in PRC Investments remains unchanged as the Notice has not addressed the WIT policy for other investments except for equity investment. Based on the current verbal interpretation of the SAT and the local PRC tax authorities, the authorities are of the view that capital gains derived by foreign investors from investment in PRC debt securities would not be treated as PRC sourced income and thus would not be subject to PRC WIT. As a matter of practice, such 10% PRC WIT on capital gains realised by non-PRC tax resident enterprises from the trading of these securities has not been enforced by the PRC tax authorities. However, there are no written tax regulations issued by the PRC tax authorities to confirm this interpretation.

On 1st April 2015, the Third Branch of Shanghai Municipal Office, SAT and the Third Branch of Shanghai Bureau of Local Taxation jointly issued the Notice on Tax Issues to notify that the QFII/RQFII shall declare and handle with the tax-related issues concerning the gains from transfer of equity investment assets, including A-Shares, realised prior to 17th November 2014 to the PRC tax authority in charge before 30th September 2015 in accordance with the relevant PRC tax law and the Notice (the “Tax Reporting”). Those QFII/RQFII’s eligible for treaty relief under an applicable tax treaty should follow the requirement of Circular 124 for tax treaty application.

The Manager had made, on behalf of the Sub-Fund, the Tax Reporting for the period from 15th January 2014 (date of inception) to 14th November 2014 inclusively, in 2015. As at the date of approval of the financial statements, the PRC tax authority in charge has not confirmed the review result of the tax filing in relation to gross capital gains derived from disposal of PRC Investments. In addition, the Manager considered that the WIT policy for investment in debt securities has not been clarified in the Notice. In view of the above, the Manager has reassessed the WIT provisioning approach and considered the assessment on the Sub-Fund’s PRC taxation position for investment in debt securities remains unchanged as the Notice has not addressed the WIT policy for other investments except for equity investment. As such, the Sub-Fund has continued to provide WIT provision on the gross realized gains for the period from 15th January 2014 (date of inception) to 31st December 2016 and unrealised gains as at 31st December 2016 derived from the PRC debt securities of the Sub-Fund.

## **E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)**

##### **PRC tax provision (continued)**

##### **(a) Capital gains on PRC Investments (continued)**

The Manager estimates the gross realised gains from 15th January 2014 (date of inception) to 31st December 2016 and gross unrealised gains of the Sub-Fund as at 31st December 2016 which could be exposed to PRC taxation at the rate of 10% to be RMB38,588,568 (2015: RMB34,016,148) and RMB nil (2015: RMB3,838,445) respectively. The estimated capital gain tax exposure arisen from realised capital gain and unrealised capital gain would be RMB3,858,857 (2015: RMB 3,401,615) and RMB nil (2015: RMB383,845) respectively which represents 8.58% (2015: 2.57%) of the net assets attributable to unitholders of the Sub-Fund as at 31st December 2016.

The Manager considers that the WIT provision amount for gross realised capital gains derived by the Sub-Fund from trading of PRC Investments may differ significantly from the amounts that may have to be ultimately borne by the Sub-Fund. In the event a WIT is levied on gross capital gains derived from the disposal of PRC Investments at an amount that is different from what was provided by the Sub-Fund, the Sub-Fund may incur a liability that is different from the existing tax provision, which could be significantly impact the net assets attributable to unitholders of redeemable units and consequently, the price per unit of the Sub-Fund based on the calculation of the net assets attributable to unitholders of redeemable units when distributing to the unitholders of redeemable units at such relevant time.

##### **(b) Interest income on debt securities in PRC**

The Manager considers that the enforcement of PRC WIT on interest on disposed debt securities and VAT and surtaxes on interest income arising from debt securities are uncertain as at the date of approval of these financial statements. The Manager has exercised significant judgment in their assessment of the PRC withholding tax expense and the related tax provision.

##### PRC WIT on interest income on disposed debt securities

For the debt securities disposed of during the year, the Manager has not made provision on the accrued interest income of debt securities during the year and as at reporting date as they consider that:

- (i) WIT liability on interest income derived from debt securities should arise when QFIIs / RQFIIs receive the cash interest and the issuers of debt securities are technically required to withhold 10% interest income tax at the coupon payment date before distributing the interest income to the bond holder; and
- (ii) the Manager has sold the debt securities before the coupon payment dates or the maturity dates of the debt securities.

##### VAT and surtaxes on interest income arising from debt securities

As at 31st December 2016, the Manager estimated that E Fund Citi Chinese Government Bond 5-10 Years Index ETF's accumulated interest income received from PRC non-government bonds since 1 May 2016 of RMB402,000 could be exposed to VAT and surtaxes amounting to approximately RMB25,713. This amount has been provided in full.

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****4. NUMBER OF UNITS IN ISSUE AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT**

The Sub-Funds' capital is represented by the units in the Sub-Funds, and shown as "net assets attributable to unitholders" in the statement of financial position. Subscriptions and redemptions of units during the year are shown in the statement of changes in net assets attributable to unitholders. In order to achieve the investment objectives, the Sub-Funds endeavor to invest their capital in accordance with the investment policies, whilst maintaining sufficient liquidity to meet redemption requests. Such liquidity is augmented by the holding of liquid investments.

In accordance with the provisions of the Sub-Funds' Trust Deed dated 25th July 2012, as amended, and the Prospectus dated 20th August 2012 for E Fund CSI 100 A-Share Index ETF, the Prospectus dated 15th October 2013 for E Fund CES China 120 Index ETF and the Prospectus dated 11th March 2014 for E Fund Citi Chinese Government Bond 5-10 Years Index ETF, investments are stated at the official closing price or the last traded price on the market on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations.

As stated in note 2(k), redeemable units of the Sub-Funds are classified as equity and they are carried at the redemption amount that would be payable at the reporting date if the unitholder exercised the right to redeem the units in the Sub-Funds.

The Sub-Funds' objectives and policies for managing their obligations to redeem units are included in note 8(g) on capital risk management.

The movements of the redeemable units for the year ended 31st December 2016 and 2015 for the Sub-Funds are as follows:

**E Fund CSI 100 A-Share Index ETF**

	Year ended 31st December 2016	Year ended 31st December 2015
Number of units in issue at the beginning of the year	3,800,000	40,200,000
Units issued	-	57,200,000
Units redeemed	(600,000)	(93,600,000)
	<hr/>	<hr/>
Number of units in issue at the end of the year	3,200,000	3,800,000
	<hr/> <hr/>	<hr/> <hr/>
	2016	2015
	<i>RMB</i>	<i>RMB</i>
Net assets attributable to unitholders per unit (Dealing NAV) at the end of the year	31.40	34.08
	<hr/> <hr/>	<hr/> <hr/>

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**NOTES TO THE FINANCIAL STATEMENTS (continued)****4. NUMBER OF UNITS IN ISSUE AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT (continued)****E Fund CES China 120 Index ETF**

	Year ended 31st December 2016	Year ended 31st December 2015
Number of units in issue at the beginning of the year	2,000,000	2,000,000
Units redeemed	(1,780,000)	-
	<u>220,000</u>	<u>2,000,000</u>
	2016	2015
	<i>RMB</i>	<i>RMB</i>
Net assets attributable to unitholders per unit (Dealing NAV) at the end of the year	<u>11.83</u>	<u>11.52</u>

**E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	Year ended 31st December 2016	Year ended 31st December 2015
Number of units in issue at the beginning of the year	1,300,000	2,800,000
Units issued	300,000	8,400,000
Units redeemed	(1,200,000)	(9,900,000)
	<u>400,000</u>	<u>1,300,000</u>
	2016	2015
	<i>RMB</i>	<i>RMB</i>
Net assets attributable to unitholders per unit (Dealing NAV) at the end of the year	<u>114.67</u>	<u>114.12</u>

**5. NET (LOSS)/GAIN ON INVESTMENTS****E Fund CSI 100 A-Share Index ETF**

	Year ended 31st December 2016 <i>RMB</i>	Year ended 31st December 2015 <i>RMB</i>
Net fair value change in unrealised loss in value of investments	(9,677,459)	(504,822,157)
Net realised (loss)/gain on sale of investments	(473,960)	804,607,957
	<u>(10,151,419)</u>	<u>299,785,800</u>

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****5. NET (LOSS)/GAIN ON INVESTMENTS (continued)****E Fund CES China 120 Index ETF**

	Year ended 31st December 2016 <i>RMB</i>	Year ended 31st December 2015 <i>RMB</i>
Net fair value change in unrealised loss in value of investments	(1,948,825)	(3,614,941)
Net realised (loss)/gain on sale of investments	(794,524)	3,182,520
	<u>(2,743,349)</u>	<u>(432,421)</u>

**E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	Year ended 31st December 2016 <i>RMB</i>	Year ended 31st December 2015 <i>RMB</i>
Net fair value change in unrealised loss in value of investments	(4,689,628)	(6,532,355)
Net realised gain on sale of investments	4,694,699	21,730,936
	<u>5,071</u>	<u>15,198,581</u>

**6. TAXATION**

No provision for Hong Kong profits tax has been made for the Sub-Funds as the Trust was authorised as collective investment schemes under Section 104 of the Hong Kong Securities and Futures Ordinance and are therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

E Fund CSI 100 A-Share Index ETF invests in A-Shares listed in the PRC and E Fund CES China 120 Index ETF invests in A-Shares and Hong Kong listed PRC Shares and are subjected to 10% (2015: 10%) withholding tax on dividend income derived from A-Shares and Hong Kong listed PRC Shares. Withholding tax was charged on dividend income received from A-Shares and Hong Kong listed PRC Shares during the year. E Fund Citi Chinese Government Bond 5-10 Years Index ETF is subjected to 10% (2015: 10%) withholding tax on interest income derived from RMB denominated PRC treasury bonds and VAT, urban maintenance and construction tax and educational surcharge on the interest income received from PRC non-government bonds.

A 10% withholding tax may also be payable on the gains derived from the sale of PRC bonds by RQFIIs as described in note 3 above.

No tax provision has been made on the realised or unrealised gains derived from China A-shares for the year ended 31 December 2016 and 2015 as these gains are currently exempt from Corporate Income Tax pursuant to Caishui [2014] 79.

The taxation of the Sub-Funds for the year ended represents:

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****6. TAXATION (continued)****E Fund CSI 100 A-Share Index ETF**

	Year ended 31st December 2016 <i>RMB</i>	Year ended 31st December 2015 <i>RMB</i>
Capital gains tax reversed on realised gains on investments (note a)	-	(88,465,873)
	-	(88,465,873)
Withholding tax on dividend	327,283	1,141,292
Taxation	327,283	(87,324,581)

**E Fund CES China 120 Index ETF**

	Year ended 31st December 2016 <i>RMB</i>	Year ended 31st December 2015 <i>RMB</i>
Capital gains tax reversed on realised gains on investments (note a)	-	(260,550)
	-	(260,550)
Withholding tax on dividend	8,851	65,457
Taxation	8,851	(195,093)

Note a:

The Manager had made, on behalf of E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF, the Tax Reporting for the period from respective inception date up to 14th November 2014 inclusively, and applied the Tax Treaty Application for the Sub-Fund in 2015. The Authority completed the review on the Sub-Funds' Tax Reporting and Tax Treaty Application and issued a document on its official web-site indicating that the Authority agrees with the Sub-Funds' Tax Treaty Application submitted. The Authority also issued a PRC tax demand note to the Sub-Funds to settle the PRC WIT on gross realised capital gains derived by the Sub-Funds from trading of PRC A-Shares issued by immovable properties-rich companies only for the period from respective date of inception up to and including 14th November 2014. Out of the PRC tax provision of E Fund CSI 100 A-Share Index ETF as of 31st December 2014 of RMB98,828,674, the Sub-Fund settled the relevant PRC WIT liabilities in the amount of RMB10,362,801 on 30th October 2015 and the Manager reversed the unused WIT provision amounted to RMB88,465,873 on 3rd November 2015. Out of the PRC tax provision of the E Fund CES China 120 Index ETF as of 31st December 2014 of RMB264,020, the Sub-Fund settled the relevant PRC WIT liabilities in the amount of RMB3,470 on 30th October 2015 and the Manager reversed the unused WIT provision amounted to RMB260,550 on 3rd November 2015. The Manager has decided to change the tax provisioning policy and ceased to provide PRC withholding income tax for realised and unrealised gains on trading of PRC A-Shares for E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF afterwards.



**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****6. TAXATION (continued)****E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	Year ended 31st December 2016 <i>RMB</i>	Year ended 31st December 2015 <i>RMB</i>
Capital gains tax on realised gains on investments	457,242	2,358,521
Deferred tax reversed on change in unrealised gains on investments	(383,845)	(741,497)
	<u>73,397</u>	<u>1,617,024</u>
Withholding tax on interest (reversed)/charged	(58,262)	306,148
Value added tax charged	25,713	-
	<u>40,848</u>	<u>1,923,172</u>

The movement in deferred tax liabilities arising from change in unrealised gains on investments during the year is as follows:

For the year ended 31st December 2016 and 2015, there is no deferred tax liabilities arising from change in unrealised gains on investments for E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF.

**E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	2016 <i>RMB</i>	2015 <i>RMB</i>
At the beginning of the year	383,845	1,125,342
Deferred tax reversed to the statement of comprehensive income	(383,845)	(741,497)
At the end of the year	<u>-</u>	<u>383,845</u>

The timing of settlement of deferred tax liabilities cannot be readily determined as the realisation of unrealised gains is dependent upon factors such as investor redemptions and changes to weightings in the benchmark index, which cannot be predicted reliably.

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****6. TAXATION (continued)**

The movement in provision for taxation during the year is as follows:

**E Fund CSI 100 A-Share Index ETF**

	2016 <i>RMB</i>	2015 <i>RMB</i>
At the beginning of the year	-	98,828,674
Taxation charged to the statement of comprehensive income for the year	327,283	(87,324,581)
Tax paid	(327,283)	(11,504,093)
	<hr/>	<hr/>
At the end of the year	-	-
	<hr/> <hr/>	<hr/> <hr/>

**E Fund CES China 120 Index ETF**

	2016 <i>RMB</i>	2015 <i>RMB</i>
At the beginning of the year	-	264,020
Taxation charged to the statement of comprehensive income for the year	8,851	(195,093)
Tax paid	(8,851)	(68,927)
	<hr/>	<hr/>
At the end of the year	-	-
	<hr/> <hr/>	<hr/> <hr/>

**E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	2016 <i>RMB</i>	2015 <i>RMB</i>
At the beginning of the year	3,697,323	1,043,094
Taxation charged to the statement of comprehensive income for the year	424,693	2,664,669
Tax paid	-	(10,440)
	<hr/>	<hr/>
At the end of the year	4,122,016	3,697,323
	<hr/> <hr/>	<hr/> <hr/>

**7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND MANAGER'S CONNECTED PERSONS**

The following is a summary of significant related party transactions entered into during the year between the Sub-Funds and the Trustee, the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the year between the Sub-Funds and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Funds do not have any other transactions with Connected Persons and the Trustee and its affiliate except for those disclosed below.

## **E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND MANAGER'S CONNECTED PERSONS (continued)**

##### **(a) Management fee**

The Manager is entitled to receive a management fee equal to a percentage of the net asset value of each Sub-Fund, accrued daily and calculated as at each dealing day and payable monthly in arrears, as follows:

E Fund CSI 100 A-Share Index ETF	0.76% per annum
E Fund CES China 120 Index ETF	0.88% per annum
E Fund Citi Chinese Government Bond 5-10 Years Index ETF	0.45% per annum

For the year ended 31st December 2016, the Manager was entitled to management fee of RMB827,574 (2015: RMB5,701,118) for E Fund CSI 100 A-Share Index ETF, RMB59,987 (2015: RMB220,877) for E Fund CES China 120 Index ETF and RMB218,732 (2015: RMB1,908,343) for E Fund Citi Chinese Government Bond 5-10 Years Index ETF respectively. At 31st December 2016, a management fee of RMB195,386 (2015: RMB95,418) was payable to the Manager for E Fund CSI 100 A-Share Index ETF, RMB19,573 (2015: RMB17,168) for E Fund CES China 120 Index ETF and RMB nil (2015: RMB27,931) for E Fund Citi Chinese Government Bond 5-10 Years Index ETF respectively.

With effect from 1 May 2016, ongoing expenses were capped at a maximum of 3% of the average net asset value of E Fund CES China 120 Index ETF. The excess will be borne by the Manager and will not be charged to the Sub-Fund. The amounts were included as other income in the statement of comprehensive income amounting to RMB978,125 (2015: RMB nil).

##### **(b) Trustee fee and Registrar's fee**

The Trustee is entitled to receive a trustee fee, which accrued daily and calculated as at each dealing day and payable monthly in arrears. The trustee fee is calculated as a percentage per annum of the net asset value of the Sub-Funds, E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF at the rate as follows, subject to a monthly minimum of RMB40,000:

	Trustee fee % per annum
For first RMB200 million	0.16%
For next RMB1,000 million	0.14%
For next RMB1,000 million	0.12%
For next RMB1,000 million	0.10%
Thereafter	0.08%

The Trustee's fee is inclusive of fees payable to The Hongkong and Shanghai Banking Corporation Limited (the "Custodian") and HSBC Bank (China) Company Limited (the "PRC Custodian").

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**NOTES TO THE FINANCIAL STATEMENTS (continued)****7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND MANAGER'S CONNECTED PERSONS (continued)****(b) Trustee fee and Registrar's fee (continued)**

The Trustee, acting as the Registrar, is also entitled to a fee of RMB120 per Participating Dealer per transaction.

For E Fund Citi Chinese Government Bond 5-10 Years Index ETF all fees including the Trustee's fee and the Registrar's fee, related costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) of the Sub-Fund are included in the management fee as a single flat fee and paid by the Manager, rather than being charged directly to the Sub-Fund.

For the year ended 31st December 2016, the Trustee was entitled to trustee fee and registrar's fee of RMB479,346 (2015: RMB1,099,155) for E Fund CSI 100 A-Share Index ETF and RMB481,316 (2015: RMB478,484) for E Fund CES China 120 Index ETF. At 31st December 2016, a trustee fee and registrar's fee of RMB80,000 (2015: RMB40,000) was payable to the Trustee for E Fund CSI 100 A-Share Index ETF and RMB80,219 (2015: RMB40,000) for E Fund CES China 120 Index.

**(c) Financial assets**

The investments and cash and cash equivalents of the Sub-Funds held with related parties of the Trustee are:

**E Fund CSI 100 A-Share Index ETF**

	2016 <i>RMB</i>	2015 <i>RMB</i>
<b>Investments</b>		
HSBC Bank (China) Company Limited	100,382,929	130,556,076
	<hr/> <hr/>	<hr/> <hr/>
<b>Cash and cash equivalents</b>		
The Hongkong and Shanghai Banking Corporation Limited	578,192	639,792
HSBC Bank (China) Company Limited	1,306,992	483,379
	<hr/> <hr/>	<hr/> <hr/>
	1,885,184	1,123,171

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**NOTES TO THE FINANCIAL STATEMENTS (continued)****7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND MANAGER'S CONNECTED PERSONS (continued)****(c) Financial assets (continued)****E Fund CES China 120 Index ETF**

	2016 <i>RMB</i>	2015 <i>RMB</i>
<b>Investments</b>		
HSBC Bank (China) Company Limited	2,455,404	23,005,696
<b>Cash and cash equivalents</b>		
The Hongkong and Shanghai Banking Corporation Limited	45,519	727,862
HSBC Bank (China) Company Limited	212,281	1,098,548
	<u>257,800</u>	<u>1,826,410</u>

**E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	2016 <i>RMB</i>	2015 <i>RMB</i>
<b>Investments</b>		
HSBC Bank (China) Company Limited	44,950,505	147,373,069
<b>Cash and cash equivalents</b>		
The Hongkong and Shanghai Banking Corporation Limited	358,364	3,093,134
HSBC Bank (China) Company Limited	4,865,519	373,970
	<u>5,223,883</u>	<u>3,467,104</u>

During the year ended 31st December 2016, interest income received on bank deposits amounted to RMB8,049 (2015: RMB113,125), RMB1,919 (2015: RMB4,820) and RMB14,665 (2015: RMB60,489) for E Fund CSI 100 A-Share Index ETF, E Fund CES China 120 Index ETF and E Fund Citi Chinese Government Bond 5-10 Years Index ETF respectively.

**(d) Establishment costs payable**

The establishment costs payable included the establishment costs paid by the Manager on behalf of the Sub-Funds. At 31st December 2016, the establishment costs payable of RMB1,512,235 (2015: RMB1,512,235), RMB803,307 (2015: RMB2,059,926) and RMB2,005,675 (2015: RMB2,005,675) was payable to the Manager for E Fund CSI 100 A-Share Index ETF, E Fund CES China 120 Index ETF and E Fund Citi Chinese Government Bond 5-10 Years Index ETF respectively. Such balance is unsecured, non-interest bearing and repayable on demand.

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**NOTES TO THE FINANCIAL STATEMENTS (continued)****7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND MANAGER'S CONNECTED PERSONS (continued)****(e) Transactions with the Manager**

As at 31st December 2016, the Manager hold 300,000 units (2015: 9,350 units) of E Fund Citi Government Bond 5-10 Years Index ETF valued at a total of RMB33,210,000 (2015: RMB1,056,083).

**(f) Transactions with the Connected Persons of the Manager****E Fund CSI 100 A-Share Index ETF**

During the year ended 31st December 2016 and 2015, E Fund CSI 100 A-Share Index ETF has held shares in GF Securities Co., Ltd., which is a group company of the Manager. It also held units of an unlisted collective investment scheme which is managed by E Fund Management Co., Ltd, the parent company of the Manager in 2015. The movement of the Sub-Fund's investment in the unlisted collective investment scheme is as follows:

GF Securities Co., Ltd.

	2016 <i>RMB</i>	2015 <i>RMB</i>
At the beginning of the year	62,618	705,300
Purchases	-	970,028
Sales	(11,300)	(1,612,710)
	<hr/>	<hr/>
At the end of the year	51,318	62,618
	<hr/> <hr/>	<hr/> <hr/>

Unlisted collective investment scheme managed by the parent company of the Manager

	2016 <i>RMB</i>	2015 <i>RMB</i>
At the beginning of the year	-	90,231,141
Purchases	-	-
Corporate action	-	2,087,694
Sales	-	(92,318,835)
	<hr/>	<hr/>
At the end of the year	-	-
	<hr/> <hr/>	<hr/> <hr/>

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**NOTES TO THE FINANCIAL STATEMENTS (continued)****7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND MANAGER'S CONNECTED PERSONS (continued)****(f) Transactions with the Connected Persons of the Manager (continued)****E Fund CES China 120 Index ETF**

During the year ended 31st December 2016 and 2015, E Fund CES China 120 Index ETF has held shares in GF Securities Co., Ltd., which is a group company of the Manager. The movement of the Sub-Fund's investment in the unlisted collective investment scheme is as follows:

GF Securities Co., Ltd.

	2016 <i>RMB</i>	2015 <i>RMB</i>
At the beginning of the year	7,193	7,987
Purchases	-	3,200
Sales	(6,500)	(3,994)
	<hr/>	<hr/>
At the end of the year	<u>693</u>	<u>7,193</u>

**E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

During the year ended 31st December 2016, E Fund Citi Chinese Government Bond 5-10 Years Index ETF has held units of a listed money market fund which is managed by E Fund Management Co., Ltd, the parent company of the Manager. The movement of the Sub-Fund's investment in the listed money market fund is as follows:

Listed money market fund managed by the parent company of the Manager

	2016 <i>RMB</i>	2015 <i>RMB</i>
At the beginning of the year	-	-
Purchases	23,301	-
Corporate action	161	-
Sales	(23,300)	-
	<hr/>	<hr/>
At the end of the year	<u>162</u>	<u>-</u>

**(g) Transaction handling fees**

Pursuant to the prospectus, the Sub-Funds receive transaction handling fee per creation and redemption orders from the Participating Dealer on behalf of the Trustee. As at 31st December 2016, a transaction handling fee of RMB111,090 (2015: RMB104,160) was payable to the Trustee for E Fund Citi Chinese Government Bond 5-10 Years Index.

**(h) Expenses borne by the Manager**

For the year ended 31st December 2016, the Manager has borne certain charges, fees and expenses on behalf of E Fund Citi Chinese Government Bond 5-10 Years Index ETF amounted to RMB132,546 (2015: RMB125,476).

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. FINANCIAL RISK MANAGEMENT**

The objective of the Sub-Funds is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the CSI 100 Index for E Fund CSI 100 A-Share Index ETF, the CES China 120 Index for E Fund CES China 120 Index ETF and the Citi Chinese Government Bond 5-10 Years Index for E Fund Citi Chinese Government Bond 5-10 Years Index ETF. The Sub-Funds' activities may expose it a variety of risks including but not limited to: market price risk, credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Funds invest.

The following is a summary of the main risks and risk management policies.

**(a) Market price risk**

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

E Fund CSI 100 A-Share Index ETF is designated to track the performance of the CSI 100 Index, E Fund CES China 120 Index ETF is designated to track the performance of the CES China 120 Index and E Fund Citi Chinese Government Bond 5-10 Years Index ETF is designated to track the performance of the Citi Chinese Government Bond 5-10 Years Index, therefore the exposures to market risk in the Sub-Funds will be substantially the same as the tracked index. The Manager manages the Sub-Funds' exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned with the characteristics of the tracked index.

As at 31st December, the Sub-Funds' investments were concentrated in the following industries:

**E Fund CSI 100 A-Share Index ETF**

Listed equities – by industry	2016		2015	
	Fair value <i>RMB</i>	% of net asset value	Fair value <i>RMB</i>	% of net asset value
Communications	3,193,126	3.19%	4,267,677	3.33%
Consumer Discretionary	10,350,523	10.35%	11,064,913	8.63%
Consumer Staples	8,021,675	8.02%	13,237,577	10.33%
Diversified	486,112	0.49%	711,461	0.55%
Energy	2,524,528	2.53%	3,223,242	2.51%
Financials	56,486,444	56.51%	69,335,166	54.08%
Industrials	11,394,882	11.40%	18,964,239	14.79%
Information Technology	1,813,590	1.81%	1,499,443	1.17%
Materials	2,614,442	2.62%	3,262,761	2.55%
Utilities	3,497,607	3.50%	4,989,597	3.89%
	100,382,929	100.42%	130,556,076	101.83%



**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. FINANCIAL RISK MANAGEMENT (continued)****(a) Market price risk (continued)****E Fund CES China 120 Index ETF**

Listed equities – by industry	2016		2015	
	Fair value <i>RMB</i>	% of net asset value	Fair value <i>RMB</i>	% of net asset value
Communications	405,953	21.76%	1,568,529	7.16%
Consumer Discretionary	162,251	8.70%	1,529,694	6.99%
Consumer Staples	125,475	6.73%	1,223,918	5.59%
Diversified	2,931	0.16%	71,372	0.33%
Energy	137,882	7.39%	3,016,147	13.78%
Financials	1,312,631	70.38%	12,470,849	56.97%
Industrials	176,053	9.44%	1,958,320	8.94%
Information Technology	39,815	2.13%	301,124	1.38%
Materials	21,559	1.16%	201,297	0.92%
Utilities	70,854	3.80%	664,446	3.03%
	<u>2,455,404</u>	<u>131.65%</u>	<u>23,005,696</u>	<u>105.09%</u>

**E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	2016		2015	
	Fair value <i>RMB</i>	% of net asset value	Fair value <i>RMB</i>	% of net asset value
PRC government bonds	35,304,884	78.48%	85,602,626	58.20%
Policy banks bonds	9,620,010	21.38%	61,770,443	42.00%
	<u>44,924,894</u>	<u>99.86%</u>	<u>147,373,069</u>	<u>100.20%</u>
Listed money market fund	25,611	0.06%	-	-
	<u>44,950,505</u>	<u>99.92%</u>	<u>147,373,069</u>	<u>100.20%</u>

As at 31st December 2016, E Fund CSI 100 A-Share Index ETF held 100 (2015: 99) out of 100 (2015: 100) constituents comprising the CSI 100 Index in proportion to the constitution of the CSI 100 Index, E Fund CES China 120 Index ETF held 116 (2015: 119) out of 120 (2015: 120) constituents comprising the CES China 120 Index in proportion to the constitution of the CES China 120 Index and E Fund Citi Chinese Government Bond 5-10 Years Index ETF held 3 (2015: 4) out of 31 (2015: 33) constituents comprising the Citi Chinese Government Bond 5-10 Years Index in proportion to the constitution of the Citi Chinese Government Bond 5-10 Years Index. E Fund CSI 100 A-Share Index ETF, E Fund CES China 120 Index ETF and E Fund Citi Chinese Government Bond 5-10 Years Index ETF are therefore exposed to similar market price risk as the CSI 100 Index, CES China 120 Index and Citi Chinese Government Bond 5-10 Years Index respectively.

## **E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **8. FINANCIAL RISK MANAGEMENT (continued)**

##### **(a) Market price risk (continued)**

###### Sensitivity analysis in the event of a possible change in the index by 10% as estimated by the Manager

As at 31st December 2016, for E Fund CSI 100 A-Share Index ETF, if the CSI 100 Index were to increase by 10% with all other variables held constant, this would increase the pre-tax profit for the year by approximately RMB10,038,293 (2015: RMB13,055,608). Conversely, if the CSI 100 Index were to decrease by 10%, this would decrease the pre-tax profit for the year by approximately RMB10,038,293 (2015: RMB13,055,608).

As at 31st December 2016, for E Fund CES China 120 Index ETF, if the CES China 120 Index were to increase by 10% with all other variables held constant, this would increase the pre-tax profit for the year by approximately RMB245,540 (2015: RMB2,300,570). Conversely, if the CES China 120 Index were to decrease by 10%, this would decrease the pre-tax profit for the year by approximately RMB245,540 (2015: RMB2,300,570).

As at 31st December 2016, for E Fund Citi Chinese Government Bond 5-10 Years Index ETF, if the Citi Chinese Government Bond 5-10 Years Index were to increase by 10% with all other variables held constant, this would increase the pre-tax profit for the year by approximately RMB4,495,050 (2015: RMB14,737,307). Conversely, if the Citi Chinese Government Bond 5-10 Years Index were to decrease by 10%, this would decrease the pre-tax profit for the year by approximately RMB4,495,050 (2015: RMB14,737,307).

The Manager has used their view of what would be a “reasonable shift” in each key market to estimate the change for use in the market sensitivity analysis above.

##### **(b) Interest rate risk**

###### For E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF

The majority of the Sub-Funds’ financial assets and liabilities are non-interest bearing. As a result, the Sub-Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

As at 31st December 2016 and 2015, interest rate risk arises from cash and cash equivalents. As interest from these interest bearing assets are immaterial, the Sub-Funds E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF, consider that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. Accordingly, no sensitivity analysis has been disclosed for these cash and cash equivalents.

###### For E Fund Citi Chinese Government Bond 5-10 Years Index ETF

As at 31st December 2016, E Fund Citi Chinese Government Bond 5-10 Years Index ETF invests in fixed income securities, the Sub-Fund is subject to interest rate risk. Interest rate risk is the risk that the value of the Sub-Fund’s portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term fixed income investments and higher for longer term fixed income investments.

As E Fund Citi Chinese Government Bond 5-10 Years Index ETF invests in PRC bonds including PRC treasury bonds, the Sub-Fund is additionally subject to policy risk as changes in macro-economic policies in the PRC (including monetary policy and fiscal policy) may have an influence over the PRC’s capital markets and affect the pricing of the bonds in the Sub-Fund’s portfolio, which may in turn adversely affect the return of the Sub-Fund. Falling market interest rates can lead to a decline in income for the Sub-Fund.

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. FINANCIAL RISK MANAGEMENT (continued)****(b) Interest rate risk (continued)**

The table below summarises the E Fund Citi Chinese Government Bond 5-10 Years Index ETF exposure to interest rate risks. It includes the Sub-Fund's assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

**E Fund Citi Chinese Government Bond 5-10 Years Index ETF****As at 31st December 2016**

	Up to 1 year <i>RMB</i>	1-5 years <i>RMB</i>	Over 5 years <i>RMB</i>	Non- interest bearing <i>RMB</i>	Total <i>RMB</i>
<b>Assets</b>					
Investments	-	2,058	44,922,836	25,611	44,950,505
Deposit reserve	252,000	-	-	-	252,000
Interest receivables	-	-	-	607,753	607,753
Management fee rebate receivables	-	-	-	193,337	193,337
Cash and cash equivalents	5,223,883	-	-	-	5,223,883
<b>Total assets</b>	<u>5,475,883</u>	<u>2,058</u>	<u>44,922,836</u>	<u>826,701</u>	<u>51,227,478</u>
<b>Liabilities</b>					
Other liabilities	-	-	-	2,117,605	2,117,605
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,117,605</u>	<u>2,117,605</u>
<b>Total interest sensitivity gap</b>	<u><u>5,475,883</u></u>	<u><u>2,058</u></u>	<u><u>44,922,836</u></u>		

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. FINANCIAL RISK MANAGEMENT (continued)****(b) Interest rate risk (continued)****E Fund Citi Chinese Government Bond 5-10 Years Index ETF****As at 31st December 2015**

	Up to 1 year <i>RMB</i>	1-5 years <i>RMB</i>	Over 5 years <i>RMB</i>	Non- interest bearing <i>RMB</i>	Total <i>RMB</i>
<b>Assets</b>					
Investments	-	31,438,740	115,934,329	-	147,373,069
Deposit reserve	308,000	-	-	-	308,000
Interest receivables	-	-	-	2,145,335	2,145,335
Cash and cash equivalents	3,467,104	-	-	-	3,467,104
<b>Total assets</b>	<b>3,775,104</b>	<b>31,438,740</b>	<b>115,934,329</b>	<b>2,145,335</b>	<b>153,293,508</b>
<b>Liabilities</b>					
Other liabilities	-	-	-	2,138,606	2,138,606
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,138,606</b>	<b>2,138,606</b>
<b>Total interest sensitivity gap</b>	<b>3,775,104</b>	<b>31,438,740</b>	<b>115,934,329</b>		

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries. As at 31st December 2016, the Sub-Fund has invested in interest-bearing securities of RMB44,924,894 (2015: RMB147,373,069) and the portfolio weighted average modified duration of the Sub-Fund is 7.05 (2015: 6.11).

As at 31st December 2016, should the relevant interest rates have lowered/risen by 25 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately RMB791,918 (2015: RMB2,252,403), arising substantially from the increase/decrease in market values of debt securities.

**(c) Credit risk**

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The Sub-Funds limit their exposure to credit risk by transacting the majority of their securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the Sub-Funds consider to be well established.

All transactions in listed securities, PRC bonds and listed money market funds are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities, bonds and money market funds sold is only made when the broker has received payment. Payment is made on a purchase when the securities and bonds have been received by the broker. The trade will fail if either party fails to meet its obligation.

## E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 8. FINANCIAL RISK MANAGEMENT (continued)

##### (c) Credit risk (continued)

The Sub-Funds' financial assets which are potentially subject to concentration of credit risk consist principally of bank deposits and assets held with the custodians.

As at 31st December 2016, E Fund CSI 100 A-Share Index ETF placed cash and cash equivalents of RMB578,192 (2015: RMB639,792), E Fund CES China 120 Index ETF placed cash and cash equivalents of RMB45,519 (2015: RMB727,862) and E Fund Citi Chinese Government Bond 5-10 Years Index ETF placed cash and cash equivalents of RMB358,364 (2015: RMB3,093,134) with The Hong Kong and Shanghai Banking Corporation Limited ("HSBC"), which is the custodian of the Sub-Funds. The Moody's credit rating of the custodian is A1 (2015: A1)<sup>1</sup>.

As at 31st December 2016, E Fund CSI 100 A-Share Index ETF placed cash and cash equivalents of RMB1,306,992 (2015: RMB483,379) and investments of RMB100,382,929 (2015: RMB130,556,076), E Fund CES China 120 Index ETF placed cash and cash equivalents of RMB212,281 (2015: RMB1,098,548) and investments of RMB2,455,404 (2015: RMB23,005,696) and E Fund Citi Chinese Government Bond 5-10 Years Index ETF placed cash and cash equivalents of RMB4,865,519 (2015: RMB373,970) and investments of RMB44,950,505 (2015: RMB147,373,069) with HSBC Bank (China) Company Limited, which is the PRC custodian of the Sub-Funds. The Moody's credit rating of the PRC custodian is A1 (2015: A1)<sup>1</sup>.

<sup>1</sup> Credit rating of its ultimate holding company HSBC Holdings Plc is used

As at 31st December 2016, Citi Chinese Government Bond 5-10 Years Index ETF invested in money market funds. The credit risk exposure from the investment in money market fund is considered insignificant.

##### For E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF

The maximum exposure to credit risk as at 31st December 2016 and 2015 for E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF is the carrying amount of the financial assets as shown on the statement of financial position.

None of these assets are impaired nor past due but not impaired (2015: nil).

##### For E Fund Citi Chinese Government Bond 5-10 years Index ETF

The main concentration to which the Sub-Fund is exposed arises from the Sub-Fund's investments in debt securities. The Sub-Fund does not explicit restrictions on the minimum credit ratings of securities it may hold. The Manager will actively manage the portfolio of the Sub-Fund. In case of credit rating downgrading, the Manager will adjust the positions in the portfolio using its credit analysis and rating systems that are designed to manage credit risks.

The table below summarises the credit rating of the Sub-Fund's debt portfolio, which represents 99.86% (2015: 100.20%) of the net asset value as at 31st December 2016:

<b>Portfolio by rating category of RMB denominated bonds: Rating (Standard &amp; Poor's)</b>	<b>2016 % of net asset value</b>	<b>2015 % of net asset value</b>
AA-	99.86%	100.20%

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. FINANCIAL RISK MANAGEMENT (continued)****(d) Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in settling a liability, including a redemption request.

The Sub-Funds are exposed to daily redemptions of units in the Sub-Funds. The Sub-Funds invest the majority of their assets in investments that are traded in an active market which can be readily disposed of.

The table below analyses the Sub-Funds' non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

**E Fund CSI 100 A-Share Index ETF**

	Less than 3 months <i>RMB</i>	3 months to less than 1 year <i>RMB</i>	Total <i>RMB</i>
<b>As at 31st December 2016</b>			
Management fee payable	195,386	-	195,386
Other accounts payable	582,786	263,600	846,386
Establishment costs payable	1,512,235	-	1,512,235
	<u>2,290,407</u>	<u>263,600</u>	<u>2,554,007</u>
<b>Contractual cash outflow (excluding derivative financial instruments)</b>	<u>2,290,407</u>	<u>263,600</u>	<u>2,554,007</u>
<b>As at 31st December 2015</b>			
Amounts due to participating dealers	853,355	-	853,355
Amount due to broker	216,462	-	216,462
Management fee payable	95,418	-	95,418
Other accounts payable	853,750	188,278	1,042,028
Establishment costs payable	1,512,235	-	1,512,235
	<u>3,531,220</u>	<u>188,278</u>	<u>3,719,498</u>
<b>Contractual cash outflow (excluding derivative financial instruments)</b>	<u>3,531,220</u>	<u>188,278</u>	<u>3,719,498</u>

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**8. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Liquidity risk (continued)**

**E Fund CES China 120 Index ETF**

	Less than 3 months <i>RMB</i>	3 months to less than 1 year <i>RMB</i>	Total <i>RMB</i>
<b>As at 31st December 2016</b>			
Management fee payable	19,573	-	19,573
Other accounts payable	891,086	120,596	1,011,682
Establishment costs payable	803,307	-	803,307
	<u>1,713,966</u>	<u>120,596</u>	<u>1,834,562</u>
<b>Contractual cash outflow (excluding derivative financial instruments)</b>	<u>1,713,966</u>	<u>120,596</u>	<u>1,834,562</u>
<b>As at 31st December 2015</b>			
Management fee payable	17,168	-	17,168
Other accounts payable	783,212	88,957	872,169
Establishment costs payable	2,059,926	-	2,059,926
	<u>2,860,306</u>	<u>88,957</u>	<u>2,949,263</u>
<b>Contractual cash outflow (excluding derivative financial instruments)</b>	<u>2,860,306</u>	<u>88,957</u>	<u>2,949,263</u>

**E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	Less than 3 months <i>RMB</i>	3 months to less than 1 year <i>RMB</i>	Total <i>RMB</i>
<b>As at 31st December 2016</b>			
Other accounts payable	111,930	-	111,930
Establishment costs payable	2,005,675	-	2,005,675
	<u>2,117,605</u>	<u>-</u>	<u>2,117,605</u>
<b>Contractual cash outflow (excluding derivative financial instruments)</b>	<u>2,117,605</u>	<u>-</u>	<u>2,117,605</u>
<b>As at 31st December 2015</b>			
Management fee payable	27,931	-	27,931
Other accounts payable	105,000	-	105,000
Establishment costs payable	2,005,675	-	2,005,675
	<u>2,138,606</u>	<u>-</u>	<u>2,138,606</u>
<b>Contractual cash outflow (excluding derivative financial instruments)</b>	<u>2,138,606</u>	<u>-</u>	<u>2,138,606</u>

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. FINANCIAL RISK MANAGEMENT (continued)****(d) Liquidity risk (continued)**

Units are redeemed on demand at the holder's option.

The Sub-Funds manage their liquidity risk by investing in investments that they expect to be able to liquidate within 3 months or less. The following table illustrates the expected liquidity of assets held:

**E Fund CSI 100 A-Share Index ETF**

	Less than 3 months <i>RMB</i>	3 months to less than 1 year <i>RMB</i>	Over 1 year <i>RMB</i>	Total <i>RMB</i>
<b>As at 31st December 2016</b>				
Total assets	102,268,114	-	252,000	102,520,114

**As at 31st December 2015**

Total assets	131,679,247	-	252,000	131,931,247
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**E Fund CES China 120 Index ETF**

	Less than 3 months <i>RMB</i>	3 months to less than 1 year <i>RMB</i>	Over 1 year <i>RMB</i>	Total <i>RMB</i>
<b>As at 31st December 2016</b>				
Total assets	2,713,204	978,125	8,400	3,699,729

**As at 31st December 2015**

Total assets	24,832,106	-	8,400	24,840,506
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**E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	Less than 3 months <i>RMB</i>	3 months to less than 1 year <i>RMB</i>	Over 1 year <i>RMB</i>	Total <i>RMB</i>
<b>As at 31st December 2016</b>				
Total assets	50,439,408	536,070	252,000	51,227,478

**As at 31st December 2015**

Total assets	151,164,189	1,821,319	308,000	153,293,508
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## E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 8. FINANCIAL RISK MANAGEMENT (continued)

##### (e) Currency risk

###### E Fund CSI 100 A-Share Index ETF and E Fund Citi Chinese Government Bond 5-10 Years Index ETF

The Sub-Funds are not exposed to any material foreign exchange rate risk arising from balances and transactions in foreign currencies as their assets and liabilities are denominated in RMB, the Sub-Fund's functional and presentation currency.

###### E Fund CES China 120 Index ETF

The Sub-Fund is exposed to foreign exchange rate risk arising from balances of RMB1,142,232 (2015: RMB10,607,098) denominated in Hong Kong Dollar as at 31st December 2016 representing cash and cash equivalents and equity securities. The table below summarises the impact of increases/decreases of key foreign exchange exposure of the Sub-Fund. The analysis is based on the assumption that the exchange rate had increased/decreased by the respective percentage with all other variables held constant. The Manager does not actively manage the currency risk exposure.

	2016		2015	
	Hong Kong Dollar (RMB equivalent)		Hong Kong Dollar (RMB equivalent)	
Cash and cash equivalents		32,338		727,862
Equity securities		1,109,894		9,879,236

  

	2016		2015	
	Change	Impact on operating profit RMB	Change	Impact on operating profit RMB
Hong Kong Dollar	+/-0.5%	5,711	+/-0.5%	53,035

The Manager has used their view of what would be a "reasonable shift" in exchange rates to estimate the change for use in currency risk sensitivity analysis above.

##### (f) Fair value estimation

The Sub-Funds classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. FINANCIAL RISK MANAGEMENT (continued)****(f) Fair value estimation (continued)**

The determination of what constitutes ‘observable’ requires significant judgment by the Sub-Funds. The Sub-Funds consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Sub-Funds’ investments (by class) measured at fair value as at 31st December 2016 and 2015:

**E Fund CSI 100 A-Share Index ETF**

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
<b>As at 31st December 2016</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Equity securities	98,277,025	1,633,668	472,236	100,382,929
<b>Total assets</b>	<u>98,277,025</u>	<u>1,633,668</u>	<u>472,236</u>	<u>100,382,929</u>

**As at 31st December 2015****Assets**

Financial assets at fair value through profit or loss

- Equity securities	121,347,368	9,208,708	-	130,556,076
<b>Total assets</b>	<u>121,347,368</u>	<u>9,208,708</u>	<u>-</u>	<u>130,556,076</u>

**E Fund CES China 120 Index ETF**

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
<b>As at 31st December 2016</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Equity securities	2,419,659	29,009	6,736	2,455,404
<b>Total assets</b>	<u>2,419,659</u>	<u>29,009</u>	<u>6,736</u>	<u>2,455,404</u>

**As at 31st December 2015****Assets**

Financial assets at fair value through profit or loss

- Equity securities	22,470,664	535,032	-	23,005,696
<b>Total assets</b>	<u>22,470,664</u>	<u>535,032</u>	<u>-</u>	<u>23,005,696</u>

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. FINANCIAL RISK MANAGEMENT (continued)****(f) Fair value estimation (continued)****E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
<b>As at 31st December 2016</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Debt securities	-	44,924,894	-	44,924,894
- Listed money market funds	25,611	-	-	25,611
<b>Total assets</b>	<u>25,611</u>	<u>44,924,894</u>	<u>-</u>	<u>44,950,505</u>
<b>As at 31st December 2015</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Debt securities	-	147,373,069	-	147,373,069
<b>Total assets</b>	<u>-</u>	<u>147,373,069</u>	<u>-</u>	<u>147,373,069</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed and quoted equity securities and listed money market funds. The Sub-Funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2, include suspended equity securities, PRC government bonds and policy banks bonds. As at 31st December 2016, E Fund CSI 100 A-Share Index ETF held 3 (2015: 4) investments classified in level 2. As at 31st December 2016, E Fund CES China 120 Index ETF held 3 (2015: 2) investments classified in level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As of 31st December 2016, E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF held 1 investment classified in level 3 (2015: nil) due to prolonged suspension. E Fund Citi Chinese Government Bond 5-10 years Index ETF did not hold any investments classified in level 3 as at 31st December 2016 and 2015.

The following table presents the movement in level 3 investments for the year ended 31st December 2016:

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**NOTES TO THE FINANCIAL STATEMENTS (continued)****8. FINANCIAL RISK MANAGEMENT (continued)****(f) Fair value estimation (continued)****E Fund CSI 100 A-Share Index ETF**

	2016 <i>RMB</i>
Opening balance at 1st January	-
Transfers into level 3	722,231
Sales	(56,512)
Net loss on investments	(193,483)
Ending balance at 31st December	472,236
Changes in unrealised losses for the year included in profit or loss attributable to assets still held at the end of the year	(172,965)

**E Fund CES China 120 Index ETF**

	2016 <i>RMB</i>
Opening balance at 1st January	-
Transfers into level 3	83,088
Sales	(49,753)
Net loss on investments	(26,599)
Ending balance at 31st December	6,736
Changes in unrealised losses for the year included in profit or loss attributable to assets still held at the end of the year	(7,444)

A sensitivity analysis for level 3 movements was not presented as the Level 3 securities were valued at their corresponding last traded prices and no other unobservable inputs were developed by these Sub-Funds when measuring fair value of the Level 3 securities.

During the year ended 31st December 2016 and 2015, there were transfers between levels for E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF:

**E Fund CSI 100 A-share Index ETF**

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>
<b>For the year ended 31st December 2016</b>			
Transfers between levels 1 and 2:			
Equities securities			
Transfer out of level 1	(1,010,724)	1,010,724	-
Transfer into level 1	9,208,708	(9,208,708)	-
Transfers between levels 1 and 3:			
Equities securities			
Transfer out of level 1	(722,231)	-	722,231

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. FINANCIAL RISK MANAGEMENT (continued)****(f) Fair value estimation (continued)****E Fund CSI 100 A-share Index ETF (continued)**

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>
<b>For the year ended 31st December 2015</b>			
Transfers between levels 1 and 2:			
Equities securities			
Transfer out of level 1	(43,077,776)	43,077,776	-

**E Fund CES China 120 Index ETF**

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>
<b>For the year ended 31st December 2016</b>			
Transfers between levels 1 and 2:			
Equities securities			
Transfer out of level 1	(118,881)	118,881	-
Transfer into level 1	535,032	(535,032)	-
Transfers between levels 1 and 3:			
Equities securities			
Transfer out of level 1	(83,088)	-	83,088
<b>For the year ended 31st December 2015</b>			
Transfers between levels 1 and 2:			
Equities securities			
Transfer out of level 1	(439,956)	439,956	-

Equity securities that were transferred out of Level 2 due to suspension lifted and disposed during the year were not included in movement above.

The equity securities transferred out of Level 1 relate to positions whose trading was inactive as at 31st December 2016 but was actively traded on 31st December 2015.

The equity securities transferred into Level 1 relate to positions whose trading was inactive as at 31st December 2015 but was actively traded on 31st December 2016.

During the year ended 31st December 2016 and 2015, there were no transfers between levels for E Fund Citi Chinese Government Bond 5-10 Years Index ETF.

The following table analyses within the fair value hierarchy the Sub-Funds' financial assets and liabilities (by class) not measured at fair value at 31st December 2016 and 2015 but for which fair value is disclosed.

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. FINANCIAL RISK MANAGEMENT (continued)****(f) Fair value estimation (continued)****E Fund CSI 100 A-Share Index ETF**

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
<b>As at 31st December 2016</b>				
<b>Assets</b>				
Deposit reserve	-	252,000	-	252,000
Interest receivable	-	1	-	1
Cash and cash equivalents	1,885,184	-	-	1,885,184
<b>Total</b>	<u>1,885,184</u>	<u>252,001</u>	<u>-</u>	<u>2,137,185</u>
<b>Liabilities</b>				
Management fee payable	-	195,386	-	195,386
Other accounts payable	-	846,386	-	846,386
Establishment costs payable	-	1,512,235	-	1,512,235
<b>Total</b>	<u>-</u>	<u>2,554,007</u>	<u>-</u>	<u>2,554,007</u>
<b>As at 31st December 2015</b>				
<b>Assets</b>				
Deposit reserve	-	252,000	-	252,000
Cash and cash equivalents	1,123,171	-	-	1,123,171
<b>Total</b>	<u>1,123,171</u>	<u>252,000</u>	<u>-</u>	<u>1,375,171</u>
<b>Liabilities</b>				
Amounts due to participating dealers	-	853,355	-	853,355
Amount due to broker	-	216,462	-	216,462
Management fee payable	-	95,418	-	95,418
Other accounts payable	-	1,042,028	-	1,042,028
Establishment costs payable	-	1,512,235	-	1,512,235
<b>Total</b>	<u>-</u>	<u>3,719,498</u>	<u>-</u>	<u>3,719,498</u>

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. FINANCIAL RISK MANAGEMENT (continued)****(f) Fair value estimation (continued)****E Fund CES China 120 Index ETF**

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
<b>As at 31st December 2016</b>				
<b>Assets</b>				
Deposit reserve	-	8,400	-	8,400
Other receivables	-	978,125	-	978,125
Cash and cash equivalents	257,800	-	-	257,800
<b>Total</b>	<u>257,800</u>	<u>986,525</u>	<u>-</u>	<u>1,244,325</u>
<b>Liabilities</b>				
Management fee payable	-	19,573	-	19,573
Other accounts payable	-	1,011,682	-	1,011,682
Establishment costs payable	-	803,307	-	803,307
<b>Total</b>	<u>-</u>	<u>1,834,562</u>	<u>-</u>	<u>1,834,562</u>
<b>As at 31st December 2015</b>				
<b>Assets</b>				
Deposit reserve	-	8,400	-	8,400
Cash and cash equivalents	1,826,410	-	-	1,826,410
<b>Total</b>	<u>1,826,410</u>	<u>8,400</u>	<u>-</u>	<u>1,834,810</u>
<b>Liabilities</b>				
Management fee payable	-	17,168	-	17,168
Other accounts payable	-	872,169	-	872,169
Establishment costs payable	-	2,059,926	-	2,059,926
<b>Total</b>	<u>-</u>	<u>2,949,263</u>	<u>-</u>	<u>2,949,263</u>

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. FINANCIAL RISK MANAGEMENT (continued)****(f) Fair value estimation (continued)****E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
<b>As at 31st December 2016</b>				
<b>Assets</b>				
Deposit reserve	-	252,000	-	252,000
Interest receivable on bonds	-	607,753	-	607,753
Management fee payable	-	193,337	-	193,337
Cash and cash equivalents	5,223,883	-	-	5,223,883
<b>Total</b>	<u>5,223,883</u>	<u>1,053,090</u>	<u>-</u>	<u>6,276,973</u>
<b>Liabilities</b>				
Other accounts payable	-	111,930	-	111,930
Establishment costs payable	-	2,005,675	-	2,005,675
<b>Total</b>	<u>-</u>	<u>2,117,605</u>	<u>-</u>	<u>2,117,605</u>
<b>As at 31st December 2015</b>				
<b>Assets</b>				
Deposit reserve	-	308,000	-	308,000
Interest receivable on bonds	-	2,145,335	-	2,145,335
Cash and cash equivalents	3,467,104	-	-	3,467,104
<b>Total</b>	<u>3,467,104</u>	<u>2,453,335</u>	<u>-</u>	<u>5,920,439</u>
<b>Liabilities</b>				
Management fee payable	-	27,931	-	27,931
Other accounts payable	-	105,000	-	105,000
Establishment costs payable	-	2,005,675	-	2,005,675
<b>Total</b>	<u>-</u>	<u>2,138,606</u>	<u>-</u>	<u>2,138,606</u>

The assets and liabilities included in the above table are carried at amortised cost, their carrying values are a reasonable approximation of fair value. The carrying value of the financial assets and liabilities are considered by the Manager to approximate their fair values as they are short-term in nature and the effect of discounting is immaterial.

Cash and cash equivalents include cash in hand and deposits held with banks.

Management fee payable, amount due to broker, other accounts payable, amounts due to participating dealers and establishment costs payable represent the contractual amounts and obligations due by the Sub-Funds for settlement of trades and expenses.



## **E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **8. FINANCIAL RISK MANAGEMENT (continued)**

##### **(g) Capital risk management**

The Sub-Funds' capital is represented by the redeemable units outstanding. The Sub-Funds' objective is to provide investment results that correspond generally to the performance of the respective index. The Manager may:

- Redeem and issue new units in accordance with the constitutive documents of the Sub-Funds;
- Exercise discretion when determining the amount of distributions of the Sub-Funds to the unitholders; and
- Suspend the creation and redemption of units under certain circumstance stipulated in the prospectuses of the Sub-Funds.

#### **9. FINANCIAL INSTRUMENTS BY CATEGORY**

As of 31st December 2016 and 2015, other than investments as disclosed in the financial statements which are classified as the financial assets at fair value through profit or loss, all financial assets including deposit reserve, interest receivable and cash and cash equivalents are categorised as loans and receivables and carried at amortised cost. All the financial liabilities of the Sub-Funds are carried at amortised cost.

#### **10. SOFT COMMISSION ARRANGEMENT**

The Manager confirms that there has been no soft commission arrangements existing during the year in relation to directing transactions of the Sub-Funds through a broker or dealer.

#### **11. SEGMENT INFORMATION**

The Manager makes the strategic resource allocations on behalf of the Sub-Funds and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that the Sub-Funds have a single operating segment which is investing in securities. The objectives of E Fund CSI 100 Index ETF, E Fund CES China 120 Index ETF and E Fund Citi Chinese Government Bond 5-10 Years Index ETF are to track the performance of the CSI 100 Index, the CES China 120 Index and the Citi Chinese Government Bond 5-10 Years Index respectively and invest in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****NOTES TO THE FINANCIAL STATEMENTS (continued)****11. SEGMENT INFORMATION**

The internal financial information used by the Manager for the Sub-Funds' assets, liabilities and performance are the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Funds are domiciled in Hong Kong. E Fund CSI 100 A-Share Index ETF's income and E Fund CES China 120 Index ETF's income are derived from investments in PRC securities which constitute CSI 100 Index and CES China 120 Index respectively, the tracked indices. E Fund Citi Chinese Government Bond 5-10 Years Index ETF's income is derived from investments in PRC bonds which constitute Citi Chinese Government Bond 5-10 Years Index, the tracked indices.

The total of non-current assets located in PRC is RMB252,000 (2015: RMB252,000) for E Fund CSI 100 A-Share Index ETF, RMB8,400 (2015: RMB8,400) for E Fund CES China 120 Index ETF and RMB252,000 (2015: RMB308,000) for E Fund Citi Chinese Government Bond 5-10 Years Index ETF. The Sub-Funds have no other assets classified as non-current assets. The Sub-Funds have a diversified portfolio of investments. No single investment accounts for more than 10% of the net asset value of E Fund CSI 100 A-Share Index ETF as at 31st December 2016 and 2015. One (2015: nil) investment accounts for more than 10% of the net asset value of E Fund CES China 120 Index ETF. E Fund Citi Chinese Government Bond 5-10 Years Index ETF is mainly exposed to RMB-denominated PRC Treasury Bonds that are issued by two (2015: three) issuers.

**12. DISTRIBUTION TO UNITHOLDERS****E Fund CSI 100 A-Share Index ETF**

	Year ended 31st December 2016 <i>RMB</i>	Year ended 31st December 2015 <i>RMB</i>
- RMB 0.78 per unit on 17,200,000 units paid on 27 October 2015	-	13,416,000

For E Fund CSI 100 A-Share Index ETF, there was no distribution to unitholders during the year ended 31st December 2016. For E Fund CES China 120 Index ETF and E Fund Citi Chinese Government Bond 5-10 Years Index ETF, there was no distribution to unitholders during the year ended 31st December 2016 and 2015.

## **E Fund ETFs Trust**

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **13. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE**

Pursuant to the SFC's Guidelines for Regulating Index Tracking Exchange Trade Funds (the "ETF Guidelines"), the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the underlying index, except where the weightings are exceeded as a result of changes in the composition of the underlying index and the excess is only transitional and temporary in nature.

The Manager and the Trustee have confirmed that the Sub-Funds have complied with this limit during the year ended 31st December 2016 and 2015.

There were no constituent securities that individually accounted for more than 10% of the net asset value of the E Fund CSI 100 A-Share Index ETF and E Fund Citi Chinese Government Bond 5-10 Years Index ETF and their respective weightings of the CSI 100 Index for E Fund CSI 100 A-Share Index ETF and E Fund Citi Chinese Government Bond 5-10 Years Index ETF as at 31st December 2016 and 2015. There was one (2015: nil) constituent security that individually accounted for more than 10% of the net asset value of the E Fund CES China 120 Index ETF and their respective weightings of the CES China 120 Index for E Fund CES China 120 Index ETF as at 31st December 2016.

During the year ended 31st December 2016, the CSI 100 Index decreased by 7.50% (2015: decreased by 1.52%) for E Fund CSI 100 A-Share Index ETF while the net asset value per unit of the Sub-Fund decreased by 7.88% (2015: increased by 2.44%). During the year ended 31st December 2016, the CES China 120 Index increased by 0.17% (2015: decreased by 2.63%) for E Fund CES China 120 Index ETF while net asset value per unit of the Sub-Fund increased by 2.71% (2015: decreased by 6.18%). Similarly, during the year ended 31st December 2016, the Citi Chinese Government Bond 5-10 Years Index increased by 2.45% (2015: increased by 8.56%) for E Fund Citi Chinese Government Bond 5-10 Years Index ETF while the net asset value per unit of the Sub-Fund increased by 0.48% (2015: increased by 6.19%).

#### **14. RECONCILIATION BETWEEN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER THE FINANCIAL STATEMENTS**

In accordance with the Sub-Funds' Prospectuses, the establishment costs of the Sub-Funds will be amortised over the first five years. However, the accounting policy of the Sub-Funds for the purpose of financial statements preparation in compliance with IFRS is to expense establishment costs in the statement of comprehensive income as incurred. The differences between expensing the establishment costs as incurred in accordance with IFRS and capitalisation and amortisation of the establishment costs indicated in the Sub-Funds' Prospectuses resulted in adjustments in the net asset value.

##### **E Fund CSI 100 A-Share Index ETF**

	2016 <i>RMB</i>	2015 <i>RMB</i>
Accounting NAV as reported in the statement of financial position	99,966,107	128,211,749
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	506,348	1,305,160
NAV in accordance with Sub-Fund's Explanatory Memorandum	<u>100,472,455</u>	<u>129,516,909</u>

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**NOTES TO THE FINANCIAL STATEMENTS (continued)****14. RECONCILIATION BETWEEN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER THE FINANCIAL STATEMENTS (continued)****E Fund CES China 120 Index ETF**

	2016 <i>RMB</i>	2015 <i>RMB</i>
Accounting NAV as reported in the statement of financial position	1,865,167	21,891,243
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	738,183	1,151,298
	<hr/>	<hr/>
NAV in accordance with Sub-Fund's Explanatory Memorandum	2,603,350	23,042,541
	<hr/> <hr/>	<hr/> <hr/>

**E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	2016 <i>RMB</i>	2015 <i>RMB</i>
Accounting NAV as reported in the statement of financial position	44,987,857	147,073,734
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	879,602	1,282,023
	<hr/>	<hr/>
NAV in accordance with Sub-Fund's Explanatory Memorandum	45,867,459	148,355,757
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**15. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Trustee and the Manager on 28 April 2017.

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****INVESTMENT PORTFOLIO (Unaudited)***As at 31st December 2016***E Fund CSI 100 A-Share Index ETF**

	<b>Holdings</b>	<b>Fair value RMB</b>	<b>% of net assets</b>
<b>Listed equities</b>			
<b>CHINA (100.42%)</b>			
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	651,900	2,020,890	2.02%
AIR CHINA LTD A SHR ORD CNY1	45,749	329,393	0.33%
ALUMINUM CORPORATION OF CHINA LTD A SHS ORD NPV	112,402	474,336	0.47%
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	34,018	576,945	0.58%
AVIC AVIATION ENGINE CORPORATION A ORD CNY1	13,090	428,567	0.43%
AVIC INVESTMENT HOLDINGS CO LTD A SHRS ORD CNY1	79,430	486,112	0.49%
BANK OF BEIJING CO LTD ORD CNY1 CL A	207,332	2,023,560	2.02%
BANK OF CHINA LTD A SHS ORD CNY1	367,300	1,263,512	1.26%
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	468,188	2,701,445	2.70%
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	87,471	555,441	0.56%
BEIJING XINWEI TECHNOLOGY GROUP CO LTD A SHS ORD CNY1 (FORMERLY KNOWN AS BEIJING XINWEI TELECOM TECHNOLOGY GROUP CO LTD A SHS ORD CNY1)	24,700	360,620	0.36%
BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1	412,563	1,179,930	1.18%
BYD CO LTD A SHRS ORD CNY1	9,593	476,580	0.48%
CHINA CITIC BANK CORP A SHRS ORD CNY1	54,039	346,390	0.35%
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	27,386	415,993	0.42%
CHINA EASTERN AIRLINES CORP A SHS ORD CNY1	49,000	346,430	0.35%
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	270,100	1,056,091	1.06%
CHINA FORTUNE LAND DEVELOPMENT CO LTD ORD CNY1	15,933	380,799	0.38%
CHINA LIFE INSURANCE CO A SHS ORD NPV	29,795	717,762	0.72%
CHINA MERCHANTS BANK CO LTD A SHRS ORD CNY1	175,231	3,084,066	3.08%
CHINA MERCHANTS SECURITIES CO LTD A SHR ORD CNY1	38,576	629,946	0.63%
CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD ORD CNY1	41,400	678,546	0.68%
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	404,300	3,671,044	3.67%
CHINA NATIONAL NUCLEAR POWER CO LTD A SHS ORD CNY1	80,700	569,742	0.57%
CHINA NORTHERN RARE EARTH (GROUP) HIGH-TECH CO LTD A SHR ORD CNY1	38,951	477,929	0.48%
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	53,843	1,495,220	1.50%
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	183,771	994,201	0.99%
CHINA RAILWAY GROUP LTD A ORD CNY1	128,808	1,141,239	1.14%
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	80,446	962,134	0.96%
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	35,440	573,419	0.57%
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	151,863	1,076,709	1.08%
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	258,159	2,287,289	2.29%

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****INVESTMENT PORTFOLIO (Unaudited) (continued)***As at 31st December 2016***E Fund CSI 100 A-Share Index ETF**

	<b>Holdings</b>	<b>Fair value RMB</b>	<b>% of net assets</b>
<b>Listed equities (continued)</b>			
<b>CHINA (100.42%) (continued)</b>			
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	146,952	1,074,219	1.07%
CHINA VANKE CO LTD A SHR ORD CNY1	115,094	2,365,182	2.37%
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	112,500	1,424,250	1.42%
CHONGQING CHANGAN AUTOMOBILE CO LTD A SHR ORD CNY1	32,744	489,195	0.49%
CITIC SECURITIES CO LTD A SHR ORD CNY1	133,771	2,148,362	2.15%
CRRC CORP LTD A SHR ORD CNY1	157,468	1,538,462	1.54%
DAQIN RAILWAY CO LTD A SHS ORD CNY1	102,007	722,210	0.72%
DONGXING SECURITIES CO LTD A SHRS ORD CNY1	18,700	375,122	0.38%
EAST MONEY INFORMATION CO LTD A SHR ORD CNY1	37,300	631,489	0.63%
EVERBRIGHT SECURITIES CO LTD A SHRS ORD CNY1	33,500	535,665	0.54%
FIRST CAPITAL SECURITIES COMPANY LTD A SHS ORD CNY1	4,100	142,680	0.14%
FOUNDER SECURITIES COMPANY LIMITED A SHR ORD CNY1	73,505	558,638	0.56%
GD POWER DEVELOPMENT CO LTD A SHS ORD CNY1	203,813	646,087	0.65%
GF SECURITIES CO LTD A SHR ORD CNY1	51,318	865,221	0.87%
GREAT WALL MOTOR CO LTD A SHRS ORD NPV	21,600	238,896	0.24%
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	81,821	2,014,433	2.01%
GREENLAND HOLDINGS CORPORATION LIMITED A SHRS ORD1 CNY1	40,900	356,239	0.36%
GUOSEN SECURITIES CO LTD A SHRS	42,899	667,079	0.67%
GUOTAI JUNAN SECURITIES CO LTD A SHRS ORD NPV	78,100	1,451,879	1.45%
HAITONG SECURITIES CO LTD CL A ORD CNY1	136,608	2,151,576	2.15%
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	31,769	756,420	0.76%
HEDY HOLDING CO LTD A SHS ORD CNY1	10,700	152,689	0.15%
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	17,843	373,454	0.37%
HUATAI SECURITIES CO LTD A SHS ORD CNY1	57,039	1,018,717	1.02%
HUAXIA BANK CO LTD A SHR ORD CNY1	92,991	1,008,952	1.01%
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	369,700	1,630,377	1.63%
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	226,686	3,658,712	3.66%
INDUSTRIAL SECURITIES CO LTD A SHR ORD CNY1	81,630	624,470	0.62%
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1	102,700	1,807,520	1.81%

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****INVESTMENT PORTFOLIO (Unaudited) (continued)***As at 31st December 2016***E Fund CSI 100 A-Share Index ETF**

	<b>Holdings</b>	<b>Fair value RMB</b>	<b>% of net assets</b>
<b>Listed equities (continued)</b>			
<b>CHINA (100.42%) (continued)</b>			
INNER MONGOLIAN BAOTOU STEEL UNION CO LTD A SHR ORD CNY1	174,500	486,855	0.49%
JIANGSU BROADCASTING CABLE INFORMATION A SHS ORD CNY1	26,780	302,614	0.30%
JIANGSU HENGRUI MEDICINE CO LTD A SHR ORD CNY1	23,618	1,074,619	1.07%
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	10,563	745,748	0.75%
KANGMEI PHARMACEUTICAL CO LTD A SHR ORD CNY1	49,500	883,575	0.88%
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	8,435	2,818,555	2.82%
LESHI INTERNET INFORMATION & TECHNOLOGY (BEIJING) CO LTD A SHR ORD CNY1	17,700	633,660	0.63%
METALLURGICAL CORPORATION OF CHINA LTD A SHRS ORD CNY1	87,153	406,133	0.41%
MIDEA GROUP CO LTD A SHRS ORD CNY1	76,468	2,154,104	2.15%
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	14,730	644,879	0.65%
NINGBO ZHOUSHAN PORT CO LTD A SHS ORD CNY1 (FORMERLY KNOWN AS NINGBO PORT CO LTD A SHS ORD CNY1)	68,800	348,128	0.35%
ORIENT SECURITIES COMPANY LTD A SHRS ORD CNY1	53,100	824,643	0.82%
PETROCHINA CO LTD A SHRS CNY1	82,300	654,285	0.65%
PING AN BANK CO LTD A SHR ORD CNY1	146,783	1,335,725	1.34%
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	184,345	6,531,343	6.53%
POLY REAL ESTATE GROUP CO LTD A SHR ORD CNY1	120,659	1,101,617	1.10%
POWER CONSTRUCTION CORPORATION OF CHINA A SHRS ORD CNY1	73,729	535,273	0.54%
QINGDAO HAIER CO LTD A SHR ORD CNY1	54,938	542,787	0.54%
SAIC MOTOR CORP LTD A SHR ORD CNY1	56,061	1,314,630	1.32%
SDIC ESSENCE HOLDINGS CO LTD ORD CNY1	19,400	302,834	0.30%
SDIC POWER HOLDINGS CO LTD A SHS ORD CNY1	70,026	467,073	0.47%
SHAANXI COAL INDUSTRY CO L - A SHRS ORD CNY1	35,683	173,063	0.17%
SHANGHAI ELECTRIC GRP CO LTD-A ORD NPV	56,085	472,236	0.47%
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	58,254	298,260	0.30%
SHANGHAI LUJIAZUI FINANCE & TRADE ZONE DEVELOPMENT CO LTD A SHRS ORD CNY1	12,500	276,625	0.28%
SHANGHAI ORIENTAL PEARL MEDIA CO LTD A SHS ORD CNY1	23,028	536,552	0.54%
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	148,371	2,405,094	2.41%

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**INVESTMENT PORTFOLIO (Unaudited) (continued)***As at 31st December 2016***E Fund CSI 100 A-Share Index ETF**

	<b>Holdings</b>	<b>Fair value RMB</b>	<b>% of net assets</b>
<b>Listed equities (continued)</b>			
<b>CHINA (100.42%) (continued)</b>			
SHANGHAI RAAS BLOOD PRODUCTS CO LTD A SHR ORD CNY1	17,743	409,686	0.41%
SHENWAN HONGYUAN GROUP CO LTD A SHRS ORD CNY1	102,302	639,388	0.64%
SHENZHEN OVERSEAS CHINESE TOWN CO LTD A SHR ORD CNY1	58,500	406,575	0.41%
SINOPEC OILFIELD SERVICE C-A SHRS ORD CNY1	31,600	129,560	0.13%
SUNING COMMERCE GROUP CO LTD A SHR ORD CNY1	64,900	743,105	0.74%
WANDA CINEMA LINE CO LTD ORD CNY1	8,201	443,428	0.44%
WESTERN SECURITIES CO LTD A SHS ORD ORD NPV	24,500	508,865	0.51%
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	32,053	1,105,187	1.11%
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	10,951	833,919	0.83%
ZHEJIANG ZHENENG ELECTRIC - A SHRS ORD CNY1	71,907	390,455	0.39%
ZIJIN MINING GROUP CO LTD A SHR ORD CNY0.1	185,593	619,881	0.62%
ZTE CORPORATION A SHR ORD CNY1	42,100	671,494 <sup>5</sup>	0.67%
<b>Total investments</b>		100,382,929	100.42%
<b>Other net liabilities</b>		(416,822)	(0.42%)
<b>Net assets attributable to unitholders at 31st December 2016</b>		99,966,107	100.00%
<b>Total investments, at cost</b>		99,339,671	



**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****INVESTMENT PORTFOLIO (Unaudited) (continued)***As at 31st December 2016***E Fund CES China 120 Index ETF**

	<b>Holdings</b>	<b>Fair value RMB</b>	<b>% of net assets</b>
<b>Listed equities</b>			
<b>CHINA (72.14%)</b>			
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	9,882	30,634	1.64%
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	466	7,903	0.42%
AVIC AVIATION ENGINE CORPORATION A ORD CNY1	200	6,548	0.35%
BANK OF BEIJING CO LTD ORD CNY1 CL A	3,156	30,803	1.65%
BANK OF CHINA LTD A SHS ORD CNY1	5,426	18,665	1.00%
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	7,569	43,673	2.34%
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	1,263	8,020	0.43%
BEIJING XINWEI TECHNOLOGY GROUP CO LTD A SHS ORD CNY1 (FORMERLY KNOWN AS BEIJING XINWEI TELECOM TECHNOLOGY GROUP CO LTD A SHS ORD CNY1)	500	7,300	0.39%
BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1	6,100	17,446	0.94%
BYD CO LTD A SHRS ORD CNY1	122	6,061	0.33%
CHINA CITIC BANK CORP A SHRS ORD CNY1	972	6,231	0.33%
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	412	6,258	0.34%
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	4,116	16,094	0.86%
CHINA LIFE INSURANCE CO A SHS ORD NPV	334	8,046	0.43%
CHINA MERCHANTS BANK CO LTD A SHRS ORD CNY1	2,355	41,448	2.22%
CHINA MERCHANTS SECURITIES CO LTD A SHR ORD CNY1	658	10,745	0.58%
CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD ORD CNY1	600	9,834	0.53%
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	5,773	52,419	2.81%
CHINA NATIONAL NUCLEAR POWER CO LTD A SHS ORD CNY1	1,200	8,472	0.45%
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	777	21,577	1.16%
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	2,708	14,650	0.79%
CHINA RAILWAY GROUP LTD A ORD CNY1	2,403	21,291	1.14%
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	906	10,836	0.58%
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	411	6,650	0.36%
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	2,439	17,292	0.93%
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	3,879	34,368	1.84%
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	2,125	15,534	0.83%
CHINA VANKE CO LTD A SHR ORD CNY1	1,777	36,517	1.96%
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	1,834	23,218	1.24%
CHONGQING CHANGAN AUTOMOBILE CO LTD A SHR ORD CNY1	500	7,470	0.40%
CITIC SECURITIES CO LTD A SHR ORD CNY1	2,025	32,521	1.74%
CRRC CORP LTD A SHR ORD CNY1	2,321	22,676	1.22%

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****INVESTMENT PORTFOLIO (Unaudited) (continued)***As at 31st December 2016***E Fund CES China 120 Index ETF**

	<b>Holdings</b>	<b>Fair value RMB</b>	<b>% of net assets</b>
<b>Listed equities (continued)</b>			
<b>CHINA (72.14%) (continued)</b>			
DAQIN RAILWAY CO LTD A SHS ORD CNY1	1,558	11,031	0.59%
EAST MONEY INFORMATION CO LTD A SHR ORD CNY1	500	8,465	0.45%
EVERBRIGHT SECURITIES CO LTD A SHRS ORD CNY1	300	4,797	0.26%
FOUNDER SECURITIES COMPANY LIMITED A SHR ORD CNY1	1,000	7,600	0.41%
GD POWER DEVELOPMENT CO LTD A SHS ORD CNY1	2,549	8,080	0.43%
GF SECURITIES CO LTD A SHR ORD CNY1	693	11,684	0.63%
GREAT WALL MOTOR CO LTD A SHRS ORD NPV	274	3,030	0.16%
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	1,200	29,544	1.58%
GUOSEN SECURITIES CO LTD A SHRS	700	10,885	0.58%
GUOTAI JUNAN SECURITIES CO LTD A SHRS ORD NPV	1,300	24,167	1.30%
HAITONG SECURITIES CO LTD CL A ORD CNY1	2,007	31,610	1.69%
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	409	9,738	0.52%
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	246	5,149	0.28%
HUATAI SECURITIES CO LTD A SHS ORD CNY1	873	15,592	0.84%
HUAXIA BANK CO LTD A SHR ORD CNY1	1,388	15,060	0.81%
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	5,534	24,405	1.31%
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	3,349	54,053	2.90%
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1	1,638	28,829	1.55%
INNER MONGOLIAN BAOTOU STEEL UNION CO LTD A SHR ORD CNY1	2,800	7,812	0.42%
JIANGSU HENGRUI MEDICINE CO LTD A SHR ORD CNY1	360	16,380	0.88%
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	169	11,931	0.64%
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	98	32,747	1.76%
LESHI INTERNET INFORMATION & TECHNOLOGY (BEIJING) CO LTD A SHR ORD CNY1	300	10,740	0.58%
MIDEA GROUP CO LTD A SHRS ORD CNY1	1,040	29,297	1.57%
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	296	12,959	0.69%
ORIENT SECURITIES COMPANY LTD A SHRS ORD CNY1	700	10,871	0.58%
PETROCHINA CO LTD A SHRS CNY1	1,189	9,453	0.51%
PING AN BANK CO LTD A SHR ORD CNY1	1,727	15,716	0.84%
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	2,734	96,866	5.19%
POLY REAL ESTATE GROUP CO LTD A SHR ORD CNY1	2,334	21,309	1.14%

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****INVESTMENT PORTFOLIO (Unaudited) (continued)***As at 31st December 2016***E Fund CES China 120 Index ETF**

	<b>Holdings</b>	<b>Fair value RMB</b>	<b>% of net assets</b>
<b>Listed equities (continued)</b>			
<b>CHINA (72.14%) (continued)</b>			
POWER CONSTRUCTION CORPORATION OF CHINA A SHRS ORD CNY1	1,000	7,260	0.39%
QINGDAO HAIER CO LTD A SHR ORD CNY1	500	4,940	0.26%
SAIC MOTOR CORP LTD A SHR ORD CNY1	926	21,715	1.16%
SHANGHAI ELECTRIC GRP CO LTD-A ORD NPV	800	6,736	0.36%
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	791	4,050	0.22%
SHANGHAI ORIENTAL PEARL MEDIA CO LTD A SHS ORD CNY1	400	9,320	0.50%
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	2,313	37,494	2.01%
SHANGHAI RAAS BLOOD PRODUCTS CO LTD A SHR ORD CNY1	180	4,156	0.22%
SHENWAN HONGYUAN GROUP CO LTD A SHRS ORD CNY1	1,755	10,969	0.59%
SHENZHEN OVERSEAS CHINESE TOWN CO LTD A SHR ORD CNY1	1,562	10,856	0.58%
SUNING COMMERCE GROUP CO LTD A SHR ORD CNY1	1,064	12,183	0.65%
WANDA CINEMA LINE CO LTD ORD CNY1	100	5,407	0.29%
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	598	20,619	1.11%
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	70	5,330	0.29%
ZHEJIANG ZHENENG ELECTRIC - A SHRS ORD CNY1	640	3,475	0.19%
		1,345,510	72.14%
<b>HONG KONG (59.51%)</b>			
AAC TECHNOLOGIES HOLDINGS INC ORD USD0.01	300	18,940	1.02%
AGRICULTURAL BANK OF CHINA H SHS ORD CNY1	7,623	21,724	1.16%
BANK OF CHINA LTD SHS H ORD CNY1	20,923	64,500	3.46%
BANK OF COMMUNICATIONS LTD H SHRS ORD CNY1	2,527	12,704	0.68%
BEIJING ENTERPRISES HLDGS LTD ORD HKD0.1	232	7,620	0.41%
CHINA CITIC BANK CORP LTD H SHRS ORD CNY1	2,396	10,586	0.57%
CHINA CONSTRUCTION BANK H SHR ORD CNY1	24,914	133,290	7.15%
CHINA EVERGRANDE GROUP ORD USD0.01	1,000	4,328	0.23%
CHINA GAS HLDGS LTD ORD HKD0.01	304	2,866	0.15%
CHINA LIFE INSURANCE CO H ORD CNY1	1,733	31,371	1.68%
CHINA MENGNIU DAIRY CO LTD ORD HKD0.1	286	3,829	0.21%
CHINA MERCHANTS BANK CO LTD H SHR ORD CNY1	1,289	21,000	1.13%
CHINA MERCHANTS PORT HOLDING CO LTD ORD NPV (FORMERLY KNOWN AS CHINA MERCHANTS HLDGS INTERNATIONAL CO LTD ORD NPV)	170	2,931	0.16%

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

**INVESTMENT PORTFOLIO (Unaudited) (continued)**

*As at 31st December 2016*

**E Fund CES China 120 Index ETF**

	Holdings	Fair value RMB	% of net assets
<b>Listed equities (continued)</b>			
<b>HONG KONG (59.51%) (continued)</b>			
CHINA MOBILE LTD ORD HKD0.1	1,583	116,609	6.25%
CHINA OVERSEAS LAND & INVESTMENT LTD ORD HKD0.1	862	15,874	0.85%
CHINA PACIFIC INSURANCE (GR) CO LTD H SHS ORD CNY1	791	19,175	1.03%
CHINA PETROLEUM & CHEMICAL CORP H SHR ORD CNY1	6,282	30,963	1.66%
CHINA RESOURCES LAND LTD ORD HKD0.1	515	8,049	0.43%
CHINA RESOURCES POWER HOLDINGS CO LTD ORD HKD1	886	9,782	0.52%
CHINA TAIPING INSURANCE HOLDINGS CO LTD ORD NPV	519	7,442	0.40%
CHINA TELECOM CORP LTD H SHRS ORD CNY1 (HKSE)	4,579	14,690	0.79%
CHINA UNICOM (HONG KONG) ORD HKD0.1	1,145	9,266	0.50%
CNOOC LTD ORD HKD0.02	4,797	41,699	2.24%
COUNTRY GARDEN HOLDINGS COMPANY LTD ORD HKD0.1	3,028	11,777	0.63%
FOSUN INTERNATIONAL ORD HKD0.10	582	5,727	0.31%
GUANGDONG INVESTMENTS LTD ORD NPV	800	7,341	0.39%
HENGAN INTERNATIONAL GROUP CO LTD ORD HKD0.1	209	10,666	0.57%
INDUSTRIAL AND COMMERCIAL BANK OF CHINA H SHS ORD CNY1	21,277	88,663	4.75%
KUNLUN ENERGY CO LTD ORD HKD0.01	1,530	7,952	0.43%
LENOVO GROUP LTD ORD NPV	2,761	11,629	0.62%
LONGFOR PROPERTIES ORD HKD0.1	826	7,284	0.39%
PETROCHINA CO LTD H SHRS CNY1	5,119	26,515	1.42%
PICC PROPERTY AND CASUALTY CO LTD H SHRS ORD CNY1	1,134	12,276	0.66%
PING AN INSURANCE (GROUP) CO OF CHINA LTD H SHR COM CNY1	1,236	42,976	2.30%
SHENZHOU INTERNATIONAL GROUP ORD HKD0.1	200	8,791	0.47%
SUN ART RETAIL GROUP LTD ORD HKD0.3	1,051	6,405	0.34%
TENCENT HOLDINGS LTD ORD HKD0.00002	1,377	234,089	12.55%
TINGYI (CAYMAN ISLANDS) HOLDINGS CORP ORD USD0.005	1,050	8,873	0.48%
WANT WANT CHINA HOLDINGS LTD ORD USD0.02	2,176	9,692	0.52%
		<u>1,109,894</u>	<u>59.51%</u>
Total investments		2,455,404	131.65%
Other net liabilities		(590,237)	(31.65%)
Net assets attributable to unitholders at 31st December 2016		<u>1,865,167</u>	<u>100.00%</u>
Total investments, at cost		<u>2,254,647</u>	

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****INVESTMENT PORTFOLIO (Unaudited) (continued)***As at 31st December 2016***E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	<b>Holdings</b>	<b>Fair value RMB</b>	<b>% of net assets</b>
<b>Listed bonds</b>			
<b>CHINA (99.8672%)</b>			
CHINA (GOVT OF) BOND (SER 2502) (REG) 3.36% 22/01/2022 SHANGHAI	40,000	40,933	0.09%
CHINA (GOVT OF) SER 2507 (REG) 3.54% 16/04/2022	2,000	2,063	0.01%
CHINA DEVELOPMENT BANK (REG) 5.84% 03/01/2019 SHANGHAI	1,000	1,047	0.00%
CHINA DEVELOPMENT BANK SER 1610 3.18% 05/04/2026	10,000,000	9,620,010	21.38%
CHINA GOVERNMENT BOND (REG) (SER 1523) 2.99% 15/10/2025	10,000,000	9,983,650	22.19%
CHINA GOVERNMENT BOND (REG) 2.85% 28/01/2026	189,000	186,632	0.41%
CHINA GOVERNMENT BOND (SER 1614) 2.95% 16/06/2023 (CHINA INTERBANK)	10,000,000	10,068,824	22.38%
CHINA GOVERNMENT BOND SER 1610 2.9% 05/05/2026 (CHINA INTERBANK)	10,000,000	10,024,193	22.28%
CHINA GOVERNMENT BOND SER 2514 (REG) 3.3% 09/07/2022	2,000,000	2,040,400	4.54%
CHINA GOVERNMENT BOND SER 2519 (REG) 3.14% 08/09/2020	1,000	1,011	0.00%
CHINA GOVERNMENT BOND SER 2606 2.75% 17/03/2023	3,000,000	2,956,131	6.58%
		<hr/> 44,924,894	<hr/> 99.86%
<b>Money market funds</b>			
<b>CHINA (0.06%)</b>			
E FUND MONEY MARKET FUND E SHS	162	16,208	0.04%
FORTUNE SGAM XIANJIN TIANYI MONEY MARKET	94	9,403	0.02%
		<hr/> 25,611	<hr/> 0.06%
<b>Total investments</b>		44,950,505	99.92%
<b>Other net assets</b>		<hr/> 37,352	<hr/> 0.08%
<b>Net assets attributable to unitholders at 31st December 2016</b>		<hr/> 44,987,857	<hr/> 100.00%
<b>Total investments, at cost</b>		45,812,014,406	88

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)***For the year ended 31st December 2016***E Fund CSI 100 A-Share Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments</b>					
<b>Listed equities</b>					
<b>CHINA</b>					
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	812,100	14,100	-	(174,300)	651,900
AIR CHINA LTD A SHR ORD CNY1	54,149	-	-	(8,400)	45,749
ALUMINUM CORPORATION OF CHINA LTD A SHS ORD NPV	116,402	14,100	-	(18,100)	112,402
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	42,318	-	-	(8,300)	34,018
AVIC AVIATION ENGINE CORPORATION A ORD CNY1	16,490	-	-	(3,400)	13,090
AVIC INVESTMENT HOLDINGS CO LTD A SHRS ORD CNY1	45,665	2,900	45,665	(14,800)	79,430
BANK OF BEIJING CO LTD ORD CNY1 CL A	214,718	5,400	41,944	(54,730)	207,332
BANK OF CHINA LTD A SHS ORD CNY1	447,700	-	-	(80,400)	367,300
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	500,288	91,800	-	(123,900)	468,188
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	104,571	-	-	(17,100)	87,471
BEIJING XINWEI TECHNOLOGY GROUP CO LTD A SHS ORD CNY1 (FORMERLY KNOWN AS BEIJING XINWEI TELECOM TECHNOLOGY GROUP CO LTD A SHS ORD CNY1)	24,800	3,600	-	(3,700)	24,700
BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1	504,863	-	-	(92,300)	412,563
BYD CO LTD A SHRS ORD CNY1	13,193	-	-	(3,600)	9,593

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CSI 100 A-Share Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>CHINA (continued)</b>					
CHINA AVIONICS SYSTEMS					
CO LTD A SHR ORD CNY1					
(FORMERLY KNOWN AS					
CHINA AVIC					
ELECTRONICS CO LTD A					
SHR ORD CNY1)					
11,177	-	-	(11,177)	-	
CHINA CITIC BANK CORP A					
SHRS ORD CNY1					
67,539	-	-	(13,500)	54,039	
CHINA COAL ENERGY CO					
ORD SHS A ORD CNY1					
38,755	-	-	(38,755)	-	
CHINA COMMUNICATIONS					
CONSTRUCTION CO LTD					
A SHS ORD NPV					
32,286	-	-	(4,900)	27,386	
CHINA CONSTRUCTION					
BANK A SHS ORD CNY1					
142,581	-	-	(142,581)	-	
CHINA CSSC HOLDINGS					
LTD A SHS ORD CNY1					
14,575	-	-	(14,575)	-	
CHINA EASTERN AIRLINES					
CORP A SHS ORD CNY1					
71,800	10,600	-	(33,400)	49,000	
CHINA EVERBRIGHT BANK					
CO LTD A ORD CNY1					
338,300	8,400	-	(76,600)	270,100	
CHINA FORTUNE LAND					
DEVELOPMENT CO LTD					
ORD CNY1					
22,333	-	-	(6,400)	15,933	
CHINA LIFE INSURANCE					
CO A SHS ORD NPV					
35,195	-	-	(5,400)	29,795	
CHINA MERCHANTS BANK					
CO LTD A SHRS ORD					
CNY1					
219,031	4,100	-	(47,900)	175,231	
CHINA MERCHANTS					
SECURITIES CO LTD A					
SHR ORD CNY1					
61,676	-	-	(23,100)	38,576	
CHINA MERCHANTS					
SHEKOU INDUSTRIAL					
ZONE CO LTD ORD CNY1					
-	49,200	-	(7,800)	41,400	
CHINA MINSHENG					
BANKING CO LTD A SHR					
ORD CNY1					
627,800	8,400	-	(231,900)	404,300	
CHINA NATIONAL					
NUCLEAR POWER CO					
LTD A SHS ORD CNY1					
98,900	-	-	(18,200)	80,700	

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CSI 100 A-Share Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>CHINA (continued)</b>					
CHINA NORTHERN RARE EARTH (GROUP) HIGH- TECH CO LTD A SHR ORD CNY1	46,151	-	-	(7,200)	38,951
CHINA OILFIELD SERVICES LTD A SHS ORD CNY1	12,453	-	-	(12,453)	-
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	66,543	-	-	(12,700)	53,843
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	222,671	-	-	(38,900)	183,771
CHINA RAILWAY GROUP LTD A ORD CNY1	118,408	31,800	-	(21,400)	128,808
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	73,046	18,800	-	(11,400)	80,446
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	41,840	-	-	(6,400)	35,440
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	194,463	-	-	(42,600)	151,863
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	317,759	12,000	-	(71,600)	258,159
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	179,552	-	-	(32,600)	146,952
CHINA VANKE CO LTD A SHR ORD CNY1	164,794	-	-	(49,700)	115,094
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	104,800	34,800	-	(27,100)	112,500
CHONGQING CHANGAN AUTOMOBILE CO LTD A SHR ORD CNY1	47,744	-	-	(15,000)	32,744
CITIC SECURITIES CO LTD A SHR ORD CNY1	166,671	2,800	-	(35,700)	133,771



**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CSI 100 A-Share Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>CHINA (continued)</b>					
CRRC CORP LTD A SHR ORD CNY1	194,168	3,900	-	(40,600)	157,468
DAQIN RAILWAY CO LTD A SHS ORD CNY1	125,907	-	-	(23,900)	102,007
DONGXING SECURITIES CO LTD A SHRS ORD CNY1	-	18,700	-	-	18,700
EAST MONEY INFORMATION CO LTD A SHR ORD CNY1	25,100	2,000	18,800	(8,600)	37,300
EVERBRIGHT SECURITIES CO LTD A SHRS ORD CNY1	24,800	12,400	-	(3,700)	33,500
FIRST CAPITAL SECURITIES COMPANY LTD A SHS ORD CNY1	-	4,100	-	-	4,100
FOSHAN HAITIAN FLAVOURING & FOOD COMPANY LTD A SHS ORD CNY1	5,700	-	-	(5,700)	-
FOUNDER SECURITIES COMPANY LIMITED A SHR ORD CNY1	87,105	-	-	(13,600)	73,505
GD POWER DEVELOPMENT CO LTD A SHS ORD CNY1	208,113	34,700	-	(39,000)	203,813
GF SECURITIES CO LTD A SHR ORD CNY1	62,618	-	-	(11,300)	51,318
GREAT WALL MOTOR CO LTD A SHRS ORD NPV	25,500	-	-	(3,900)	21,600
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	101,921	-	-	(20,100)	81,821
GREENLAND HOLDINGS CORPORATION LIMITED A SHRS ORD1 CNY1	-	42,100	-	(1,200)	40,900
GUOSEN SECURITIES CO LTD A SHRS	25,999	25,000	-	(8,100)	42,899

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CSI 100 A-Share Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>CHINA (continued)</b>					
GUOTAI JUNAN					
SECURITIES CO LTD A SHRS ORD NPV	32,300	50,700	-	(4,900)	78,100
HAITONG SECURITIES CO LTD CL A ORD CNY1	171,408	3,300	-	(38,100)	136,608
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	25,846	-	12,923	(7,000)	31,769
HEDY HOLDING CO LTD A SHS ORD CNY1	-	6,300	6,300	(1,900)	10,700
HEILAN HOME CO LTD A SHRS ORD CNY1	28,544	-	-	(28,544)	-
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	20,943	-	-	(3,100)	17,843
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1	88,877	-	-	(88,877)	-
HUATAI SECURITIES CO LTD A SHS ORD CNY1	69,339	-	-	(12,300)	57,039
HUAXIA BANK CO LTD A SHR ORD CNY1	113,091	-	-	(20,100)	92,991
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	458,200	53,800	-	(142,300)	369,700
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	283,286	4,600	-	(61,200)	226,686
INDUSTRIAL SECURITIES CO LTD A SHR ORD CNY1	114,530	-	-	(32,900)	81,630
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1	128,800	2,000	-	(28,100)	102,700
INNER MONGOLIAN BAOTOU STEEL UNION CO LTD A SHR ORD CNY1	206,900	-	-	(32,400)	174,500
JIANGSU BROADCASTING CABLE INFORMATION A SHS ORD CNY1	12,600	12,900	3,780	(2,500)	26,780

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CSI 100 A-Share Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>CHINA (continued)</b>					
JIANGSU HENGRUI					
MEDICINE CO LTD A SHR ORD CNY1	24,832	-	4,886	(6,100)	23,618
JIANGSU YANGHE					
BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	12,763	-	-	(2,200)	10,563
KANGMEI					
PHARMACEUTICAL CO LTD A SHR ORD CNY1	65,200	-	-	(15,700)	49,500
KWEICHOW MOUTAI CO					
LTD A SHR ORD CNY1	10,635	200	-	(2,400)	8,435
LESHI INTERNET					
INFORMATION & TECHNOLOGY (BEIJING) CO LTD A SHR ORD CNY1	-	20,800	-	(3,100)	17,700
METALLURGICAL					
CORPORATION OF CHINA LTD A SHRS ORD CNY1	103,153	-	-	(16,000)	87,153
MIDEA GROUP CO LTD A					
SHRS ORD CNY1	45,312	22,300	22,656	(13,800)	76,468
NEW CHINA LIFE					
INSURANCE CO LTD A SHRS ORD NPV	13,192	4,200	-	(2,662)	14,730
NINGBO ZHOUSHAN PORT					
CO LTD A SHS ORD CNY1 (FORMERLY KNOWN AS NINGBO PORT CO LTD A SHS ORD CNY1)	136,675	-	-	(67,875)	68,800
ORIENT SECURITIES					
COMPANY LTD A SHRS ORD CNY1	22,300	39,500	-	(8,700)	53,100
PETROCHINA CO LTD A					
SHRS CNY1	102,900	-	-	(20,600)	82,300
PING AN BANK CO LTD A					
SHR ORD CNY1	121,169	26,600	23,814	(24,800)	146,783

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CSI 100 A-Share Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>CHINA (continued)</b>					
PING AN INSURANCE					
(GROUP) CO OF CHINA					
LTD A SHR ORD CNY1	230,045	3,900	-	(49,600)	184,345
POLY REAL ESTATE					
GROUP CO LTD A SHR					
ORD CNY1	136,409	14,850	-	(30,600)	120,659
POWER CONSTRUCTION					
CORPORATION OF CHINA					
A SHRS ORD CNY1	87,329	-	-	(13,600)	73,729
QINGDAO HAIER CO LTD A					
SHR ORD CNY1	290,538	-	-	(235,600)	54,938
SAIC MOTOR CORP LTD A					
SHR ORD CNY1	70,061	1,600	-	(15,600)	56,061
SANY HEAVY INDUSTRY					
CO LTD A ORD CNY1					
	80,600	-	-	(80,600)	-
SDIC ESSENCE HOLDINGS					
CO LTD ORD CNY1					
	-	23,000	-	(3,600)	19,400
SDIC POWER HOLDINGS					
CO LTD A SHS ORD CNY1					
	71,826	9,400	-	(11,200)	70,026
SHAANXI COAL INDUSTRY					
CO L - A SHRS ORD CNY1					
	42,283	-	-	(6,600)	35,683
SHANGHAI ELECTRIC GRP					
CO LTD-A ORD NPV					
	62,585	-	-	(6,500)	56,085
SHANGHAI					
INTERNATIONAL PORT					
GR LTD A SHR ORD CNY1					
	68,854	-	-	(10,600)	58,254
SHANGHAI LUJIAZUI					
FINANCE & TRADE ZONE					
DEVELOPMENT CO LTD					
A SHRS ORD CNY1	-	12,500	-	-	12,500
SHANGHAI ORIENTAL					
PEARL MEDIA CO LTD A					
SHS ORD CNY1	39,028	-	-	(16,000)	23,028
SHANGHAI PUDONG					
DEVELOPMENT BANK CO					
LTD A SHR ORD CNY1	198,055	12,300	16,316	(78,300)	148,371
SHANGHAI RAAS BLOOD					
PRODUCTS CO LTD A					
SHR ORD CNY1	11,657	-	7,886	(1,800)	17,743

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CSI 100 A-Share Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>CHINA (continued)</b>					
SHENWAN HONGYUAN					
GROUP CO LTD A SHRS ORD CNY1	94,372	-	33,030	(25,100)	102,302
SHENZHEN OVERSEAS					
CHINESE TOWN CO LTD A SHR ORD CNY1	77,000	-	-	(18,500)	58,500
SINOPEC OILFIELD					
SERVICE C-A SHRS ORD CNY1	-	37,500	-	(5,900)	31,600
SUNING COMMERCE					
GROUP CO LTD A SHR ORD CNY1	93,800	-	-	(28,900)	64,900
WANDA CINEMA LINE CO					
LTD ORD CNY1	2,600	7,101	-	(1,500)	8,201
WESTERN SECURITIES CO					
LTD A SHS ORD ORD NPV	-	29,000	-	(4,500)	24,500
WULIANGYE YIBIN CO LTD					
A SHS ORD CNY1	40,126	-	-	(8,073)	32,053
YUNNAN BAIYAO GROUP					
CO LTD A SHR ORD CNY1	10,951	-	-	-	10,951
ZHEJIANG ZHENENG					
ELECTRIC - A SHRS ORD CNY1	57,607	27,800	-	(13,500)	71,907
ZIJIN MINING GROUP CO					
LTD A SHR ORD CNY0.1	200,793	16,100	-	(31,300)	185,593
ZTE CORPORATION A SHR					
ORD CNY1	49,900	-	-	(7,800)	42,100

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CES China 120 Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments</b>					
<b>Listed equities</b>					
<b>CHINA</b>					
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	93,282	-	-	(83,400)	9,882
ALUMINUM CORPORATION OF CHINA LTD A SHS ORD NPV	13,412	-	-	(13,412)	-
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	4,866	-	-	(4,400)	466
AVIC AVIATION ENGINE CORPORATION A ORD CNY1	1,900	-	-	(1,700)	200
BANK OF BEIJING CO LTD ORD CNY1 CL A	24,762	-	526	(22,132)	3,156
BANK OF CHINA LTD A SHS ORD CNY1	51,426	-	-	(46,000)	5,426
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	57,469	1,500	-	(51,400)	7,569
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	12,035	-	-	(10,772)	1,263
BEIJING XINWEI TECHNOLOGY GROUP CO LTD A SHS ORD CNY1 (FORMERLY KNOWN AS BEIJING XINWEI TELECOM TECHNOLOGY GROUP CO LTD A SHS ORD CNY1)	2,900	300	-	(2,700)	500
BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1	58,000	-	-	(51,900)	6,100
BYD CO LTD A SHRS ORD CNY1	1,522	-	-	(1,400)	122
CHINA CITIC BANK CORP A SHRS ORD CNY1	7,772	-	-	(6,800)	972
CHINA COAL ENERGY CO ORD SHS A ORD CNY1	4,466	-	-	(4,466)	-
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	3,012	-	-	(2,600)	412

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CES China 120 Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>CHINA (continued)</b>					
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	38,816	-	-	(34,700)	4,116
CHINA LIFE INSURANCE CO A SHS ORD NPV	4,034	-	-	(3,700)	334
CHINA MERCHANTS BANK CO LTD A SHRS ORD CNY1	24,855	500	-	(23,000)	2,355
CHINA MERCHANTS SECURITIES CO LTD A SHR ORD CNY1	7,058	-	-	(6,400)	658
CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD ORD CNY1	-	600	-	-	600
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	72,073	-	-	(66,300)	5,773
CHINA NATIONAL NUCLEAR POWER CO LTD A SHS ORD CNY1	11,400	-	-	(10,200)	1,200
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	7,677	-	-	(6,900)	777
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	25,608	-	-	(22,900)	2,708
CHINA RAILWAY GROUP LTD A ORD CNY1	13,303	1,300	-	(12,200)	2,403
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	8,406	-	-	(7,500)	906
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	4,811	-	-	(4,400)	411
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	22,439	-	-	(20,000)	2,439
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	36,579	-	-	(32,700)	3,879

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CES China 120 Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>CHINA (continued)</b>					
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1					
20,725	-	-	(18,600)	2,125	
CHINA VANKE CO LTD A SHR ORD CNY1					
18,977	-	-	(17,200)	1,777	
CHINA YANGTZE POWER CO LTD CL A ORD CNY1					
12,034	2,200	-	(12,400)	1,834	
CHONGQING CHANGAN AUTOMOBILE CO LTD A SHR ORD CNY1					
5,500	-	-	(5,000)	500	
CITIC SECURITIES CO LTD A SHR ORD CNY1					
19,225	-	-	(17,200)	2,025	
CRRC CORP LTD A SHR ORD CNY1					
22,321	-	-	(20,000)	2,321	
DAQIN RAILWAY CO LTD A SHS ORD CNY1					
14,558	-	-	(13,000)	1,558	
EAST MONEY INFORMATION CO LTD A SHR ORD CNY1					
-	500	-	-	500	
EVERBRIGHT SECURITIES CO LTD A SHRS ORD CNY1					
2,900	-	-	(2,600)	300	
FOSHAN HAITIAN FLAVOURING & FOOD COMPANY LTD A SHS ORD CNY1					
620	-	-	(620)	-	
FOUNDER SECURITIES COMPANY LIMITED A SHR ORD CNY1					
10,000	-	-	(9,000)	1,000	
GD POWER DEVELOPMENT CO LTD A SHS ORD CNY1					
23,949	-	-	(21,400)	2,549	
GF SECURITIES CO LTD A SHR ORD CNY1					
7,193	-	-	(6,500)	693	
GREAT WALL MOTOR CO LTD A SHRS ORD NPV					
2,574	-	-	(2,300)	274	
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1					
11,784	1,200	-	(11,784)	1,200	



**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CES China 120 Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>CHINA (continued)</b>					
GUOSEN SECURITIES CO LTD A SHRS	3,000	400	-	(2,700)	700
GUOTAI JUNAN SECURITIES CO LTD A SHRS ORD NPV	3,700	1,000	-	(3,400)	1,300
HAITONG SECURITIES CO LTD CL A ORD CNY1	19,707	-	-	(17,700)	2,007
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	2,973	-	736	(3,300)	409
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	2,446	-	-	(2,200)	246
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1	10,234	-	-	(10,234)	-
HUATAI SECURITIES CO LTD A SHS ORD CNY1	7,973	-	-	(7,100)	873
HUAXIA BANK CO LTD A SHR ORD CNY1	12,388	600	-	(11,600)	1,388
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	52,634	-	-	(47,100)	5,534
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	32,549	600	-	(29,800)	3,349
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1	14,838	-	-	(13,200)	1,638
INNER MONGOLIAN BAOTOU STEEL UNION CO LTD A SHR ORD CNY1	-	2,800	-	-	2,800
JIANGSU HENGRUI MEDICINE CO LTD A SHR ORD CNY1	2,900	-	60	(2,600)	360

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CES China 120 Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>CHINA (continued)</b>					
JIANGSU YANGHE					
BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	1,469	100	-	(1,400)	169
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	1,198	100	-	(1,200)	98
LESHI INTERNET INFORMATION & TECHNOLOGY (BEIJING) CO LTD A SHR ORD CNY1					
	-	300	-	-	300
MIDEA GROUP CO LTD A SHRS ORD CNY1	5,160	300	1,280	(5,700)	1,040
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV					
	1,496	200	-	(1,400)	296
ORIENT SECURITIES COMPANY LTD A SHRS ORD CNY1					
	2,600	400	-	(2,300)	700
PETROCHINA CO LTD A SHRS CNY1					
	11,889	-	-	(10,700)	1,189
PING AN BANK CO LTD A SHR ORD CNY1					
	13,939	-	288	(12,500)	1,727
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1					
	26,434	300	-	(24,000)	2,734
POLY REAL ESTATE GROUP CO LTD A SHR ORD CNY1					
	14,834	1,400	-	(13,900)	2,334
POWER CONSTRUCTION CORPORATION OF CHINA A SHRS ORD CNY1					
	10,100	-	-	(9,100)	1,000
QINGDAO HAIER CO LTD A SHR ORD CNY1					
	7,200	-	-	(6,700)	500
SAIC MOTOR CORP LTD A SHR ORD CNY1					
	8,026	200	-	(7,300)	926
SANY HEAVY INDUSTRY CO LTD A ORD CNY1					
	9,300	-	-	(9,300)	-
SHAANXI COAL INDUSTRY CO L - A SHRS ORD CNY1					
	4,884	-	-	(4,884)	-

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CES China 120 Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>CHINA (continued)</b>					
SHANGHAI ELECTRIC GRP CO LTD-A ORD NPV	7,200	-	-	(6,400)	800
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	7,891	-	-	(7,100)	791
SHANGHAI ORIENTAL PEARL MEDIA CO LTD A SHS ORD CNY1	4,500	-	-	(4,100)	400
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	22,803	-	210	(20,700)	2,313
SHANGHAI RAAS BLOOD PRODUCTS CO LTD A SHR ORD CNY1	1,300	-	80	(1,200)	180
SHENWAN HONGYUAN GROUP CO LTD A SHRS ORD CNY1	11,100	-	455	(9,800)	1,755
SHENZHEN OVERSEAS CHINESE TOWN CO LTD A SHR ORD CNY1	8,962	-	-	(7,400)	1,562
SUNING COMMERCE GROUP CO LTD A SHR ORD CNY1	10,764	-	-	(9,700)	1,064
WANDA CINEMA LINE CO LTD ORD CNY1	300	-	-	(200)	100
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	4,598	200	-	(4,200)	598
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	1,270	-	-	(1,200)	70
ZHEJIANG ZHENENG ELECTRIC - A SHRS ORD CNY1	6,640	-	-	(6,000)	640

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CES China 120 Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>HONG KONG</b>					
AAC TECHNOLOGIES					
HOLDINGS INC ORD					
USD0.01	-	300	-	-	300
AGRICULTURAL BANK OF					
CHINA H SHS ORD CNY1					
	60,717	-	-	(53,094)	7,623
BANK OF CHINA LTD SHS					
H ORD CNY1					
	205,474	2,000	-	(186,551)	20,923
BANK OF					
COMMUNICATIONS LTD					
H SHRS ORD CNY1					
	26,205	-	-	(23,678)	2,527
BEIJING ENTERPRISES					
HLDGS LTD ORD HKD0.1					
	1,340	-	-	(1,108)	232
BELLE INTERNATIONAL					
HOLDINGS LTD ORD					
HKD0.01					
	12,325	-	-	(12,325)	-
BRILLIANCE CHINA					
AUTOMOTIVE ORD					
USD0.01					
	7,940	-	-	(7,940)	-
CHINA CITIC BANK CORP					
LTD H SHRS ORD CNY1					
	21,675	-	-	(19,279)	2,396
CHINA CONSTRUCTION					
BANK H SHR ORD CNY1					
	236,549	2,000	-	(213,635)	24,914
CHINA EVERGRANDE					
GROUP ORD USD0.01					
	-	1,000	-	-	1,000
CHINA GAS HLDGS LTD					
ORD HKD0.01					
	4,591	-	-	(4,287)	304
CHINA LIFE INSURANCE					
CO H ORD CNY1					
	18,399	-	-	(16,666)	1,733
CHINA MENGNIU DAIRY					
CO LTD ORD HKD0.1					
	6,216	-	-	(5,930)	286
CHINA MERCHANTS BANK					
CO LTD H SHR ORD CNY1					
	11,202	-	-	(9,913)	1,289
CHINA MERCHANTS PORT					
HOLDING CO LTD ORD					
NPV (FORMERLY KNOWN					
AS CHINA MERCHANTS					
HLDGS INTERNATIONAL					
CO LTD ORD NPV)					
	3,457	18	-	(3,305)	170

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CES China 120 Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>HONG KONG (continued)</b>					
CHINA MOBILE LTD ORD HKD0.1	15,146	200	-	(13,763)	1,583
CHINA OVERSEAS LAND & INVESTMENT LTD ORD HKD0.1	10,178	-	-	(9,316)	862
CHINA PACIFIC INSURANCE (GR) CO LTD H SHS ORD CNY1	5,585	-	-	(4,794)	791
CHINA PETROLEUM & CHEMICAL CORP H SHR ORD CNY1	63,369	-	-	(57,087)	6,282
CHINA RESOURCES LAND LTD ORD HKD0.1	7,501	-	-	(6,986)	515
CHINA RESOURCES POWER HOLDINGS CO LTD ORD HKD1	5,038	-	-	(4,152)	886
CHINA SHENHUA ENERGY CO LTD H SHR ORD CNY1	7,449	-	-	(7,449)	-
CHINA TAIPING INSURANCE HOLDINGS CO LTD ORD NPV	4,400	-	-	(3,881)	519
CHINA TELECOM CORP LTD H SHRS ORD CNY1 (HKSE)	34,541	-	-	(29,962)	4,579
CHINA UNICOM (HONG KONG) ORD HKD0.1	18,647	-	-	(17,502)	1,145
CITIC LTD ORD NPV	14,323	-	-	(14,323)	-
CNOOC LTD ORD HKD0.02	44,357	2,000	-	(41,560)	4,797
COUNTRY GARDEN HOLDINGS COMPANY LTD ORD HKD0.1	22,535	-	-	(19,507)	3,028
FOSUN INTERNATIONAL ORD HKD0.10	6,659	-	-	(6,077)	582
GUANGDONG INVESTMENTS LTD ORD NPV	-	800	-	-	800
HENGAN INTERNATIONAL GROUP CO LTD ORD HKD0.1	2,270	209	-	(2,270)	209

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund CES China 120 Index ETF**

	<b>Holdings</b>				<b>31st December 2016</b>
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments (continued)</b>					
<b>Listed equities (continued)</b>					
<b>HONG KONG (continued)</b>					
<b>INDUSTRIAL AND</b>					
COMMERCIAL BANK OF CHINA H SHS ORD CNY1	213,676	3,000	-	(195,399)	21,277
KUNLUN ENERGY CO LTD ORD HKD0.01	8,502	-	-	(6,972)	1,530
LENOVO GROUP LTD ORD NPV	19,550	-	-	(16,789)	2,761
LONGFOR PROPERTIES ORD HKD0.1	4,589	-	-	(3,763)	826
PETROCHINA CO LTD H SHRS CNY1	52,674	-	-	(47,555)	5,119
PICC PROPERTY AND CASUALTY CO LTD H SHRS ORD CNY1	8,478	600	-	(7,944)	1,134
PING AN INSURANCE (GROUP) CO OF CHINA LTD H SHR COM CNY1	12,992	-	-	(11,756)	1,236
QINQIN FOODSTUFFS GROUP CAYMAN CO LTD ORD NPV	-	42	-	(42)	-
SHENZHOU INTERNATIONAL GROUP ORD HKD0.1	-	200	-	-	200
SUN ART RETAIL GROUP LTD ORD HKD0.3	7,230	-	-	(6,179)	1,051
TENCENT HOLDINGS LTD ORD HKD0.00002	13,855	200	-	(12,678)	1,377
TINGYI (CAYMAN ISLANDS) HOLDINGS CORP ORD USD0.005	5,890	-	-	(4,840)	1,050
WANT WANT CHINA HOLDINGS LTD ORD USD0.02	18,891	-	-	(16,715)	2,176
WH GROUP LTD ORD USD0.0001	10,537	-	-	(10,537)	-

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)***For the year ended 31st December 2016***E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	<b>Holdings</b>				
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	<b>31st December 2016</b>
<b>Investments</b>					
<b>Listed bonds</b>					
<b>CHINA</b>					
AGRICUL DEV BANK CHINA (REG) 4.02% 12/03/2020 (CHINA INTERBANK)	10,000,000	-	-	(10,000,000)	-
CHINA (GOVT OF) BOND (SER 2502) (REG) 3.36% 22/01/2022 SHANGHAI	-	40,000	-	-	40,000
CHINA (GOVT OF) SER 2507 (REG) 3.54% 16/04/2022	-	2,000	-	-	2,000
CHINA DEVELOPMENT BANK (REG) 5.84% 03/01/2019 SHANGHAI	-	1,000	-	-	1,000
CHINA DEVELOPMENT BANK SER 1508 (REG) 4.13% 13/04/2020	20,000,000	-	-	(20,000,000)	-
CHINA DEVELOPMENT BANK SER 1510 (REG) 4.21% 13/04/2025 (INTERBANK)	10,000,000	-	-	(10,000,000)	-
CHINA DEVELOPMENT BANK SER 1610 3.18% 05/04/2026	-	10,000,000	-	-	10,000,000
CHINA GOVERNMENT BOND (REG) (SER 1523) 2.99% 15/10/2025	30,000,000	10,000,000	-	(30,000,000)	10,000,000
CHINA GOVERNMENT BOND (REG) 2.85% 28/01/2026	-	189,000	-	-	189,000
CHINA GOVERNMENT BOND (SER 1614) 2.95% 16/06/2023 (CHINA INTERBANK)	-	10,000,000	-	-	10,000,000
CHINA GOVERNMENT BOND SER 1514 (REG) 3.3% 09/07/2022	30,000,000	10,000,000	-	(40,000,000)	-
CHINA GOVERNMENT BOND SER 1526 (REG) 3.05% 22/10/2022	42,000,000	13,000,000	-	(55,000,000)	-
CHINA GOVERNMENT BOND SER 1606 2.75% 17/03/2023	-	13,000,000	-	(13,000,000)	-

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	<b>Holdings</b>				
	<b>1st January 2016</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	<b>31st December 2016</b>
<b>Investments (continued)</b>					
<b>Listed bonds (continued)</b>					
<b>CHINA (continued)</b>					
CHINA GOVERNMENT BOND SER 1610 2.9% 05/05/2026 (CHINA INTERBANK)	-	10,000,000	-	-	10,000,000
CHINA GOVERNMENT BOND SER 2514 (REG) 3.3% 09/07/2022	-	5,968,000	-	(3,968,000)	2,000,000
CHINA GOVERNMENT BOND SER 2519 (REG) 3.14% 08/09/2020	-	1,000	-	-	1,000
CHINA GOVERNMENT BOND SER 2523 (REG) 2.99% 15/10/2025	1,490,000	-	-	(1,490,000)	-
CHINA GOVERNMENT BOND SER 2606 2.75% 17/03/2023	-	3,000,000	-	-	3,000,000
<b>Money market funds</b>					
<b>CHINA</b>					
E FUND MONEY MARKET FUND E SHS	-	23,301	161	(23,300)	162
FORTUNE SGAM XIANJIN TIANYI MONEY MARKET	-	10,000	94	(10,000)	94
YINHUA TRADED MONEY MARKET FUND	-	20,000	-	(20,000)	-



**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****PERFORMANCE RECORD (Unaudited)****Net Asset Value****E Fund CSI 100 A-Share Index ETF**

	Net asset value of the Sub-Fund <i>RMB</i>	Net asset value per unit <i>RMB</i>
At the end of financial year/period dated		
31st December 2016 (Dealing NAV)	100,472,455	31.40
31st December 2015 (Dealing NAV)	129,516,909	34.08
31st December 2014 (Dealing NAV)	1,337,569,599	33.27
31st December 2013 (Dealing NAV)	1,494,552,622	21.60
31st December 2012 (Dealing NAV)	10,551,117,576	24.39

**E Fund CES China 120 Index ETF**

	Net asset value of the Sub-Fund <i>RMB</i>	Net asset value per unit <i>RMB</i>
At the end of financial year/period dated		
31st December 2016 (Dealing NAV)	2,603,350	11.83
31st December 2015 (Dealing NAV)	23,042,541	11.52
31st December 2014 (Dealing NAV)	24,567,383	12.28
31st December 2013 (Dealing NAV)	349,480,519	9.71

**E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

	Net asset value of the Sub-Fund <i>RMB</i>	Net asset value per unit <i>RMB</i>
At the end of financial year/period dated		
31st December 2016 (Dealing NAV)	45,867,459	114.67
31st December 2015 (Dealing NAV)	148,355,757	114.12
31st December 2014 (Dealing NAV)	300,902,423	107.47

**E Fund ETFs Trust****- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund Citi Chinese Government Bond 5-10 Years Index ETF****PERFORMANCE RECORD (Unaudited) (continued)****Highest and Lowest Net Asset Value Per Unit****E Fund CSI 100 A-Share Index ETF**

Financial year/period ended	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
31st December 2016	33.90	26.98
31st December 2015	46.46	26.74
31st December 2014	33.28	19.54
31st December 2013	26.66	20.34
31st December 2012 (Since inception)	24.39	20.62

**E Fund CES China 120 Index ETF**

Financial year/period ended	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
31st December 2016	11.90	9.42
31st December 2015	15.59	10.16
31st December 2014	12.28	8.71
31st December 2013 (Since inception)	10.28	9.53

**E Fund Citi Chinese Government Bond 5-10 Years Index ETF**

Financial year/period ended	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
31st December 2016	117.26	111.78
31st December 2015	114.22	106.78
31st December 2014 (Since inception)	108.79	99.77

**E Fund ETFs Trust**

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund Citi Chinese Government Bond 5-10 Years Index ETF

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