

ChinaAMC Global ETF Series

**ChinaAMC Bloomberg Barclays China
Treasury + Policy Bank Bond Index
ETF**

Unaudited Semi-Annual Report

For the period from
1 January 2019 to 30 June 2019



华夏基金
ChinaAMC

UNAUDITED SEMI-ANNUAL REPORT

ChinaAMC Bloomberg Barclays China Treasury + Policy
Bank Bond Index ETF

Stock Code: 82813 (RMB counter) and 02813 (HKD counter)
(a sub-fund of ChinaAMC Global ETF Series)

For the period from 1 January 2019 to 30 June 2019

ChinaAMC Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

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IMPORTANT:

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about the Sub-Fund, please refer to the prospectus of the Sub-Fund which is available at our website: <http://www.chinaamc.com.hk/en/products/etf/bloomberg-barclays-china-treasury-policy-bank-bond-index/fund-details.html>

Investors should not rely on the information contained in this report for their investment decisions.

ChinaAMC Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF
(a sub-fund of ChinaAMC Global ETF Series)

MANAGEMENT AND ADMINISTRATION

MANAGER

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1 Garden Road
Central, Hong Kong

DIRECTORS OF THE MANAGER

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Mr. Gan Tian
Mr. Li Min

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Hong Kong

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MANAGEMENT AND ADMINISTRATION (continued)

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1 Queen's Road Central
Hong Kong

ChinaAMC Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF
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REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The ChinaAMC Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF (the “Sub-Fund”) is a sub-fund of ChinaAMC Global ETF Series, an umbrella unit trust established under Hong Kong law by a trust deed dated 17 September 2015 between China Asset Management (Hong Kong) Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”). The Sub Fund is a passively-managed ETF falling within Chapter 8.6 and Appendix I of the Code on Unit Trusts and Mutual Funds issued by the SFC. Units of the Sub-Fund (the “Units”) are traded on The Stock Exchange of Hong Kong Limited (the “SEHK”) like stocks. The Sub-Fund’s RMB counter (stock code: 82813) and HKD counter (stock code: 02813) commenced trading on the SEHK on 6 June 2018. The Sub-Fund is an index-tracking fund that seeks to track the performance of the Bloomberg Barclays China Treasury + Policy Bank Index (the “Index”).

The Manager uses a representative sampling strategy by investing in a representative sample of Treasury Bonds and Policy Bank Bonds in the Index that collectively reflects the investment characteristics of the Index. The Sub-Fund may or may not hold all of the Treasury Bonds and Policy Bank Bonds that are included in the Index, and may hold Treasury Bonds and Policy Bank Bonds which are not included in the Index, provided that these bonds collectively feature a high correlation with the Index. The Manager may overweight certain Treasury Bonds and Policy Bank Bonds which are included in the Index relative to those bonds’ respective weightings in the Index. The Sub-Fund will gain direct exposure to Treasury Bonds and Policy Bank Bonds by investing up to 100% of the NAV in the PRC inter-bank bond market under mutual bond market access between Hong Kong and Mainland China (“Bond Connect”) and the regime allowing foreign institutional investors to invest in the PRC inter-bank bond market (“Foreign Access Regime”). The Sub-Fund may also utilise other means as may be permitted by the relevant regulations from time to time.

Performance of the Sub-Fund

The investment objective is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. The Index aims to reflect the performance of the fixed rate RMB-denominated treasury bonds and policy bank bonds listed on the PRC inter-bank bond market.

The performance of the Sub-Fund is in below (Total Returns in respective currency^{1, 2}):

	1-Month	3-Month	Since Launch
The Index	2.73%	5.20%	7.29% ³
RMB Counter of the Sub-Fund (NAV-to-NAV)	2.33%	4.61%	6.46% ³
RMB Counter of the Sub-Fund (Market-to-Market)	1.71%	4.35%	5.34% ³
HKD Counter of the Sub-Fund (NAV-to-NAV)	0.57%	3.22%	4.61% ³
HKD Counter of the Sub-Fund (Market-to-Market)	0.24%	3.04%	4.28% ³

Activities of the Sub-Fund

According to Bloomberg, the average daily trading volume of the Sub-Fund was approximately 1,014.36 units from 01 January 2019 to 30 June 2019. As of 30 June 2019, there were 700,000units outstanding.

China Asset Management (Hong Kong) Limited
22 August 2019

¹ Source: Bloomberg, as of 30 June 2019. Performances of the benchmark Index and RMB Counter of the Sub-Fund are calculated in RMB while performances of HKD Counter of the Sub-Fund are calculated in HKD.

² Past performance figures shown are not indicative of the future performance of the Sub-Fund.

³ Calculated Since 06 June 2018.

ChinaAMC Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF
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STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2019

	30 June 2019 (Unaudited) RMB	31 December 2018 (Audited) RMB
ASSETS		
Financial assets at fair value through profit or loss	70,448,764	70,681,359
Interest receivables	1,246,068	1,277,873
Cash and cash equivalents	525,521	5,131,720
Amount due from the Manager	321,073	571,428
TOTAL ASSETS	<u>72,541,426</u>	<u>77,662,380</u>
LIABILITIES		
Management fee payable	17,121	20,241
Trustee and registrar fees payable	31,381	24,645
Inception fee payable	30,927	30,963
Auditor's remuneration payable	43,167	87,838
Other payables and accruals	452,683	329,527
Tax payable	-	111,812
TOTAL LIABILITIES	<u>575,279</u>	<u>605,026</u>
EQUITY		
Net assets attributable to unitholders	<u>71,966,147</u>	<u>77,057,354</u>
TOTAL LIABILITIES AND EQUITY	<u>72,541,426</u>	<u>77,662,380</u>
Number of units in issue	<u>700,000</u>	<u>750,000</u>
Net asset value per unit	<u>102.8088</u>	<u>102.7431</u>

ChinaAMC Bloomberg Barclays China Treasury + Policy Bank Bond Index ETF
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STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period from 1 January 2019 to 30 June 2019

	Period from 1 January 2019 to 30 June 2019 (Unaudited) RMB	Period from 6 June 2018 (date of inception) to 31 December 2018 (Audited) RMB
INCOME		
Interest income	1,302,801	1,947,078
	<u>1,302,801</u>	<u>1,947,078</u>
EXPENSES		
Management fee	(113,540)	(156,484)
Trustee and registrar fees	(119,405)	(61,185)
Accounting professional fees	(29,866)	(40,600)
Auditor's remuneration	(42,483)	(86,691)
Transaction fees	(119,342)	-
Safe custody and bank charges	(23,612)	(27,550)
Formation costs	-	(704,482)
Other operating expenses	(186,001)	(541,049)
	<u>(634,249)</u>	<u>(1,618,041)</u>
Investment manager reimbursement of fees	258,292	571,428
	<u>(375,957)</u>	<u>(1,046,613)</u>
PROFIT BEFORE INVESTMENT GAINS AND EXCHANGE DIFFERENCES	926,844	900,465
INVESTMENT GAINS AND EXCHANGE DIFFERENCES		
Net realised gains on financial assets at fair value through profit or loss	513,323	1,479,935
Net change in unrealised (losses)/gains on financial assets at fair value through profit or loss	(354,224)	1,119,743
Foreign exchange gains	727	12,047
	<u>159,826</u>	<u>2,611,725</u>
PROFIT BEFORE TAX	1,086,670	3,512,190
Tax credit/(expenses)	111,368	(112,591)
TOTAL COMPREHENSIVE INCOME	<u>1,198,038</u>	<u>3,399,599</u>

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

For the period from 1 January 2019 to 30 June 2019

	Period from 1 January 2019 to 30 June 2019 (Unaudited) RMB	Period from 6 June 2018 (date of inception) to 31 December 2018 (Audited) RMB
Balance at the beginning of the period	77,057,354	-
Issue of units during the period	-	160,394,415
Redemption of units during the period	(5,164,245)	(86,056,660)
Distributions to unitholders	(1,125,000)	(680,000)
Total comprehensive income	1,198,038	3,399,599
Balance at the end of the period	<u>71,966,147</u>	<u>77,057,354</u>

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STATEMENT OF CASH FLOWS (UNAUDITED)

For the period from 1 January 2019 to 30 June 2019

	Period from 1 January 2019 to 30 June 2019 (Unaudited) RMB	Period from 6 June 2018 (date of inception) to 31 December 2018 (Audited) RMB
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,086,670	3,512,190
Adjustments for:		
Decrease/(increase) in financial assets at fair value through profit or loss	232,595	(70,681,359)
Decrease/(increase) in interest receivables	31,805	(1,277,873)
Decrease/(increase) in amount due from the Manager	250,355	(571,428)
(Decrease)/increase in auditor's remuneration payable	(44,671)	87,838
(Decrease)/increase in management fee payable	(3,120)	20,241
Increase in trustee and registrar fees payable	6,736	24,645
(Decrease)/increase in inception fee payable	(36)	30,963
Increase in other payables and accruals	123,156	329,527
Cash generated from/(used in) operations	1,683,490	(68,525,256)
Tax paid	(444)	(779)
Net cash flows generated from/(used in) operating activities	<u>1,683,046</u>	<u>(68,526,035)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of units	-	160,394,415
Payments on redemption of units	(5,164,245)	(86,056,660)
Distribution paid to unitholders	(1,125,000)	(680,000)
Net cash flows (used in)/generated from financing activities	<u>(6,289,245)</u>	<u>73,657,755</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(4,606,199)</u>	<u>5,131,720</u>
Cash and cash equivalents at the beginning of the period	<u>5,131,720</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>525,521</u></u>	<u><u>5,131,720</u></u>
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash at banks	<u><u>525,521</u></u>	<u><u>5,131,720</u></u>
Net cash flows from operating activities includes:		
Interest income on bank deposits net of withholding tax	<u><u>4,349</u></u>	<u><u>9,499</u></u>

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STATEMENT OF DISTRIBUTION (UNAUDITED)

For the period from 1 January 2019 to 30 June 2019

	Period from 1 January 2019 to 30 June 2019 (Unaudited) RMB	Period from 6 June 2018 (date of inception) to 31 December 2018 (Audited) RMB
Undistributed income at the beginning of the period	-	-
Total comprehensive income	1,198,038	3,399,599
Less: Net gains on financial assets at fair value through profit or loss	(159,099)	(2,599,678)
Undistributed income before distribution	1,038,939	799,921
Interim distribution declared		
- on 10 October 2018 (RMB0.85 per unit)	-	(680,000)
- on 07 January 2019 (RMB0.85 per unit)	(637,500)	-
- on 04 April 2019 (RMB0.65 per unit)	(487,500)	-
Transfer to capital	<u>86,061</u>	<u>(119,921)</u>
Undistributed income at the end of the period	<u>-</u>	<u>-</u>

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INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2019

	Holdings (units)	Fair Value (RMB)	% of net assets
LISTED BONDS			
China			
AGRICUL DEV BANK CHINA (SER 1808) (REG) 4.37% 25/05/2023	10,000,000	10,322,772	14.34
CHINA DEVELOPMENT BANK (SER 1903) (REG) 3.3% 01/02/2024	10,000,000	9,907,455	13.77
CHINA DEVELOPMENT BANK (SER 1810) (REG) 4.04% 06/07/2028	10,000,000	10,120,907	14.06
CHINA DEVELOPMENT BANK (SER 1905) (REG) 3.48% 08/01/2029	10,000,000	9,761,788	13.57
CHINA GOVERNMENT BOND (SER 1814) 3.24% 05/07/2021	10,000,000	10,084,800	14.01
CHINA GOVERNMENT BOND (SER 1809) (REG) 3.17% 19/04/2023	10,000,000	10,062,016	13.98
CHINA GOVERNMENT BOND (SER 1819) (REG) 3.54% 16/08/2028	10,000,000	10,189,026	14.16
Total investment portfolio (cost: RMB 69,759,594)		70,448,764	97.89
Other net assets		1,517,383	2.11
Total net assets		71,966,147	100.00

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MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

For the period from 1 January 2019 to 30 June 2019

	Movement in holdings				As at 30 June 2019
	As at 1 January 2019	Additions	Disposals	Bonus	
LISTED BONDS					
China					
AGRICUL DEV BANK CHINA (SER 1808) (REG) 4.37% 25/05/2023	10,000,000	-	-	-	10,000,000
CHINA DEVELOPMENT BANK (SER 1610) 3.18% 05/04/2026	10,000,000	-	(10,000,000)	-	-
CHINA DEVELOPMENT BANK (SER 1902) (REG) 3.03% 18/01/2022	-	5,000,000	(5,000,000)	-	-
CHINA DEVELOPMENT BANK (SER 1903) (REG) 3.3% 01/02/2024	-	10,000,000	-	-	10,000,000
CHINA DEVELOPMENT BANK (SER 1810) (REG) 4.04% 06/07/2028	10,000,000	-	-	-	10,000,000
CHINA DEVELOPMENT BANK (SER 1905) (REG) 3.48% 08/01/2029	-	10,000,000	-	-	10,000,000
CHINA GOVERNMENT BOND (SER 1814) 3.24% 05/07/2021	10,000,000	-	-	-	10,000,000
CHINA GOVERNMENT BOND (SER 1725) 3.82% 02/11/2027	10,000,000	-	(10,000,000)	-	-
CHINA GOVERNMENT BOND (SER 1809) (REG) 3.17% 19/04/2023	10,000,000	-	-	-	10,000,000
CHINA GOVERNMENT BOND (SER 1819) (REG) 3.54% 16/08/2028	10,000,000	-	-	-	10,000,000
Total of fixed income securities	70,000,000	25,000,000	(25,000,000)	-	70,000,000

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PERFORMANCE RECORD (UNAUDITED)

For the period from 1 January 2019 to 30 June 2019

1) Net Asset Value

	Net asset value per unit RMB	Total net asset value RMB
As at:		
30 June 2019 (Unaudited)	102.8088	71,966,147
31 December 2018 (Audited)	102.7431	77,057,354

2) Highest issue and lowest redemption prices per unit

	Highest issue unit price RMB	Lowest redemption unit price RMB
During the period from 1 January 2019 to 30 June 2019 (Unaudited)	104.68	102.22
During the period from 6 June 2018 (date of inception) to 31 December 2018	103.58	99.57

3) Comparison of the scheme performance and the actual index performance¹

The table below illustrates the comparison between the Sub-Fund's performance (Market-to-Market) and that of the index during the following periods:

	The Index	RMB counter of the Sub-Fund	HKD counter of the Sub-Fund
During the period from 1 January 2019 to 30 June 2019 (Unaudited)	1.77%	0.10%	-0.38%
During the period from 6 June 2018 (date of inception) to 31 December 2018	5.42%	2.85%	-3.97%

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

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INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (UNAUDITED)

As at 30 June 2019

According to Chapter 7.1 of the investment limitations and prohibitions of a collective investment scheme, the value of a Sub-Fund's holding of securities issued by any single issuer may not exceed 10% of its total net asset value.

The SFC Code allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net asset value provided that:

- (a) the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the Index; and
- (b) the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the Index, except where weightings are exceeded as a result of changes in the composition of the Index and the excess is only transitional and temporary in nature.

The SFC Code further provides that, if the investment limits stated above are breached, the management company should take as a priority objective all steps as are necessary within a reasonable period of time to remedy the situation, taking due account of the interests of the holders.

The Trust Deed of the Trust also contains provisions mirroring the above provisions of the SFC Code.

According to Chapter 7.4 and 8.6(i) of the SFC Code, the Sub-Fund may invest all of its assets in Government and other public securities in any number of different issuers.

The Manager and the Trustee have confirmed that the Sub-Fund has complied with this limit during the period ended 30 June 2019 and 31 December 2018.

There were 7 (2018: 7) constituent securities that individually accounted for more than 10%, but less than 30% of the net asset value of the Sub-Fund as at 30 June 2019 and 31 December 2018 as shown below:

As at 30 June 2019

	Respective weighting in Index (%)	% of NAV
AGRICUL DEV BANK CHINA (SER 1808) (REG) 4.37% 25/05/2023	0.41%	14.34%
CHINA DEVELOPMENT BANK (SER 1903) (REG) 3.3% 01/02/2024	0.69%	13.77%
CHINA DEVELOPMENT BANK (SER 1810) (REG) 4.04% 06/07/2028	1.18%	14.06%
CHINA DEVELOPMENT BANK (SER 1905) (REG) 3.48% 08/01/2029	1.17%	13.57%
CHINA GOVERNMENT BOND (SER 1814) 3.24% 05/07/2021	0.56%	14.01%
CHINA GOVERNMENT BOND (SER 1809) (REG) 3.17% 19/04/2023	0.55%	13.98%
CHINA GOVERNMENT BOND (SER 1819) (REG) 3.54% 16/08/2028	0.57%	14.16%

As at 31 December 2018

	Respective weighting in Index (%)	% of NAV
AGRICUL DEV BANK CHINA (SER 1808) (REG) 4.37% 25/05/2023	0.44%	13.34%
CHINA DEVELOPMENT BANK (SER 1610) 3.18% 05/04/2026	1.09%	12.39%
CHINA DEVELOPMENT BANK (SER 1810) (REG) 4.04% 06/07/2028	1.13%	13.20%
CHINA GOVERNMENT BOND (SER 1814) 3.24% 05/07/2021	0.58%	13.07%
CHINA GOVERNMENT BOND (SER 1725) 3.82% 02/11/2027	0.37%	13.48%
CHINA GOVERNMENT BOND (SER 1809) (REG) 3.17% 19/04/2023	0.58%	13.03%
CHINA GOVERNMENT BOND (SER 1819) (REG) 3.54% 16/08/2028	0.60%	13.22%

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REPORT ON INVESTMENT OVERWEIGHT (UNAUDITED)

For the period from 1 January 2019 to 30 June 2019

The Sub-Fund is permitted to overweight certain Treasury Bonds and Policy Bank Bonds which are included in the Index relative to those bonds' respective weightings in the Index. Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to adopt investment strategy other than representative sampling strategy. Up to 100% of the Net Asset Value will be invested in Treasury Bonds and Policy Bank Bonds.

In addition, the Sub-Fund is also subject to the investment and borrowing restrictions as stated below:

- not more than 30% of the Net Asset Value of the Sub-Fund may be invested in Government and other Public Securities of the same issue; and
- the Sub-Fund may invest all of its assets in Government and other Public Securities in at least 6 different issues.

The Manager confirmed that the Sub-Fund had complied with this limit during the period from 1 January 2019 to 30 June 2019 and period from 6 June 2018 (date of inception) to 31 December 2018.

