



CSOP ETF SERIES
(An umbrella unit trust established in Hong Kong)

CSOP MSCI T50 ETF
(Stock Code: 3021)
(A sub-fund of CSOP ETF Series)

Unaudited Semi-Annual Report
FOR THE PERIOD ENDED 30 JUNE 2017



**CSOP MSCI T50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

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**CSOP MSCI T50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The CSOP MSCI T50 ETF (the “CSOP T50 ETF”), a sub-fund of the CSOP ETF Series, is a unit trust authorised under the Securities and Futures Ordinance (Cap. 571) of Hong Kong. It was launched on 26 January 2015 and commenced trading in HKD under the stock code 3021 on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 28 January 2015. The CSOP T50 ETF is benchmarked against the MSCI China and USA Internet Top 50 Equal Weighted Index (the “MSCI T50 Index”) and adopts the full-replication strategy. The Manager of the CSOP MSCI T50 ETF is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The CSOP T50 ETF is a physical ETF which invests directly in the MSCI T50 Index securities. The MSCI T50 Index (the “Index”) is compiled and published by MSCI Inc. It is an equal weighted index compiled and published by MSCI, which is designed to reflect the performance of the 50 largest USA and China internet software and services and internet retail entities selected by full market capitalization. The Index operates under clearly defined rules published by the index provider and is a tradable index.

Sub-Fund Performance

The CSOP T50 ETF seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As of 30 June 2017, the dealing Net Asset Value (“NAV”) per unit of the CSOP T50 ETF was USD 0.5986 and there were 1,500,000 units outstanding. The total asset under management was approximately USD 0.9 million.

For the period ended 30 June 2017, the dealing NAV of CSOP T50 ETF (stock code 3021) performed 19.24% while the index performed 22.14%. The difference in performance between the NAV of the CSOP T50 ETF and the Index is mainly attributed to fees, expenses and market change during launch period.

Exchange Liquidity

Since inception, the CSOP T50 ETF has attracted great investor attention from investors across the globe. The trading value of the HKD counter (stock code: 3021) remained steadily at an average daily turnover of HKD 40 thousands in June 2017.

Portfolio Rebalance

The CSOP T50 ETF adopts full-replication strategy to track the Index. Since inception, the Sub-Fund has experienced ten quarterly index rebalances

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CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

		30 June 2017 (Unaudited) <i>USD</i>	31 December 2016 (Audited) <i>USD</i>
	<i>Notes</i>		
ASSETS			
CURRENT ASSETS			
Investments	<i>6(c), 7(a)</i>	780,373	4,327,487
Dividend receivable		6	61
Prepayment		6	12,248
Bank balances	<i>6(c)</i>	74,648	133,925
		-----	-----
Total assets		855,033	4,473,721
		-----	-----
LIABILITIES			
CURRENT LIABILITIES			
Management fee payable	<i>6(a)</i>	1,748	3,766
Other accounts payable		3,911	16,602
		-----	-----
Total liabilities		5,659	20,368
		-----	-----
EQUITY			
Net assets attributable to unitholders	<i>3</i>	849,374	4,453,353
		=====	=====

The notes on pages 6 to 17 form part of these unaudited condensed financial statements.

CSOP MSCI T50 ETF
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CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2017

		Period from 1 January 2017 to 30 June 2017 (Unaudited) USD	Period from 1 January 2016 to 30 June 2016 (Unaudited) USD
	<i>Notes</i>		
INCOME			
Dividend income		4,347	2,887
Interest income		38	-
Net gain/(loss) on investments	4	831,135	(327,219)
Other income		1,753	183
Net foreign currency loss		(31)	-
Total net income/(loss)		<u>837,242</u>	<u>(324,149)</u>
EXPENSES			
Management fee	6(a), (b)	(19,557)	(26,238)
Transaction costs on investments		(2,028)	(896)
Audit fee		(6,968)	(25)
Safe custody and bank charges		(2,253)	(2,144)
Other operating expenses		(17,147)	(29,412)
Total operating expenses		<u>(47,953)</u>	<u>(58,715)</u>
Operating profit/(loss)		<u>789,289</u>	<u>(382,864)</u>
Taxation	5	(668)	(499)
Total comprehensive income		<u><u>788,621</u></u>	<u><u>(383,363)</u></u>

The notes on pages 6 to 17 form part of these unaudited condensed financial statements.

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CSOP MSCI T50 ETF
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CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2017

	Period from 1 January 2017 to 30 June 2017 (Unaudited) <i>USD</i>	Period from 1 January 2016 to 30 June 2016 (Unaudited) <i>USD</i>
Net assets attributable to unitholders at the beginning of the period	4,453,353 -----	5,898,908 -----
Payments on redemption of units	(4,392,600) -----	(482,950) -----
Net decrease from unit transactions	(4,392,600) -----	(482,950) -----
Total comprehensive income for the period	788,621 ----- -----	(383,363) ----- -----
Net assets attributable to unitholders at the end of the period	849,374 =====	5,032,595 =====

The notes on pages 6 to 17 form part of these unaudited condensed financial statements

CSOP MSCI T50 ETF
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CONDENSED STATEMENT OF CASH FLOWS
For the period ended 30 June 2017

	Period from 1 January 2017 to 30 June 2017 (Unaudited) USD	Period from 1 January 2016 to 30 June 2016 (Unaudited) USD
OPERATING ACTIVITIES		
Payments for purchase of investments	(666,800)	(793,400)
Proceeds from sale of investments	5,045,018	1,458,599
Dividend received	4,402	2,879
Interest received	38	-
Other income received	1,753	183
Management fee paid	(21,660)	(28,958)
Transaction costs paid	(2,028)	(896)
Taxation paid	(668)	(499)
Prepayment received	12,242	-
Other operating expenses paid	(38,974)	(31,567)
	<hr/>	<hr/>
Net cash generated from operating activities	4,333,323	606,341
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FINANCING ACTIVITIES		
Payments on redemption of units	(4,392,600)	(554,364)
	<hr/>	<hr/>
Net cash used in financing activities	(4,392,600)	(554,364)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net (decrease)/increase in cash and cash equivalents	(59,277)	51,977
Cash and cash equivalents at the beginning of the period	133,925	49,932
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	74,648	101,909
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Analysis of balances of cash and cash equivalents		
Bank balances	74,648	101,909
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The notes on pages 6 to 17 form part of these unaudited condensed financial statements

**CSOP MSCI T50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP ETF Series (the “Trust”) is an umbrella unit trust governed by its trust deed dated 25 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 30 June 2017, the Trust has seven sub-funds which are CSOP MSCI T50 ETF (“the Sub-Fund), CSOP FTSE China A50 ETF, CSOP CES China A80 ETF, CSOP SZSE ChiNext ETF, CSOP China CSI 300 Smart ETF, CSOP MSCI China A International ETF and CSOP S&P New China Sectors ETF. The date of inception of the Sub-Fund was 26 January 2015. The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited.

The manager and the trustee of the Sub-Fund are CSOP Asset Management Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”) respectively.

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the underlying index, namely, the MSCI China and USA Internet Top 50 Equal Weighted Index. In order to achieve the investment objective of the Sub-Fund, the Manager will primarily use a full replication strategy by directly investing all, or substantially all, of the assets of the Sub-Fund in index securities constituting the underlying index in substantially the same weightings (i.e. proportions) as these index securities have in the underlying index. The Sub-Fund may also invest not more than 5% of its Net Asset Value in Non-Index Securities which have investment profile that aims to reflect the profile of the underlying index.

These condensed financial statements are prepared for the Sub-Fund only. The condensed financial statements for CSOP FTSE China A50 ETF, CSOP CES China A80 ETF, CSOP SZSE ChiNext ETF, CSOP China CSI 300 Smart ETF, CSOP MSCI China A International ETF and CSOP S&P New China Sectors ETF have been prepared separately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

These condensed semi-annual financial statements for the six months ended 30 June 2017 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in the annual financial statements.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standard and amendments to existing standards effective 1 January 2017

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial period beginning 1 January 2017 that would be expected to have a significant impact on the Sub-Fund except for the following:

The HKICPA has issued an amendment to HKAS 7, “Statement of cash flows” introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the HKICPA’s disclosure initiative, which continues to explore how financial statement disclosures can be improved. An entity shall apply those amendments to HKAS 7 for annual periods beginning on or after 1 January 2017. The Manager of the Sub-Fund is assessing the impact of HKAS 7.

New standards and amendments to standards effective after 1 January 2017 that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these condensed financial statements. None of these are expected to have a significant effect on the condensed financial statements of the Sub-Fund except the following set out below:

HKFRS 9, ‘Financial instruments’, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 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 (“OCI”) 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 OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 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. HKFRS 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 HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Sub-Fund is yet to assess HKFRS 9’s full impact.

HKFRS 15, ‘Revenue from contracts with customers’ deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 ‘Revenue’ and HKAS 11 ‘Construction contracts’ and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Manager of the Sub-Fund is assessing the impact of HKFRS 15.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Sub-Fund.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

3. NUMBER OF UNITS IN ISSUE AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT

The Sub-Fund's capital is represented by the units in the Sub-Fund, and shown as "net assets attributable to unitholders" in the condensed statement of financial position. Subscriptions and redemptions of units during the period are shown in the condensed statement of changes in net assets attributable to unitholders. In order to achieve the investment objectives, the Sub-Fund endeavors to invest its capital in accordance with the investment policies, whilst maintaining sufficient liquidity to meet redemption requests.

In accordance with the provisions of the Trust's Trust Deed dated 25 July 2012, as amended, and the Prospectus of the Sub-Fund, investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations.

Redeemable units of the Sub-Fund 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-Fund.

The movements of the redeemable units are as follows:

	Period from 1 January 2017 to 30 June 2017 (Unaudited) Units	Period from 1 January 2016 to 30 June 2016 (Unaudited) Units
Number of units in issue at the beginning of the period	9,000,000	11,500,000
Units redeemed	(7,500,000)	(1,000,000)
Number of units in issue at the end of the period	<u>1,500,000</u>	<u>10,500,000</u>

Establishment costs are expensed as incurred. However, in accordance with the provisions of the Trust's Prospectus, establishment costs are recognised using the amortisation method. As at 30 June 2017 and 31 December 2016, the expensing of establishment costs as stated in the financial statements resulted in a decrease of net assets attributable to unitholders of USD48,556 (31 December 2016: USD64,283) when compared with the methodology indicated in the Trust's Prospectus.

	30 June 2017 (Unaudited) USD	31 December 2016 (Audited) USD
Net assets attributable to unitholders as reported in the statement of financial position	849,374	4,453,353
Adjustments for unamortised establishment costs	48,556	64,283
Net asset value in accordance with the Trust's Prospectus	<u>897,930</u>	<u>4,517,636</u>
Net assets attributable to unitholders per unit (per condensed statement of financial position)	<u>0.5662</u>	<u>0.4948</u>
Net assets attributable to unitholders per unit (at dealing net asset value)	<u>0.5986</u>	<u>0.5020</u>

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

4. NET GAIN/(LOSS) ON INVESTMENTS

	Period from 1 January 2017 to 30 June 2017 (Unaudited) <i>USD</i>	Period from 1 January 2016 to 30 June 2016 (Unaudited) <i>USD</i>
Net fair value change in unrealised gain/loss in value of investments	103,489	(362,384)
Net realised gain on sale of investments	727,646	35,165
	<u>831,135</u>	<u>(327,219)</u>

5. TAXATION

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

The taxation of the Sub-Fund represents:

	Period from 1 January 2017 to 30 June 2017 (Unaudited) <i>USD</i>	Period from 1 January 2016 to 30 June 2016 (Unaudited) <i>USD</i>
Withholding tax on dividend income	668	499
Taxation	<u>668</u>	<u>499</u>

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

6. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

The following is a summary of significant related party transactions entered into during the period between the Sub-Fund and the Trustee, the Manager and the Connected Persons of the Manager. 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 period from 1 January 2017 to 30 June 2017, between the Sub-Fund 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-Fund does not have any other transactions with the Connected Persons except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee, currently at the rate of 0.99% per annum of the net asset value of the Sub-Fund, inclusive of Trustee fee and Registrar’s fee, accrued daily and calculated as at each dealing day and payable monthly in arrears.

(b) Trustee fee and Registrar’s fee

The Trustee fee and Registrar’s fee are included in the Management fee and the Manager will pay the fees of the Trustee and the Registrar out of the management fee. Refer to Note 6(a).

The Trustee shall also be entitled to be reimbursed from the Sub-Fund for all out-of-pocket expenses incurred.

(c) Financial assets

The investments and bank balances of the Sub-Fund held with related parties of the Trustee are:

	As at 30 June 2017 (Unaudited) <i>USD</i>	As at 31 December 2016 (Audited) <i>USD</i>
Investments		
The Hongkong and Shanghai Banking Corporation Limited	780,373	4,327,487
Bank balances		
The Hongkong and Shanghai Banking Corporation Limited	74,648	133,925

Interest income amounting to USD38 (2016: USDnil) was earned on these bank balances for the period ended 30 June 2017.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT

The objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI China and USA Internet Top 50 Equal Weighted Index. The Sub-Fund's activities may expose it to a variety of risks including but not limited to: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

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

(a) Market risk

(i) 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 (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Fund is designated to track the performance of the MSCI China and USA Internet Top 50 Equal Weighted Index, therefore the exposures to market risk in the Sub-Fund will be substantially the same as the tracked index. The Manager manages the Sub-Fund's exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned with the characteristics of the tracked index.

As at 30 June 2017 and 31 December 2016, the Sub-Fund's investments were concentrated in the following locations and industries:

	30 June 2017 (Unaudited)		31 December 2016 (Audited)	
	Fair value <i>USD</i>	% of net asset value	Fair value <i>USD</i>	% of net asset value
Listed equities - by geographical region				
Hong Kong	17,660	2.08	177,069	3.97
United States	762,713	89.80	4,150,418	93.20
	<u>780,373</u>	<u>91.88</u>	<u>4,327,487</u>	<u>97.17</u>
Listed equities - by industry				
Consumer Discretionary	251,668	29.63	1,464,824	32.89
Information Technology	528,705	62.25	2,862,663	64.28
	<u>780,373</u>	<u>91.88</u>	<u>4,327,487</u>	<u>97.17</u>

The Sub-Fund held 50 out of 50 (31 December 2016: 50 out of 50) constituent securities comprising the MSCI China and USA Internet Top 50 Equal Weighted Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the MSCI China and USA Internet Top 50 Equal Weighted Index.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) 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 30 June 2017, if the MSCI China and USA Internet Top 50 Equal Weighted Index were to increase by 10% (31 December 2016: 10%) with all other variables held constant, this would increase the operating profit for the period/year by approximately USD78,037 (31 December 2016: USD419,442) Conversely, if the MSCI China and USA Internet Top 50 Equal Weighted Index were to decrease by 10% (31 December 2016: 10%), this would decrease the operating profit for the period/year by an equal amount.

(ii) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow.

As at 30 June 2017 and 31 December 2016, interest rate risk arises only from bank balances. As the bank balances held by the Sub-Fund is short term in nature and interest arising from these interest bearing assets are immaterial, the Manager considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. As a result, the Manager considers sensitivity analysis of interest rate risk is not necessary to be presented.

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Sub-Fund has assets and liabilities denominated in currencies other than United States Dollar, the Sub-Fund's functional and presentation currency. The Sub-Fund is therefore exposed to currency risk, as the value of the monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The table below summarises the Sub-Fund's net exposure to different major currencies:

	30 June 2017 (Unaudited)		31 December 2016 (Audited)	
	Monetary USD	Non-monetary USD	Monetary USD	Non-monetary USD
Hong Kong Dollar	226	17,660	-	177,069

Assets and liabilities denominated in Hong Kong Dollars are not considered as subject to currency risk as it is currently pegged to the USD within a narrow range. As a result, the Manager considers sensitivity analysis of currency risk is not necessary to be presented.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund.

The Sub-Fund limits its exposure to credit and counterparty risk by carrying out the majority of its investment transactions and contractual commitment activities with well-established broker-dealers, banks and regulated exchanges with high credit ratings.

All transactions in listed securities are settled or paid for upon delivery using approved and reputable brokers. In addition, the Sub-Fund places bank balances with reputable financial institutions. As such, the Manager does not consider the Sub-Fund to be exposed to significant credit and counterparty risk.

As at 30 June 2017 and 31 December 2016, the Sub-Fund placed bank balances of USD74,648 (31 December 2016: USD133,925) and investment balances of USD780,373 (31 December 2016: USD4,327,487) with The Hong Kong and Shanghai Banking Corporation Limited (“HSBC”). The S&P credit rating of HSBC is A (31 December 2016: A).

The maximum exposure to credit risk as at 30 June 2017 and 31 December 2016 is the carrying amount of the financial assets as shown on the condensed statement of financial position.

The Manager considers that none of assets are impaired nor past due as at 30 June 2017 and 31 December 2016.

(c) Liquidity risk

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Fund is exposed to daily redemptions of units in the Sub-Fund. The Sub-Fund invests the majority of its assets in securities that are traded in an active market which can be readily disposed of.

The table below analyses the Sub-Fund’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting 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.

	Less than 1 month <i>USD</i>	1 month to less than 3 months <i>USD</i>	Over 3 months <i>USD</i>	Total <i>USD</i>
As at 30 June 2017				
Management fee payable	1,748	-	-	1,748
Other accounts payable	-	144	3,767	3,911
Contractual cash outflow	<u>1,748</u>	<u>144</u>	<u>3,767</u>	<u>5,659</u>

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

	Less than 1 month <i>USD</i>	1 month to less than 3 months <i>USD</i>	Over 3 months <i>USD</i>	Total <i>USD</i>
As at 31 December 2016				
Management fee payable	3,766	-	-	3,766
Other accounts payable	-	178	16,424	16,602
Contractual cash outflow	<u>3,766</u>	<u>178</u>	<u>16,424</u>	<u>20,368</u>

Units are redeemed on demand at the unitholder's option. As at 30 June 2017, there were 3 (31 December 2016: 2) unitholders holding more than 10% of the Sub-Fund's units.

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

	Less than 1 month <i>USD</i>	1 to 12 months <i>USD</i>	No stated maturity <i>USD</i>	Total <i>USD</i>
As at 30 June 2017				
Total assets	<u>855,027</u>	<u>6</u>	<u>-</u>	<u>855,033</u>
As at 31 December 2016				
Total assets	<u>4,461,473</u>	<u>12,248</u>	<u>-</u>	<u>4,473,721</u>

(d) Fair value estimation

The Sub-Fund classifies 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).

**CSOP MSCI T50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

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.

The determination of what constitutes “observable” requires significant judgment by the Sub-Fund. The Sub-Fund considers 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-Fund’s financial assets (by class) measured at fair value at 30 June 2017 and 31 December 2016:

	Level 1 <i>USD</i>	Level 2 <i>USD</i>	Level 3 <i>USD</i>	Total <i>USD</i>
As at 30 June 2017				
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	780,373	-	-	780,373
	<u>780,373</u>	<u>-</u>	<u>-</u>	<u>780,373</u>
Total assets	<u><u>780,373</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>780,373</u></u>
As at 31 December 2016				
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	4,327,487	-	-	4,327,487
	<u>4,327,487</u>	<u>-</u>	<u>-</u>	<u>4,327,487</u>
Total assets	<u><u>4,327,487</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>4,327,487</u></u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Sub-Fund does not adjust the quoted price for these instruments.

**CSOP MSCI T50 ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

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. As at 30 June 2017 and 31 December 2016, the Sub-Fund did not hold any investments classified in level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 30 June 2017 and 31 December 2016, the Sub-Fund did not hold any investments classified in level 3.

For the period from 1 January 2017 to 30 June 2017, there were no transfers between levels.

The assets and liabilities included in the condensed statement of financial position, other than financial assets and liabilities at fair value through profit or loss, are carried at amortised cost; their carrying value are approximation of fair value. There are no other assets and liabilities not carried at fair value but for which fair value is disclosed.

(e) Capital risk management

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

- Redeem and issue new units on a daily basis in accordance with the constitutive documents of the Sub-Fund;
- Exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders; and
- Suspend the creation and redemption of units under certain circumstance as currently disclosed in the Prospectus of the Sub-Fund.

8. DISTRIBUTION

There is no distribution during the period ended 30 June 2017 and 30 June 2016.

9. FINANCIAL INSTRUMENTS BY CATEGORY

As of 30 June 2017 and 31 December 2016, other than investments as disclosed in the condensed financial statements which are classified as the financial assets at fair value through profit or loss, all financial assets including dividend receivable and bank balances are categorised as loans and receivables and carried at amortised costs. All the financial liabilities of the Sub-Fund are carried at amortised cost.

The carrying value of the financial assets and liabilities are considered by the Manager to approximate their fair value as they are short term in nature and the effect of discounting is immaterial.

**CSOP MSCI T50 ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

10. 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-Fund has complied with this limit during the period/year ended 30 June 2017 and 31 December 2016.

There were no constituent securities that individually accounted for more than 10% of the net asset value of the Sub-Fund and their respective weightings of the MSCI China and USA Internet Top 50 Equal Weighted Index as at 30 June 2017 and 31 December 2016.

During the period from 1 January 2017 to 30 June 2017, the MSCI China and USA Internet Top 50 Equal Weighted Index increased by 22.14% (31 December 2016: decreased by 0.39%) while the net asset value per unit of the Sub-Fund increased by 14.43% (31 December 2016 : decreased by 3.53%).

11. SOFT COMMISSION ARRANGEMENT

The Manager confirms that there has been no soft commission arrangements existing during the period ended 30 June 2017 and 2016 in relation to directing transactions of the Sub-Fund through a broker or dealer.

12. SEGMENT INFORMATION

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

The Manager considers that the Sub-Fund has a single operating segment which is investing in securities. The objectives of the Sub-Fund are to track the performance of the MSCI China and USA Internet Top 50 Equal Weighted Index 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.

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

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund's income is derived from investments in securities which constitute MSCI China and USA Internet Top 50 Equal Weighted Index, the tracked index.

The Sub-Fund has no assets classified as non-current assets. As at 30 June 2017 and 31 December 2016, the Sub-Fund has a diversified portfolio of investments and no single investment accounts for more than 10% of the Sub-Fund's net asset value.

CSOP MSCI T50 ETF
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INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2017

	Holdings	Fair value USD	% of net Assets
Investments (91.88%)			
Listed Equities (91.88%)			
Hong Kong (2.08%)			
COGOBUY GROUP ORD USD0.0000001	20,000	10,506	1.24
TENCENT HOLDINGS LTD ORD HKD0.00002	200	7,154	0.84
		<u>17,660</u>	<u>2.08</u>
USA (89.80%)			
58.COM INC ADR	360	15,880	1.87
AKAMAI TECHNOLOGIES INC COM USD0.01	322	16,039	1.89
ALIBABA GROUP HOLDING LTD ORD	122	17,190	2.02
ALPHABET INC CL A USD0.001	11	10,227	1.20
ALPHABET INC-CL C COM USD0.001	9	8,179	0.96
ALTABA INC COM USD0.001 (FORMERLY KNOWN AS YAHOO INC COM USD0.001)	303	16,507	1.94
AMAZON.COM INC COM USD0.01	19	18,392	2.17
AUTOHOME INC-A COM USD0.01	359	16,284	1.92
BAIDU INC ADR USD0.00005	79	14,130	1.66
BITAUTO HOLDINGS LTD ADR	470	13,513	1.59
CIMPRESS ORD USD0.001	179	16,921	1.99
CORNERSTONE ONDEMAND INC COM USD0.0001	420	15,015	1.77
COSTAR GROUP INC COM USD0.01	57	15,025	1.77
CTRIP.COM INTL LTD ADR	274	14,758	1.74
EBAY INC COM USD0.001	449	15,679	1.85
EXPEDIA INC COM USD 0.001	114	16,980	2.00
FACEBOOK INC CL A COM USD0.000006	99	14,947	1.76
GODADDY INC - CLASS A COM USD0.001	377	15,992	1.88
GROUPON INC COM USD0.0001	4,611	17,706	2.08
GRUBHUB INC COM USD0.0001	349	15,216	1.79
HSN INC COM USD0.01	447	14,259	1.68
IAC/INTERACTIVECORP COM USD0.01	152	15,692	1.85
J2 GLOBAL INC COM USD0.01	185	15,742	1.85
JD.COM INC ADR	378	14,825	1.75
LIBERTY EXPEDIA HOLDINGS INC SER A COM USD0.01	297	16,044	1.89
LIBERTY INTERACTIVE CORPORATIN QVC GROUP COM SHRS A COM USD0.01	648	15,902	1.87
LIBERTY VENTURES SER A COM USD0.01	302	15,792	1.86
LOGMEIN INC COM USD0.01	138	14,421	1.70
MERCADOLIBRE INC COM USD0.001	57	14,300	1.68
MOMO INC	351	12,973	1.53

**CSOP MSCI T50 ETF
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INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 30 June 2017

	Holdings	Fair value USD	% of net Assets
Investments (91.88%) (Continued)			
Listed Equities (91.88%) (Continued)			
USA (89.80%) (Continued)			
NETEASE INC ADR USD0.0001	53	15,933	1.88
NETFLIX INC COM USD0.001	101	15,090	1.78
NEW RELIC INC COM USD0.001	353	15,183	1.79
PANDORA MEDIA INC COM USD0.0001	1,653	14,745	1.74
PRICELINE GROUP INC USD0.008	12	22,446	2.64
SHUTTERFLY INC COM USD0.0001	302	14,345	1.69
SHUTTERSTOCK INC COM USD0.01	345	15,208	1.79
SINA CORP COM USD0.133	149	12,661	1.49
SOHU.COM INC COM USD0.001	336	15,140	1.78
STAMPS.COM INC COM USD0.001	124	19,205	2.26
TRIPADVISOR INC COM USD0.001	352	13,446	1.58
TWITTER INC COM USD0.000005	830	14,832	1.75
VERISIGN INC COM USD0.001	177	16,454	1.94
VIPSHOP HOLDINGS LTD-ADR COM USD0.0001	1,148	12,111	1.43
WAYFAIR INC CLASS A COM USD0.001	248	19,066	2.24
WEBMD HEALTH CORP COM USD0.01	271	15,894	1.87
WEIBO CORP SPON ORD USD0.00025	85	5,650	0.66
YELP INC COM USD0.000001	549	16,481	1.94
YY INC ADR USD0.00001	281	16,306	1.92
ZILLOW GROUP INC CLASS C COM NPV	367	17,987	2.12
		<hr/> 762,713	<hr/> 89.80
Total investments		780,373	91.88
Other net assets		69,001	8.12
		<hr/> 849,374	<hr/> 100.00
Net assets attributable to unitholders at 30 June 2017			
		<hr/> 653,147	

CSOP MSCI T50 ETF
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)
For the period ended 30 June 2017

	Holdings				30 June 2017
	1 January 2017	Additions	Corporate actions	Disposals	
Investments					
Listed Equities					
Hong Kong					
COGOBUY GROUP ORD					
USD0.000001	59,000	18,000	-	57,000	20,000
TENCENT HOLDINGS LTD					
ORD HKD0.00002	3,600	-	-	3,400	200
USA					
58.COM INC ADR	2,910	-	-	2,550	360
AKAMAI TECHNOLOGIES					
INC COM USD0.01	1,372	711	-	1,761	322
ALIBABA GROUP HOLDING					
LTD ORD	975	-	-	853	122
ALPHABET INC CL A					
USD0.001	58	-	-	47	11
ALPHABET INC-CL C COM					
USD0.001	60	-	-	51	9
AL TABA INC COM USD0.001					
(FORMERLY KNOWN AS					
YAHOO INC COM					
USD0.001)	2,212	-	-	1,909	303
AMAZON.COM INC COM					
USD0.01	120	-	-	101	19
AUTOHOME INC-A COM					
USD0.01	-	2,450	-	2,091	359
BAIDU INC ADR USD0.00005	554	29	-	504	79
BITAUTO HOLDINGS LTD					
ADR	-	2,714	-	2,244	470
CIMPRESS ORD USD0.001	1,070	120	-	1,011	179
COMSCORE INC COM					
USD0.001	3,055	-	-	3,055	-
CORNERSTONE					
ONDEMAND INC COM					
USD0.0001	2,407	490	-	2,477	420
COSTAR GROUP INC COM					
USD0.01	468	-	-	411	57
CTRIIP.COM INTL LTD ADR	2,168	-	-	1,894	274
EBAY INC COM USD0.001	3,175	195	-	2,921	449
EXPEDIA INC COM USD					
0.001	725	70	-	681	114
FACEBOOK INC CL A COM					
USD0.000006	779	-	-	680	99
GODADDY INC - CLASS A					
COM USD0.001	2,649	43	-	2,315	377

**CSOP MSCI T50 ETF
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the period ended 30 June 2017

	Holdings				30 June 2017
	1 January 2017	Additions	Corporate actions	Disposals	
Investments (Continued)					
Listed Equities (Continued)					
USA (Continued)					
GROUPON INC COM					
USD0.0001	23,121	9,027	-	27,537	4,611
GRUBHUB INC COM					
USD0.0001	2,486	107	-	2,244	349
HSN INC COM USD0.01	2,327	607	-	2,487	447
IAC/INTERACTIVECORP COM USD0.01	1,358	-	-	1,206	152
J2 GLOBAL INC COM					
USD0.01	1,223	122	-	1,160	185
JD.COM INC ADR	3,444	-	-	3,066	378
LIBERTY EXPEDIA HOLDINGS INC SER A COM USD0.01	2,044	138	-	1,885	297
LIBERTY INTERACTIVE CORPORATIN QVC GROUP COM SHRS A COM USD0.01	4,324	587	-	4,263	648
LIBERTY VENTURES SER A COM USD0.01	2,291	-	-	1,989	302
LOGMEIN INC COM USD0.01	866	284	-	1,012	138
MERCADOLIBRE INC COM					
USD0.001	578	-	-	521	57
MOMO INC	4,277	-	-	3,926	351
NETEASE INC ADR					
USD0.0001	395	37	-	379	53
NETFLIX INC COM USD0.001	791	-	-	690	101
NEW RELIC INC COM					
USD0.001	-	2,344	-	1,991	353
PANDORA MEDIA INC COM					
USD0.0001	8,034	3,262	-	9,643	1,653
PRICELINE GROUP INC					
USD0.008	60	-	-	48	12
QUNAR CAYMAN ISLANDS LIMITED-ADR	3,039	-	-	3,039	-
SHUTTERFLY INC COM					
USD0.0001	1,813	253	-	1,764	302
SHUTTERSTOCK INC COM					
USD0.01	1,837	488	-	1,980	345

**CSOP MSCI T50 ETF
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the period ended 30 June 2017

	Holdings				30 June 2017
	1 January 2017	Additions	Corporate actions	Disposals	
Investments (Continued)					
Listed Equities (Continued)					
USA (Continued)					
SINA CORP COM USD0.133	1,336	857	-	2,044	149
SOHU.COM INC COM USD0.001	2,615	-	-	2,279	336
STAMPS.COM INC COM USD0.001	813	99	-	788	124
TRIPADVISOR INC COM USD0.001	1,793	500	-	1,941	352
TWITTER INC COM USD0.000005	4,863	884	-	4,917	830
VERISIGN INC COM USD0.001	1,138	38	-	999	177
VIPSHOP HOLDINGS LTD- ADR COM USD0.0001	6,664	1,018	-	6,534	1,148
WAYFAIR INC CLASS A COM USD0.001	2,736	-	-	2,488	248
WEBMD HEALTH CORP COM USD0.01	1,698	148	-	1,575	271
WEIBO CORP SPON ORD USD0.00025	-	85	-	-	85
YELP INC COM USD0.000001	2,379	1,170	-	3,000	549
YY INC ADR USD0.00001	2,020	-	-	1,739	281
ZILLOW GROUP INC CLASS C COM NPV	2,511	199	-	2,343	367

**CSOP MSCI T50 ETF
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PERFORMANCE RECORD (Unaudited)

Net asset value

	Net asset value of the Sub-Fund <i>USD</i>	Net asset value per unit <i>USD</i>
At the end of financial year/period dated		
30 June 2017	897,930	0.5986
31 December 2016	4,517,636	0.5020
31 December 2015	5,994,993	0.5213

Highest and lowest net asset value per unit

	Highest net asset value per unit <i>USD</i>	Lowest net asset value per unit <i>USD</i>
Financial year/period ended		
30 June 2017	0.6127	0.5063
31 December 2016	0.5585	0.3998
31 December 2015 (Since 26 January 2015 (date of inception))	0.5643	0.4460

**CSOP MSCI T50 ETF
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MANAGEMENT AND ADMINISTRATION

Manager

CSOP Asset Management Limited
Suite 2801 - 2803, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Trustee and Registrar

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

Service Agent

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

Listing Agent

Oriental Patron Asia Limited
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Directors of the Manager

Benoit Descourtieux
Chen Ding
Gaobo Zhang
Haipeng Li
Liangyu Gao
Zengtao Wu
Zhongping Cai

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