



嘉實國際資產管理
Harvest Global Investments

HARVEST FUNDS (HONG KONG) ETF
(AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG KONG)

HARVEST CSI SMALLCAP 500 INDEX ETF
(A SUB-FUND OF THE HARVEST FUNDS (HONG KONG) ETF)

SEMI-ANNUAL REPORT

1ST JANUARY 2018 TO 30TH JUNE 2018

www.harvestglobal.com.hk



**HARVEST CSI SMALLCAP 500 INDEX ETF
(A SUB-FUND OF THE HARVEST FUNDS (HONG KONG) ETF)**

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HARVEST CSI SMALLCAP 500 INDEX ETF
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REPORT OF THE MANAGER TO THE UNITHOLDERS

Fund Performance

A summary of the performance of the Sub-Fund¹ is given below (as at 30 June 2018):

Harvest CSI Smallcap 500 Index ETF

	1H-2018 (without dividend reinvested)
CSI 500 Index ²	-16.53%
Harvest CSI 500 Index ETF NAV-to-NAV ³ (RMB Counter)	N.A.
Harvest CSI 500 Index ETF Market-to-Market ⁴ (RMB Counter)	N.A.
Harvest CSI 500 Index ETF NAV-to-NAV ³ (HKD Counter)	N.A.
Harvest CSI 500 Index ETF Market-to-Market ⁴ (HKD Counter)	N.A.

Source: Harvest Global Investments Limited, Bloomberg.

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

² Price Index in RMB. An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.

³ Unit's NAV in RMB or HKD. Units in the Sub-Fund are issued and redeemed at NAV and the Sub-Fund's returns have been calculated from NAV.

⁴ Market closing price in RMB or HKD. Market returns are calculated using historical market closing prices of the Sub-Fund, and do not represent the returns you would receive if you trade units at other times.

Harvest CSI Smallcap 500 Index ETF has ceased trading since 21 November 2017. NAV calculation is currently suspended and will be updated as soon as practicable should there be any other change to the Net Asset Value including but not limited to changes arising from (i) the first distribution; (ii) further distributions; (iii) announcement of dividend of the suspended stocks (if any); and (iv) any deduction of transaction costs or taxes relating to the realisation of assets of the Sub-Fund.

Harvest Global Investments Limited

31 August 2018

HARVEST CSI SMALLCAP 500 INDEX ETF
(A SUB-FUND OF THE HARVEST FUNDS (HONG KONG) ETF)

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2018

	30 June 2018	31 December 2017 (Audited)
	<i>RMB</i>	<i>RMB</i>
ASSETS		
CURRENT ASSETS		
Deposit reserve	56,000	56,000
Investments	7,638	108,362
Interest receivable	27	37
Management fee rebate receivable	-	230,648
Cash and cash equivalents	961,230	152,494
	<hr/>	<hr/>
Total assets	1,024,895	547,541
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LIABILITIES		
CURRENT LIABILITIES		
Amounts due to participating dealers	2,500	2,500
Management fee payable	14,220	-
Legal Expenses payable	918,295	6,408
Other accounts payable	158	411,000
	<hr/>	<hr/>
Total liabilities	935,173	419,908
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EQUITY		
Net assets attributable to unitholders	89,722	127,633
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Number of units in issue	500,000	500,000
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Net assets attributable to unitholders per unit	0.18	0.26
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HARVEST CSI SMALLCAP 500 INDEX ETF
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STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period from 1 January 2018 to 30 June 2018

	30 June 2018	30 June 2017
	<i>RMB</i>	<i>RMB</i>
INCOME		
Dividend income	-	14,230
Interest income	1,753	498
Management fee rebate	90,740	474,295
Net loss on investments	(15,825)	(48,693)
Net foreign exchange gain	1,368	4
	<hr/>	<hr/>
Total net income	78,036	440,334
	-----	-----
EXPENSES		
Trustee and registrar fees	(4,481)	(1,268)
Transaction costs on investments	(92)	(507)
Broker commission	(67)	(805)
Audit fee	-	(162,939)
Safe custody and bank charges	(156)	(157)
Legal and professional fees	-	(29,422)
Other operating expenses	(86,103)	(171,677)
	<hr/>	<hr/>
Total operating expenses	(90,899)	(366,775)
	-----	-----
Operating (loss)/income	(12,863)	73,559
TAXATION		
- Taxation	(48)	(1,507)
	<hr/>	<hr/>
Total comprehensive (loss)/income for the period	(12,911)	72,052
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HARVEST CSI SMALLCAP 500 INDEX ETF
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

For the period from 1 January 2018 to 30 June 2018

	30 June 2018 <i>RMB</i>	30 June 2017 <i>RMB</i>
Net assets attributable to unitholders at the beginning of the period	127,633	2,159,517
Distribution to unitholders	(25,000)	-
Total comprehensive (loss)/income for the period	(12,911)	72,052
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Net assets attributable to unitholders at the end of the period	89,722	2,231,569
	<hr/> <hr/>	<hr/> <hr/>
Number of units in issue at the beginning of the period	500,000	500,000
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Number of units in issue at the end of the period	500,000	500,000
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HARVEST CSI SMALLCAP 500 INDEX ETF
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STATEMENT OF CASH FLOWS (UNAUDITED)

For the period from 1 January 2018 to 30 June 2018

	30 June 2018	30 June 2017
	<i>RMB</i>	<i>RMB</i>
OPERATING ACTIVITIES		
Payment for purchase of investments	-	(657,480)
Proceeds from sale of investments	84,899	425,217
Dividend received	-	14,230
Interest received	1,763	500
Management fee refund	335,608	549,078
Trustee and registrar fees paid	(4,481)	(1,287)
Transaction costs paid	(92)	(507)
Broker commission paid	(67)	(805)
Taxation paid	(48)	(1,507)
Other expenses paid	-	(53,118)
Other operating expenses refund/(paid)	416,154	(221,485)
	<hr/>	<hr/>
Net cash generated from operating activities	833,736	52,386
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FINANCING ACTIVITIES		
Distribution paid	(25,000)	-
	<hr/>	<hr/>
Net cash used in financing activities	(25,000)	-
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Increase in cash and cash equivalents	808,736	52,836
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the period	152,494	73,785
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Cash and cash equivalents at the end of the period	961,230	126,621
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Analysis of balances of cash and cash equivalents		
Bank balances	961,230	126,621
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HARVEST CSI SMALLCAP 500 INDEX ETF
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INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2018

	Holdings	Fair value RMB	% of net assets
Listed equities			
CHINA (100%)			
CHENGDU HUAZE COBALT & NICKEL MATERIALS CO LTD A SHRS ORD CNY1	800	2,648	2.95%
KAIDI ECOLOGICAL AND ENVIRONMENTAL TECHNOLOGY CO LTD A SHS ORD CNY1	1,000	4,990	5.56%
Total investments		<u>7,638</u>	<u>8.51%</u>
Other net assets		82,084	91.49%
Net assets attributable to unitholders at 30 June 2018		<u>89,722</u>	<u>100.00%</u>
Total investments, at cost		<u>17,081</u>	

HARVEST CSI SMALLCAP 500 INDEX ETF
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2018

	Holdings				30 June 2018
	1 January 2018	Additions	Corporate action	Disposals	
Investments					
Listed equities					
ADDSINO CO LTD A SHRS ORD CNY1	600	-	-	(600)	-
BEIJANG LANXUM TECHNOLOGY A SHS A ORD CNY1	200	-	-	(200)	-
BEIJING SINNET TECHNOLOGY- A SHRS ORD RMB1	500	-	-	(500)	-
BRIGHT OCEANS INTER-TELECOM CORP A SHS ORD CNY1	300	-	-	(300)	-
CHENGDU HUAZE COBALT & NICKEL MATERIALS CO LTD A SHRS ORD CNY1	800	-	-	-	800
COFCO BIOCHEMICAL CO LTD A SHR ORD CNY1	600	-	-	(600)	-
COFCO PROPERTY (GROUP) CO LTD A SHR ORD CNY1	700	-	-	(700)	-
FUJIAN ZHONGFU INDUSTRIES COMPANY LIMITED A SHRS ORD CNY1	1,000	-	-	(1,000)	-
GALAXY BIOMEDICAL INVESTMENT CO LTD A SHS ORD CNY1	400	-	-	(400)	-
HAINING CHINA LEATHER MARKET CO LTD A SHRS ORD CNY1	300	-	-	(300)	-
HARBIN PHARMACEUTICAL GROUP CO LTD A SHS ORD CNY1	1,080	-	-	(1,080)	-
HEILONGJIANG INTERCHINA WATHER CO LTD A SHS ORD CNY1	900	-	-	(900)	-
KAIDI ECOLOGICAL AND ENVIRONMENTAL TECHNOLOGY CO LTD A SHS ORD CNY1	1,000	-	-	-	1,000
SHENWU ENVIRONMENTAL TECH A SHS ORD CNY1	400	-	-	(400)	-
SHENZHEN HIFUTURE ELECTRIC CO LTD A SHS ORD CNY1	500	-	-	(500)	-
SHENZHEN ZHENYE (GROUP) CO LTD A SHR ORD CNY1	600	-	-	(600)	-
TANGSHAN JIDONG CEMENT CO LTD A SHR ORD CNY1	400	-	-	(400)	-
ZHONGHONG HOLDING CO LTD A SHRS A ORD CNY1	2,520	-	-	(2,520)	-
ZHONGYUAN UNION CELL & GENE ENGINEERING CORP LTD A SHR ORD CNY1	200	-	-	(200)	-

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PERFORMANCE RECORD (Unaudited)

Net Asset Values

	Net asset value of the Sub-Fund <i>RMB</i>	Net asset value per unit <i>RMB</i>
At the end of financial period dated		
30 June 2018	89,722	0.18
31 December 2017	127,633	0.26
31 December 2016	2,159,517	4.32
31 December 2015 (Since inception)	5,825,697	5.83

Highest and Lowest Net Asset Value Per Unit

	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
Financial period ended		
30 June 2018	0.25	0.18
31 December 2017	5.49	4.71
31 December 2016	6.03	4.27
31 December 2015 (Since inception)	10.27	4.84

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UNDERLYING INDEX CONSTITUENT STOCKS DISCLOSURE (Unaudited)

As at 30 June 2018

Upon the approval of The Securities and Futures Commission, Harvest CSI Smallcap 500 Index ETF suspended trading on the Stock Exchange of Hong Kong since 21 November 2017 in contemplation of the proposed termination of the Sub-Fund. The Sub-Fund did not hold any constituent stock except individual stock(s) that was/were suspended from trading on the Shanghai Stock Exchange or the Shenzhen Stock Exchange as at 30 June 2018 and 31 December 2017.

HARVEST CSI SMALLCAP 500 INDEX ETF
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REPORT ON INVESTMENT OVERWEIGHT (Unaudited)

For the period from 1 January 2018 to 30 June 2018

Pursuant to the SFC's Guidelines for Regulating Index Tracking Exchange Trade Funds (the "ETF Guidelines"), the Sub-Funds' 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 their respective underlying index and the excess is only transitional and temporary in nature.

Upon the approval of The Securities and Futures Commission, Harvest CSI Smallcap 500 Index ETF suspended trading on the Stock Exchange of Hong Kong since 21 November 2017 in contemplation of the proposed termination of the Sub-Fund. For the period from 1 January 2018 to 30 June 2018, the Sub-Fund did not hold any constituent stock except individual stocks that were suspended from trading on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. The above mentioned requirement in the ETF Guidelines was not applicable to the Sub-Fund.

HARVEST CSI SMALLCAP 500 INDEX ETF
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MANAGEMENT AND ADMINISTRATION

Manager and RQFII Holder

Harvest Global Investments Limited
31/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

Trustee and Registrar

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

Investment Adviser

Harvest Fund Management Co., Ltd.
16/F, China Resources Building
No. 8, Jianguomen, Beidajie
Beijing 100005
China

Custodian

The Hongkong and Shanghai Banking Corporation
Limited
1 Queen's Road Central
Hong Kong

PRC Custodian

HSBC Bank (China) Company Limited
33/F, HSBC Building
Shanghai ifc, 8 Century Avenue,
Pudong, Shanghai 200120, China

Service Agent

HK Conversion Agency Services Limited
2/F, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

Listing Agent

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

Directors of the Manager

Zhao Xuejun
Wang Wei
Li Ming
Jing Lei (appointed on 16 April 2018)
Sun Chen
Kwan Chi Wang, Thomas

Legal Adviser to the Manager

Simmons & Simmons
13/F, One Pacific Place
88 Queensway
Hong Kong

Auditors

PricewaterhouseCoopers
21/F, Edinburgh Tower
15 Queen's Road Central
Hong Kong

Participating Dealers

China International Capital Corporation
Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Goldman Sachs (Asia) Securities Limited
68/F, Cheung Kong Center
2 Queen's Road Central
Hong Kong

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