

LIPPO FUND SERIES

LIPPO SELECT HK & MAINLAND PROPERTY ETF

ANNUAL REPORT

FOR THE YEAR ENDED

31 MARCH 2020

LIPPO FUND SERIES

LIPPO SELECT HK & MAINLAND PROPERTY ETF

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IMPORTANT:

Any opinion expressed by the Manager herein reflects the Manager's view only and is subject to change. For more information about the Lippo Fund Series, please refer to the prospectus of the Lippo Fund Series which is available at our website: <http://lippoetf.com/index.php/fund-info/>.

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

**LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of Lippo Select HK & Mainland Property ETF, a sub-fund (the “Sub-Fund”) of the Lippo Fund Series (the “Trust”) has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 11 June 2012, as amended, for the year ended 31 March 2020.

For and on behalf of
BOCI-Prudential Trustee Limited
As the Trustee of the Lippo Fund Series
28 July 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF LIPPO SELECT HK & MAINLAND PROPERTY ETF
A SUB-FUND OF LIPPO FUND SERIES (THE "TRUST")**

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of Lippo Select HK & Mainland Property ETF, a sub-fund of the Trust (the "Sub-Fund"), set out on pages 6 to 28, which comprise:

- the Statement of Net Assets as at 31 March 2020;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Unitholders for the year then ended;
- the Statement 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 position of the Sub-Fund as at 31 March 2020, and of its financial transactions and its 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-Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF LIPPO SELECT HK & MAINLAND PROPERTY ETF
A SUB-FUND OF LIPPO FUND SERIES (THE "TRUST") (CONTINUED)**

Key Audit Matters (Continued)

Key audit matters identified in our audit are summarised as follows:

- Existence and valuation of investments

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Existence and valuation of investments</i></p> <p>The Sub-Fund's investments as at 31 March 2020 comprised listed equities and real estate investment trusts valued at HK\$127,598,937.</p> <p>We focused on the existence and valuation of the investments because the investments represented the principal element of the Sub-Fund's net asset value.</p> <p>Refer to note 9 to the financial statements.</p>	<p>We tested the existence of investments by obtaining a direct confirmation from the custodian and agreeing the Sub-Fund's holdings of investments to the confirmation. No material exceptions were identified from our testing.</p> <p>We agreed the valuation of the Sub-Fund's investments by comparing the pricing used by the Sub-Fund to external pricing sources as at 31 March 2020. We found no material exceptions from our testing.</p>

Other Information

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

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF LIPPO SELECT HK & MAINLAND PROPERTY ETF
A SUB-FUND OF LIPPO FUND SERIES (THE "TRUST") (CONTINUED)**

Responsibilities of Management for the Financial Statements

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

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 11 June 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-Fund 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-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF LIPPO SELECT HK & MAINLAND PROPERTY ETF
A SUB-FUND OF LIPPO FUND SERIES (THE "TRUST") (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-Fund's 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-Fund 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 Chau Chi Kit.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 July 2020

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

STATEMENT OF NET ASSETS
AS AT 31 MARCH 2020

	Notes	2020 HK\$	2019 HK\$
CURRENT ASSETS			
Investments	9(b)	127,598,937	149,031,268
Dividends receivable		141,659	205,085
Cash and cash equivalents	6(b)	333,555	644,308
TOTAL ASSETS		128,074,151	149,880,661
		<u> </u>	<u> </u>
CURRENT LIABILITIES			
Management fee payable	6(a)	77,652	76,208
TOTAL LIABILITIES		77,652	76,208
		<u> </u>	<u> </u>
EQUITY			
Net assets attributable to unitholders	4	127,996,499	149,804,453
		<u> </u>	<u> </u>

Lippo Investments Management Limited
as the Manager

BOCI-Prudential Trustee Limited
as the Trustee

The accompanying notes form an integral part of these financial statements.

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 HK\$	2019 HK\$
INCOME			
Dividend income		5,761,651	5,569,343
Interest income	6(c)	591	475
Net (loss)/gain on investments	3	(30,203,739)	11,686,051
Net foreign exchange losses		(20,966)	(2,632)
Total net (loss)/income		(24,462,463)	17,253,237
EXPENSES			
Transaction costs on investments		(136,425)	(123,530)
Management fee	6(a)	(964,220)	(859,908)
Total operating expenses		(1,100,645)	(983,438)
(Loss)/profit before tax		(25,563,108)	16,269,799
Withholding tax		(42,731)	(34,242)
Total comprehensive (loss)/income		(25,605,839)	16,235,557

The accompanying notes form an integral part of these financial statements.

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 HK\$	2019 HK\$
Balance at the beginning of the year		149,804,453	133,568,896
Subscription of units			
- Cash & cash components		3,797,885	—
Net subscription of units		<u>3,797,885</u>	<u>—</u>
Total comprehensive (loss)/income		<u>(25,605,839)</u>	<u>16,235,557</u>
Balance at the end of the year		<u>127,996,499</u>	<u>149,804,453</u>

The accompanying notes form an integral part of these financial statements.

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 HK\$	2019 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Total comprehensive (loss)/income		(25,605,839)	16,235,557
Adjustments for:			
Dividend income		(5,761,651)	(5,569,343)
Interest income		(591)	(475)
Withholding tax		42,731	34,242
		<u>(31,325,350)</u>	<u>10,699,981</u>
Decrease/(Increase) in investments		21,432,331	(16,230,360)
Increase in management fee payable		1,444	3,756
		<u>(9,891,575)</u>	<u>(5,526,623)</u>
Cash used in operating activities		(9,891,575)	(5,526,623)
Dividends received		5,825,077	5,700,134
Interest received		591	475
Withholding tax paid		(42,731)	(34,242)
		<u>(4,108,638)</u>	<u>139,744</u>
Net cash (used in)/generated from operating activities		<u>(4,108,638)</u>	<u>139,744</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from issue of units		3,797,885	—
		<u>3,797,885</u>	<u>—</u>
Net cash generated from financing activities		<u>3,797,885</u>	<u>—</u>
Net (decrease)/increase in cash and cash equivalents		(310,753)	139,744
Cash and cash equivalents at the beginning of the year		644,308	504,564
		<u>333,555</u>	<u>644,308</u>
Cash and cash equivalents at the end of the year		<u>333,555</u>	<u>644,308</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances	6(b)	333,555	644,308

The accompanying notes form an integral part of these financial statements.

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Lippo Fund Series (the “Trust”) is an umbrella unit trust established under the terms of the trust deed dated 11 June 2012, as amended (the “Trust Deed”) between Lippo Investments Management Limited (the “Manager”) and Cititrust Limited (the “Trustee”). The Trust Deed is governed by Hong Kong law.

On 1 November 2017, BOCI-Prudential Trustee Limited has been appointed as the Trustee of the Trust.

The Trust has been established initially with only one sub-fund, Lippo Select HK & Mainland Property ETF (the “Sub-Fund”) which is authorised by the Securities & Futures Commission of Hong Kong (the “SFC”) pursuant to section 104(1) of the Securities and Futures Ordinance. The Sub-Fund is also listed on the Stock Exchange of Hong Kong Limited (a subsidiary of The Hong Kong Exchanges and Clearing Limited).

These financial statements relate to the above-mentioned Sub-Fund. The Manager and the Trustee (collectively, the “Management”) are responsible for the preparation of the financial statements.

The objective of the Sub-Fund (Stock code: 2824) is to provide investment results that, before the deduction of fees and expenses, closely correspond to the performance of the Lippo Select HK & Mainland Property Index (the “Underlying Index”) by investing all, or substantially all, of the assets of the Sub-Fund in index securities in substantially the same weightings as constituted in the Underlying Index.

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 years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). 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 Trustee and Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

All references to net assets throughout the financial statements refer to net assets attributable to unitholders unless otherwise stated.

LIPPO FUND SERIES
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

Standards and amendments to existing standards effective 1 April 2019

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 April 2019 that have a material effect on the financial statements of the Sub-Fund.

New standards, amendments and interpretations effective after 1 April 2019 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Fund.

(b) Investments

(i) Classification

The Sub-Fund classifies its investments based on both the Sub-Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are classified as financial assets at fair value through profit or loss.

(ii) Recognition, derecognition and measurement

Purchases and sales of investments are accounted for on the trade date basis. Investments are initially recognised at fair value, excluding transaction costs which are expensed as incurred, and are subsequently re-measured at fair value. Realised and unrealised gains and losses on investments are included in the statement of comprehensive income in the period in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

(iii) Fair value estimation

Investments that are listed or traded on an exchange are fair valued based on quoted last traded price, 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.

(iv) Transfer between levels of the fair value hierarchy

Transfer between levels of the fair value hierarchy are deemed to have occurred at the beginning of the year.

**LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Summary of significant accounting policies (Continued)

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of net assets where the Sub-Fund currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(d) Income

Interest income is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents.

Dividend income on equity securities is recorded on the ex-dividend date. Dividend income on equity securities where no ex-dividend date is quoted is accounted for when the Sub-Fund's right to receive payment is established.

(e) Expenses

Expenses are accounted for on an accrual basis.

(f) Cash component

Cash issue component represents the amount being equal to the difference between the issue price on the relevant transaction date and the value of the securities exchanged in-kind for those units.

Cash redemption component represents the amount being equal to the difference between the redemption values on the relevant transaction date on which such units are redeemed and the value of securities transferred in-kind to the redeeming unitholder in respect of such units.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, bank balances and other short-term highly liquid investments with original maturities of three months or less.

(h) Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates ("the functional currency"). The performance of the Sub-Fund is measured and reported to the unitholders in Hong Kong dollar. The Management considers the Hong Kong dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Hong Kong dollar, which is the Sub-Fund's functional and presentation currency.

**LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Summary of significant accounting policies (Continued)

(h) Translation of foreign currencies (Continued)

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 year 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 cash and cash equivalents are presented in the statement of comprehensive income within 'net foreign currency gains/(losses)'.

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 gain/(loss) on investments'.

(i) Units

The Sub-Fund issues units, which are redeemable at the holder's option and are classified as equity. Units can be redeemed in-kind and/or in cash equal to a proportionate share of the Sub-Fund's net asset value. The Sub-Fund's net asset value per unit is calculated by dividing the net assets attributable to the unitholders with the total number of outstanding units. Units are created or redeemed in multiples of 25,000 units.

(j) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

**LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Summary of significant accounting policies (Continued)

(k) Amounts due from and due to brokers

Amounts due from and to brokers represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled or delivered on the statement of net assets date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Sub-Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(l) Structured entity

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Sub-Fund considers all of its investments in other funds ("Investee Funds") to be investments in unconsolidated structured entities. The Sub-Fund invests in Investee Funds whose objectives range from achieving medium to long term capital growth and whose investment strategy does not include the use of leverage. The Investee Funds are managed by unrelated asset managers and apply various investment strategies to accomplish their respective investment objectives. The Investee Funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitles the holder to a proportional stake in the respective fund's net assets. The Sub-Fund holds redeemable units in each of its Investee Funds.

The change in fair value of each Investee Fund is included in the statement of comprehensive income in "net (loss)/gain on investments".

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 Net (loss)/gain on investments

	2020 HK\$	2019 HK\$
Net change in unrealised gain/loss on investments	(37,440,978)	4,904,110
Net realised gain on sale of investments	7,237,239	6,781,941
	<u>(30,203,739)</u>	<u>11,686,051</u>

4 Number of units in issue and net assets attributable to unitholders

The Sub-Fund's capital is represented by the net assets attributable to unitholders. Units are issued and redeemed in-kind and/or in cash. Subscriptions and redemptions of units during the year are shown on the statement of changes in net assets attributable to unitholders. In accordance with the objectives and risk management policies outlined in note 9, the Sub-Fund endeavours to invest in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of listed securities where necessary.

The Sub-Fund determined its fair valuation inputs as the last traded market price for financial assets. This is consistent with the inputs prescribed in the Sub-Fund's prospectus for the calculation of its per unit trading value for subscriptions and redemptions.

	Number of units	
	2020	2019
Units in issue at the beginning of the year	1,725,000	1,725,000
Creation of units	50,000	—
	<u>1,775,000</u>	<u>1,725,000</u>
Units in issue at the end of the year	<u>1,775,000</u>	<u>1,725,000</u>
	HK\$	HK\$
Net assets attributable to unitholders per unit	<u>72.1107</u>	<u>86.8432</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

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

The Sub-Fund invests in shares of companies in the People's Republic of China ("PRC") listed on the Hong Kong Stock Exchange ("H-shares"). Under the PRC Corporate Income Tax Law, the Sub-Fund may be liable to pay PRC tax on the capital gains realised in the trading of H-shares. However, no provision was made for taxation from such gains in the financial statements as the Management believes that the Sub-Fund can sustain a position for not filing a tax return based on the existing tax regulations and that the enforcement of China tax on capital gains is not probable.

6 Transactions with the related parties/Manager and its Connected Persons

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties of the Sub-Fund include the Manager of the Sub-Fund and also its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the year between the Sub-Fund and its related parties, including 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 its related parties, including the Manager and its Connected Persons except for those disclosed below.

(a) Management fee

Management fee is currently charged at a rate of 0.68% (2019: 0.68%) per annum of the net asset value of the Sub-Fund, accrued daily and paid as soon as practicable after the last dealing day in each month. The Manager is entitled to receive a management fee of up to 2% per annum of the net asset value of the Sub-Fund. The Sub-Fund has a single fee structure whereby a single flat fee (i.e. management fee) is paid to the Manager to cover the fees, costs and expenses of the Sub-Fund (including, but not limited to, the Manager's fee, the Trustee's fee, the registrar's fee, fees and expenses of the service agent, auditors, legal counsel and other service providers, ordinary out-of-pocket fees, charges and expenses incurred by the Trustee or the Manager, and the costs, fees and expenses relating to index-related services).

LIPPO FUND SERIES
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Transactions with the related parties/Manager and its Connected Persons (Continued)

(b) Bank balances

The bank balances maintained by the Sub-Fund with Bank of China (Hong Kong) Limited, a holding company of BOCI – Prudential Trustee Limited, as at year end are set out below:

	2020 HK\$	2019 HK\$
Bank of China (Hong Kong) Limited	333,555	644,308
	<u>333,555</u>	<u>644,308</u>

(c) Interest income

During the year ended 31 March 2020, bank interest income received from Bank of China (Hong Kong) Limited, a holding company of BOCI-Prudential Trustee Limited, amounted to HK\$591 in aggregate (2019: HK\$475).

(d) Holdings of units

As at 31 March 2020, Funderstone Securities Limited (formerly known as “Lippo Securities Ltd”), a related company of the Manager up to 10 December 2018, held 1,612,500 units (2019: 1,612,500 units) of the Sub-Fund as nominee on behalf of World Grand Holding Limited, another related company of the Manager, representing 90.845% (2019: 93.478%) of the Sub-Fund’s net assets.

Bank of China (Hong Kong) Limited, the custodian of the Sub-Fund, held 1,300 units (2019: 700 units) of the Sub-Fund as nominee on behalf of its clients, representing 0.073% (2019: 0.041%) of the Sub-Fund’s net assets.

BOCI Securities Ltd, a wholly owned subsidiary of BOC International Holdings Limited, which is a related company of the Trustee, held 3,700 units (2019: 3,600 units) of the Sub-Fund, representing 0.208% (2019: 0.209%) of the Sub-Fund’s net assets.

**LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Soft commission

The Manager may effect transactions, provided that any such transaction is consistent with standards of “best execution”, by or through the agency of another person for the account of the Sub-Fund with whom the Manager or any of its Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Manager or any of its Connected Persons goods, services or other benefits (such as research and advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Sub-Fund as a whole and may contribute to an improvement in the performance of the Sub-Fund. For the avoidance of doubt, such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees’ salaries or direct money payments.

Since the inception of the Sub-Fund, the Manager had not participated in any soft commission arrangements in respect of any transactions for the account of the Sub-Fund.

8 Investment limitations and prohibitions under the SFC Code

Pursuant to the SFC Code, the Manager is permitted to overweight the holdings of the Sub-Fund relative to their respective weightings in the underlying index, on the condition that the maximum extra weighting in any constituent securities will not exceed the maximum limit reasonably determined by the Sub-Fund and after consultation with the SFC. The maximum limit for the Sub-Fund has been disclosed in its prospectus.

The Manager and Trustee have confirmed that the Sub-Fund has complied with this limit during the years ended 31 March 2020 and 2019.

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

As at 31 March 2020 and 2019, the Sub-Fund did not have any constituent securities that accounted for more than 10% of its net asset value.

During the year ended 31 March 2020, the Lippon Select HK & Mainland Property Index decreased by 16.3% (2019: increased by 12.9%), while the net asset value per unit of the Sub-Fund decreased by 17.0% (2019: increased by 12.2%).

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Financial risk management

(a) Strategy in using financial instruments

Investment objectives and investment policies

The Sub-Fund's investment objective is to provide investment results, before fees and expenses that closely correspond to the performance of the Lippo Select HK & Mainland Property Index ("Underlying Index"). The Manager seeks to achieve this investment objective by primarily adopting a full replication strategy. Using a full replication strategy, the Sub-Fund will invest in all, or substantially all, the securities constituting the Underlying Index in the same, or substantially the same, weightings (i.e. proportions) as those securities have in the Underlying Index.

(b) 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.

All securities investments present a risk of loss of capital. The Sub-Fund's market price risk is managed through diversification of investment portfolio. The Manager monitors the investments on a daily basis and rebalances the portfolio of investments from time to time to reflect any changes to the composition of, or the weighting of shares in, the Underlying Index.

As at year end, the overall market exposure of the Sub-Fund was as follows:

	2020		2019	
	Fair value HK\$	% of net assets	Fair value HK\$	% of net assets
Listed investments				
Hong Kong				
- Equities	121,659,906	95.05	133,897,809	89.38
- Real estate investment trusts ("REITs")	5,939,031	4.64	15,133,459	10.10
	<u>127,598,937</u>	<u>99.69</u>	<u>149,031,268</u>	<u>99.48</u>

The following table shows the net market exposures of the Sub-Fund by industry:

	2020		2019	
	Fair value HK\$	% of net assets	Fair value HK\$	% of net assets
By industry				
- Properties & construction – Properties	<u>127,598,937</u>	<u>99.69</u>	<u>149,031,268</u>	<u>99.48</u>

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Financial risk management (Continued)

(b) Market price risk (Continued)

All the Sub-Fund's securities are listed on the Hong Kong Stock Exchange. As the Sub-Fund is an index tracking fund, movements in the Underlying Index would cause substantially the same percentage change in the Sub-Fund's investments and hence its net asset value.

	2020		2019	
	Change in index %	Impact HK\$	Change in index %	Impact HK\$
Hong Kong - Lippo Select HK & Mainland Property Index	-16.3	20,798,627	12.9	19,225,034

The Manager has used their view of what would be a "reasonable shift" in the Underlying Index to estimate the change for use in the market sensitivity analysis above. Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in market index % are revised annually depending on the Manager's current view of market volatility and other relevant factor.

(c) Interest rate risk

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

(d) 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-Fund's financial assets that are subject to credit risk are mainly its bank balances and dividends receivable as at 31 March 2020 and 2019. During the course of the year, the Sub-Fund has had buy/sell transactions with brokers. Receivables from brokers for investments are subject to credit risk of the broker concerned. As at 31 March 2020 and 2019, there were no receivables due from brokers. The Sub-Fund limits its exposure to credit risk by transacting with well-established broker-dealers and banks with high credit ratings.

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

The risk of default is considered minimal for amount receivable on subscription of units as units are not issued until the amount is received.

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Financial risk management (Continued)

(d) Credit risk (Continued)

The table below summarises the net assets placed with banks, custodians and counterparties:

	Amount HK\$	Credit rating	Source of credit rating
As at 31 March 2020			
<u>Custodian</u>			
Bank of China (Hong Kong) Limited	127,598,937	Aa3	Moody's
<u>Bank</u>			
Bank of China (Hong Kong) Limited	333,555	Aa3	Moody's
As at 31 March 2019			
<u>Custodian</u>			
Bank of China (Hong Kong) Limited	149,031,268	Aa2	Moody's
<u>Bank</u>			
Bank of China (Hong Kong) Limited	644,308	Aa2	Moody's

As at 31 March 2020, dividends of HK\$141,659 (2019: HK\$205,085) were receivable from the Sub-Fund's investments, all of which are listed on the Hong Kong Stock Exchange.

Accordingly, the Sub-Fund has no significant credit risk.

The maximum exposure to credit risk at year end is the carrying amount of the financial assets except for listed investments as shown on the statement of net assets.

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At 31 March 2020 and 2019, all dividends receivable and cash and cash equivalents are held with counterparties with high credit ratings and are due to be settled within 3 months. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund.

**LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Financial risk management (Continued)

(d) Credit risk (Continued)

As at 31 March 2020 and 2019, Bank of China (Hong Kong) Limited also acts as the custodian for all of the Sub-Fund's investments. It is expected that all investments deposited with a custodian will be clearly identified, and segregated, as being assets of the Sub-Fund; the Sub-Fund should not therefore be exposed to credit risk with a custodian. However, it may not always be possible to achieve this segregation, so the Sub-Fund's investments may experience increased exposure to credit risk associated with the applicable custodian.

(e) 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 no significant currency risk as almost all assets and liabilities are denominated in Hong Kong dollars, the Sub-Fund's functional and presentation currency.

(f) Liquidity risk

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

The Sub-Fund's investments are traded in an active market and can be readily disposed. It is the intent of the Manager to monitor the Sub-Fund's liquidity position on a daily basis.

The following table illustrates the expected liquidity of financial assets held at 31 March and gives the contractual undiscounted cash-flow projection of the Sub-Fund's financial liabilities. The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 1 month or less. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Financial risk management (Continued)

(f) Liquidity risk (Continued)

Maturity analysis

As at 31 March 2020	Less than 1 month HK\$	1 to <3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
Financial assets					
Investments	127,598,937	–	–	–	127,598,937
Dividends receivable	141,659	–	–	–	141,659
Cash and cash equivalents	333,555	–	–	–	333,555
Total financial assets	128,074,151	–	–	–	128,074,151
Financial liabilities					
Management fee payable	77,652	–	–	–	77,652
Total financial liabilities	77,652	–	–	–	77,652

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Financial risk management (Continued)

(f) Liquidity risk (Continued)

Maturity analysis

As at 31 March 2019	Less than 1 month HK\$	1 to <3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
Financial assets					
Investments	149,031,268	–	–	–	149,031,268
Dividends receivable	140,769	64,316	–	–	205,085
Cash and cash equivalents	644,308	–	–	–	644,308
Total financial assets	149,816,345	64,316	–	–	149,880,661
Financial liabilities					
Management fee payable	76,208	–	–	–	76,208
Total financial liabilities	76,208	–	–	–	76,208

As at 31 March 2020, 1 unitholder (2019: 1 unitholder) held 90.845% (2019: 93.536%) of the Sub-Fund's total net assets.

(g) Capital risk management

The Sub-Fund's objective is to provide investment returns, before fees and expenses that closely correspond to the performance of the Lippon Select HK & Mainland Property Index. The Manager may:

- Redeem and issue new units in accordance with the constitutive documents of the Sub-Fund, which include the ability to amend the Creation Unit and Redemption Unit size upon the approval of the Trustee;
- Suspend the creation and redemption of units under certain circumstances stipulated in the Trust Deed.

LIPPO FUND SERIES

LIPPO SELECT HK & MAINLAND PROPERTY ETF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Financial risk management (Continued)

(h) Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the year end date. The Sub-Fund used last traded market prices as its fair valuation inputs for its investments.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial liabilities with maturities in excess of 12 months is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Sub-Fund for similar financial instruments. However, the impact of discounting is considered minimal.

IFRS 13 requires the Sub-Fund to 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 that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Inputs for the asset or liability that are 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.

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Financial risk management (Continued)

(h) Fair value estimation (Continued)

The following table analyses within the fair value hierarchy the Sub-Fund's investments (by class) measured at fair value as at 31 March:

As at 31 March 2020

Assets	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total balance HK\$
Financial assets held for trading				
- Equities	121,659,906	–	–	121,659,906
- REITs	5,939,031	–	–	5,939,031
	<u>127,598,937</u>	<u>–</u>	<u>–</u>	<u>127,598,937</u>

As at 31 March 2019

Assets	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total balance HK\$
Financial assets held for trading				
- Equities	133,897,809	–	–	133,897,809
- REITs	15,133,459	–	–	15,133,459
	<u>149,031,268</u>	<u>–</u>	<u>–</u>	<u>149,031,268</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and REITs. The Sub-Fund does 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. As of 31 March 2020 and 2019, 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 of 31 March 2020 and 2019, the Sub-Fund did not hold any investments classified in level 3.

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

There were no transfers between levels of investments held by the Sub-Fund during the years ended 31 March 2020 and 2019.

The financial assets and liabilities, excluding investments which are carried at fair value through profit or loss, are carried at amortised cost. Their carrying values are a reasonable approximation of fair value.

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Financial risk management (Continued)

(h) Fair value estimation (Continued)

As at 31 March 2020, the Sub-Fund's investments in 5 Investee Funds (2019: 6 Investee Funds) are real estate investment trusts and represent approximately 4.64% (2019: 10.10%) of the Sub-Fund's net assets attributable to unitholders.

The Sub-Fund's investments in Investee Funds are subject to the terms and conditions of the respective Investee Fund's offering documentation and are susceptible to market price risk arising from uncertainties about future values of those Investee Funds. The Manager makes investment decisions in line with the index constituent composition. All of the Investee Funds in the investment portfolio are managed by portfolio managers who are compensated by the respective Investee Funds for their services. Such compensation generally consists of an asset based fee and is reflected in the valuation of the Sub-Fund's investments in each of the Investee Funds.

The Sub-Fund can trade its investments in Investee Funds on a daily basis. These investments are included in investments in the statement of net assets.

The Sub-Fund's holding in a third party Investee Fund, as a percentage of the Investee Fund's total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at the Investee Fund level. It is possible that the Sub-Fund may, at any point in time, hold a majority of an Investee Fund's total units in issue.

The Sub-Fund's maximum exposure to loss from its interests in Investee Funds is equal to the total fair value of its investments in Investee Funds.

Once the Sub-Fund has disposed of its units in an Investee Fund, the Sub-Fund ceases to be exposed to any risk from that Investee Fund.

Total purchases in Investee Funds during the year ended 31 March 2020 were HK\$4,493,112 (2019: HK\$1,152,892). As at 31 March 2020 and 2019 there were no capital commitment obligations. The amounts due to Investee Funds for unsettled purchases as at 31 March 2020 was HK\$Nil (2019: HK\$Nil).

During the year ended 31 March 2020, total net losses incurred on investments in Investee Funds were HK\$3,416,841 (2019: net gains of HK\$2,967,332).

**LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Distributions

The Manager may in its absolute discretion distribute income to the Sub-Fund's unitholders at such time or times as it may determine in each financial year or determine that no distribution shall be made in any financial year. The amount to be distributed to unitholders, if any, will be derived from the net income of the Sub-Fund.

The Sub-Fund did not make any distribution for the years ended 31 March 2020 and 2019.

11 Segment information

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

The Manager is responsible for the Sub-Fund's entire portfolio and considers the business to have a single operating segment. The Manager's asset allocation decisions are based on a single, integrated investment strategy and the Sub-Fund's performance is evaluated on an overall basis.

The Sub-Fund trades in the constituent shares of the Lippo Select HK & Mainland Property Index with the objective to provide investment results that closely correspond to the performance of the Underlying Index.

The internal reporting provided to the Manager for the Sub-Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS.

There were no changes in the reportable segment during the years ended 31 March 2020 and 2019.

The Sub-Fund is domiciled in Hong Kong. All of the Sub-Fund's income is from investments in entities listed in Hong Kong.

The Sub-Fund has no assets classified as non-current assets. The Sub-Fund has a diversified portfolio of investments. As at 31 March 2020 and 2019, there was no investment which accounted for more than 10% of the Sub-Fund's net assets.

12 Approval of financial statements

The financial statements were approved by the Trustee and the Manager on 28 July 2020.

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 MARCH 2020

Listed investments	Holdings	Fair value HK\$	% of net assets
Equities			
Hong Kong			
AGILE GROUP HLDGS LTD	260,258	2,183,565	1.71%
C&D INTL INVESTMENT GROUP LTD	59,000	631,300	0.49%
CENTRAL CHINA REAL ESTATE LTD	135,928	538,275	0.42%
CHINA AOYUAN GROUP LTD	156,272	1,418,950	1.11%
CHINA JINMAO HLDGS GROUP LTD	974,603	4,892,507	3.82%
CHINA LOGISTICS PROPERTY HLDGS CO LTD	107,000	303,880	0.24%
CHINA MERCHANTS LAND LTD	244,086	295,344	0.23%
CHINA OVERSEAS GRAND OCEANS GROUP LTD	284,116	1,289,887	1.01%
CHINA OVERSEAS LAND & INVESTMENT LTD	325,844	7,836,548	6.12%
CHINA RESOURCES LAND LTD	237,085	7,586,720	5.93%
CHINA SCE GROUP HLDGS LTD	276,898	955,298	0.74%
CHINA VANKE CO LTD-H	248,535	6,350,069	4.96%
CHINA VAST INDUSTRIAL URBAN DEVELOPMENT CO LTD	55,180	147,882	0.12%
CIFI HLDGS GROUP CO LTD	654,263	3,663,873	2.86%
CK ASSET HLDGS LTD	181,046	7,685,403	6.00%
COLOUR LIFE SERVICES GROUP CO LTD	71,235	227,952	0.18%
COUNTRY GARDEN HLDGS CO LTD	817,181	7,665,158	5.99%
FANTASIA HLDGS GROUP CO LTD	238,668	334,135	0.26%
GEMDALE PROPERTIES AND INVESTMENT CORP LTD	922,267	1,189,724	0.93%
GREENLAND HONG KONG HLDGS LTD	139,013	414,259	0.32%
GREENTOWN CHINA HLDGS LTD	107,826	760,173	0.59%
GUANGZHOU R&F PROPERTIES CO LTD-H	213,466	2,160,276	1.69%
HENDERSON LAND DEVELOPMENT CO LTD	241,102	7,124,564	5.57%
HOPSON DEVELOPMENT HLDGS LTD	110,386	763,871	0.60%
JIAYUAN INTL GROUP LTD	228,000	718,200	0.56%

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 31 MARCH 2020

Listed investments	Holdings	Fair value HK\$	% of net assets
Equities			
Hong Kong			
K WAH INTL HLDGS LTD	233,306	781,575	0.61%
KAISA GROUP HLDGS LTD	403,676	1,158,550	0.90%
KASEN INTL HLDGS LTD	111,000	174,270	0.14%
KERRY PROPERTIES LTD	108,818	2,225,328	1.74%
KWG GROUP HLDGS LTD	237,059	2,612,390	2.04%
LOGAN PROPERTY HLDGS CO LTD	227,576	2,721,809	2.13%
LONGFOR GROUP HLDGS LTD	241,278	9,108,245	7.12%
LVGEM CHINA REAL ESTATE INVESTMENT CO LTD	252,000	597,240	0.47%
NEW WORLD DEVELOPMENT CO LTD	876,425	7,309,385	5.71%
POLY PROPERTY GROUP CO LTD	334,194	878,930	0.69%
POWERLONG REAL ESTATE HLDGS LTD	240,570	1,096,999	0.86%
RED STAR MACALLINE GROUP CORP LTD-H	72,564	358,466	0.28%
REDCO PROPERTIES GROUP LTD	177,172	673,254	0.53%
ROAD KING INFRASTRUCTURE LTD	43,042	505,313	0.39%
RONSHINE CHINA HLDGS LTD	99,302	752,709	0.59%
SEAZEN GROUP LTD (FORMERLY KNOWN AS "FUTURE LAND DEVELOPMENT HLDGS LTD")	292,537	2,047,759	1.60%
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LTD	319,156	236,175	0.18%
SHENZHEN INVESTMENT LTD	438,696	1,061,644	0.83%
SHIMAO PROPERTY HLDGS LTD	191,668	5,232,536	4.09%
SHUI ON LAND LTD	601,462	781,901	0.61%
SINO-OCEAN GROUP HLDG LTD	568,241	1,119,435	0.87%
SKYFAME REALTY HLDGS LTD	394,492	402,382	0.31%
SOHO CHINA LTD	344,930	1,379,720	1.08%
SUNAC CHINA HLDGS LTD	195,449	7,016,619	5.48%
TIMES CHINA HLDGS LTD	128,966	1,673,979	1.31%

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 31 MARCH 2020

Listed investments	Holdings	Fair value HK\$	% of net assets
Equities			
Hong Kong			
YUEXIU PROPERTY CO LTD	1,154,537	1,616,352	1.26%
YUZHOU PROPERTIES CO LTD	302,766	999,128	0.78%
		<u>121,659,906</u>	<u>95.05%</u>
Listed investments	Holdings	Fair value HK\$	% of net assets
REITS			
Hong Kong			
CHAMPION REAL ESTATE INVESTMENT TRUST	340,911	1,595,463	1.25%
FORTUNE REIT	240,739	1,728,506	1.35%
PROSPERITY REIT	211,847	514,788	0.40%
SUNLIGHT REAL ESTATE INVESTMENT TRUST	179,000	680,200	0.53%
YUEXIU REAL ESTATE INVESTMENT TRUST	371,747	1,420,074	1.11%
		<u>5,939,031</u>	<u>4.64%</u>
Total listed investments		<u><u>127,598,937</u></u>	<u><u>99.69%</u></u>
Total investments, at cost		<u><u>117,295,344</u></u>	

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE YEAR ENDED 31 MARCH 2020

	Beginning holdings as at 1 April 2019	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2020
Investments					
AGILE GROUP HLDGS LTD	172,660	87,598	-	-	260,258
BEIJING CAPITAL LAND LTD-H	96,124	13,100	-	109,224	-
C&D INTL INVESTMENT GROUP LTD	-	59,000	-	-	59,000
CARNIVAL GROUP INTERNATIONAL HLDGS LTD	921,734	-	-	921,734	-
CENTRAL CHINA REAL ESTATE LTD	90,000	45,928	-	-	135,928
CHAMPION REAL ESTATE INVESTMENT TRUST	225,585	116,326	-	1,000	340,911
CHINA AOYUAN GROUP LTD	102,924	54,348	-	1,000	156,272
CHINA EVERGRANDE GROUP	217,144	32,032	-	249,176	-
CHINA JINMAO HLDGS GROUP LTD	637,961	336,642	-	-	974,603
CHINA MERCHANTS LAND LTD	162,828	81,258	-	-	244,086
CHINA OVERSEAS GRAND OCEANS GROUP LTD	189,000	96,116	-	1,000	284,116
CHINA OVERSEAS LAND & INVESTMENT LTD	285,210	40,634	-	-	325,844
CHINA RESOURCES LAND LTD	275,857	7,228	-	46,000	237,085
CHINA SCE GROUP HLDGS LTD	224,528	113,370	-	61,000	276,898
CHINA VANKE CO LTD-H	137,779	111,456	-	700	248,535
CHINA LOGISTICS PROPERTY HLDGS CO LTD	-	107,000	-	-	107,000
CHINA VAST INDUSTRIAL URBAN DEVELOPMENT CO LTD	36,000	19,180	-	-	55,180
CIFI HLDGS GROUP CO LTD	426,397	227,866	-	-	654,263
CK ASSET HLDGS LTD	130,000	51,046	-	-	181,046
COLOUR LIFE SERVICES GROUP CO LTD	37,049	34,186	-	-	71,235
COUNTRY GARDEN HLDGS CO LTD	738,443	83,738	-	5,000	817,181
FANTASIA HLDGS GROUP CO LTD	158,520	81,648	-	1,500	238,668
FORTUNE REIT	159,573	82,166	-	1,000	240,739
GEMDALE PROPERTIES AND INVESTMENT CORP LTD	525,249	399,018	-	2,000	922,267
GREENTOWN CHINA HLDGS LTD	-	107,826	-	-	107,826
GREENLAND HONG KONG HLDGS LTD	92,021	46,992	-	-	139,013
GROUND INTL DEVELOPMENT LTD	115,000	18,768	-	133,768	-
GUANGZHOU R&F PROPERTIES CO LTD-H	111,838	102,028	-	400	213,466
HOPSON DEVELOPMENT HLDGS LTD	-	110,386	-	-	110,386
HENDERSON LAND DEVELOPMENT CO LTD	145,377	82,188	14,537	1,000	241,102
HUI XIAN REAL ESTATE INVESTMENT TRUST	444,964	227,398	-	672,362	-
K WAH INTL HLDGS LTD	155,282	79,024	-	1,000	233,306
KASEN INTL HLDGS LTD	-	111,000	-	-	111,000
KAISA GROUP HLDGS LTD	-	404,676	-	1,000	403,676
KERRY PROPERTIES LTD	72,478	36,340	-	-	108,818

LIPPO FUND SERIES
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

	Beginning holdings as at 1 April 2019	Additions	Corporate actions	Disposals	Closing holdings as at 31 March 2020
Investments					
KWG GROUP HLDGS LTD	139,957	97,602	-	500	237,059
JIAYUAN INTL GROUP LTD	-	228,000	-	-	228,000
LINK REAL ESTATE INVESTMENT TRUST	92,641	3,936	-	96,577	-
LOGAN PROPERTY HLDGS CO LTD	150,668	76,908	-	-	227,576
LONGFOR GROUP HLDGS LTD	163,908	99,870	-	22,500	241,278
LVGEM CHINA REAL ESTATE INVESTMENT CO LTD	-	252,000	-	-	252,000
NEW WORLD DEVELOPMENT CO LTD	669,641	206,784	-	-	876,425
POLY PROPERTY GROUP CO LTD	-	335,194	-	1,000	334,194
POWERLONG REAL ESTATE HLDGS LTD	154,572	86,998	-	1,000	240,570
PROSPERITY REIT	139,321	72,526	-	-	211,847
RED STAR MACALLINE GROUP CORP LTD-H	48,400	24,364	-	200	72,564
RONSHINE CHINA HLDGS LTD	-	99,302	-	-	99,302
REDCO PROPERTIES GROUP LTD	98,000	81,172	-	2,000	177,172
ROAD KING INFRASTRUCTURE LTD	29,106	13,936	-	-	43,042
SEAZEN GROUP LTD (FORMERLY KNOWN AS "FUTURE LAND DEVELOPMENT HLDGS LTD")	196,215	96,322	-	-	292,537
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LTD	160,000	159,156	-	-	319,156
SHENZHEN INVESTMENT LTD	324,142	116,554	-	2,000	438,696
SHIMAO PROPERTY HLDGS LTD	127,540	64,628	-	500	191,668
SHUI ON LAND LTD	400,000	202,962	-	1,500	601,462
SINO LAND CO LTD	335,852	-	-	335,852	-
SINO-OCEAN GROUP HLDG LTD	377,997	191,744	-	1,500	568,241
SOHO CHINA LTD	229,500	115,930	-	500	344,930
SKYFAME REALTY HLDGS LTD	-	394,492	-	-	394,492
SUNLIGHT REAL ESTATE INVESTMENT TRUST	-	179,000	-	-	179,000
SUN HUNG KAI PROPERTIES LTD	64,000	6,872	-	70,872	-
SUNAC CHINA HLDGS LTD	228,871	19,578	-	53,000	195,449
TIMES CHINA HLDGS LTD	61,000	67,966	-	-	128,966
TIMES NEIGHBORHOOD	-	-	37,679	37,679	-
WHARF HLDGS LTD	134,093	-	-	134,093	-
WHEELOCK & CO LTD	90,750	-	-	90,750	-
YUEXIU PROPERTY CO LTD	752,169	402,368	-	-	1,154,537
YUEXIU REAL ESTATE INVESTMENT TRUST	222,945	149,802	-	1,000	371,747
YUZHOU PROPERTIES CO LTD	185,764	117,002	-	-	302,766

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

PERFORMANCE RECORD (UNAUDITED)

Net asset values

	Net asset value per unit HK\$	Net asset value of the Sub-Fund HK\$
At end of financial year dated		
31 March 2020	72.1107	127,996,499
31 March 2019	86.8432	149,804,453
31 March 2018	77.4312	133,568,896

Highest and lowest net asset value per unit since inception

	Highest net asset value per unit HK\$	Lowest net asset value per unit HK\$
Financial year/period ended		
31 March 2020	89.9017	62.7795
31 March 2019	86.8432	60.5473
31 March 2018	85.1863	51.4549
31 March 2017	52.9029	36.4606
31 March 2016	52.3295	33.3055
31 March 2015	41.9510	34.1131
31 March 2014	43.9196	33.8575
31 March 2013 ¹	44.8035	34.5861

Performance of the Sub-Fund

	Index performance (%)	Sub-Fund performance (%)
Financial year/period ended		
31 March 2020	(16.3)	(17.0)
31 March 2019	12.9	12.2
31 March 2018	52.1	50.2
31 March 2017	36.4	35.4
31 March 2016	(6.6)	(7.5)
31 March 2015	16.7	15.3
31 March 2014	(9.2)	(10.4)
31 March 2013 ¹	17.5	16.8

¹ The financial period of the Sub-Fund, which was a new addition to the Trust during the period ended 31 March 2013, commenced from 26 September 2012 (date of inception) to 31 March 2013.

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

ADMINISTRATION AND MANAGEMENT

Manager

Lippo Investments Management Limited
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Lippo Centre, 89 Queensway
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Website: <http://www.lippo-im.com>

Directors of the Manager

Bruce Cheung Heung Wing
David Ng Tai Chiu

Trustee and Administrator

BOCI-Prudential Trustee Limited
12th Floor and 25th Floor, Citicorp Centre
18 Whitfield Road
Causeway Bay, Hong Kong

Custodian

Bank of China (Hong Kong) Limited
14th Floor, Bank of China Tower
1 Garden Road
Central, Hong Kong

Registrar

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Service Agent

HK Conversion Agency Services Limited
8th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong

Legal Adviser to the Manager

King & Wood Mallesons
13th Floor, Gloucester Tower
The Landmark, 15 Queen's Road Central
Central, Hong Kong

Participating Dealers

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

Credit Suisse Securities (Hong Kong) Limited
88th Floor, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central Hong Kong