

2019 年 12 月期 中間決算短信 (2019 年 1 月 1 日～2019 年 6 月 30 日)

Interim Earnings Report for Fiscal Year ending December 2019 (January 1, 2019 – June 30, 2019)

2019 年 9 月 13 日

September 13, 2019

フ ァ ン ド 名 南方 FTSE 中国 A 株 50 ETF 上場取引所 東
 コ ー ド 番 号 1576 売買単位 10 口
 連 動 対 象 指 標 FTSE 中国 A50 インデックス
 主 要 投 資 資 産 株式
 管 理 会 社 中国南方アセット・マネジメント・リミテッド
 U R L <http://www.csopasset.com/en/home/index.php>
 代 表 者 (役職名) 最高経営責任者 (氏名) 丁 晨
 問合せ先責任者 (役職名) アンダーソン・毛利・友 (氏名) 飛岡 和明 (TEL)03(6775)1000
 常法律事務所 弁護士

Fund name: CSOP FTSE China A50 ETF Listed Exchange: TSE
 Code: 1576 Trading unit: 10 units
 Underlying indicator: FTSE China A50 Index
 Primary invested assets: Shares
 Management co.: CSOP Asset Management Limited
 URL: <http://www.csopasset.com/en/home/index.php>
 Representative: (Title) Chief Executive Officer (Name) Ding Chen
 Contact person: (Title) Anderson Mori & Tomotsune, (Name) Kazuaki Tobioka (TEL)03(6775)1000
 Attorney-at-law

半期報告書提出予定日 2019 年 9 月
 Scheduled submission date of Semi-annual Report: September 2019

I ファンドの運用状況

I Fund Management

- 2019 年 6 月中間期の運用状況 (2019 年 1 月 1 日～2019 年 6 月 30 日)
- Management Status for Half-Year ended June 2019 (from January 1, 2019 to June 30, 2019)

(1) 信託財産である外国 ETF の資産内訳

(百万円未満切捨て)

(1) Assets of Trust Asset Foreign ETF

(amounts below 1 mil. yen are discarded)

	主要投資資産 Primary Invested Assets		現金・預金・その他の資産 (負債控除後) Cash/Deposits/Other Assets (excluding liabilities)		合計 (純資産) Total (Net Assets)	
	金額 Amount	構成比 ratio	金額 Amount	構成比 ratio	金額 Amount	構成比 ratio
	百万円 JPY mil.	%	百万円 JPY mil.	%	百万円 JPY mil.	%
2019 年 6 月中間 期 SAN ended June 2019	223,564	98.77	2,776	1.23	226,340	100
2018 年 12 月期 FY ended December 2018	232,332	99.26	1,727	0.74	234,059	100

(2) 信託財産である外国 ETF の設定・交換実績

(2) Creation and Redemption of Trust Asset Foreign ETF

	前計算期間末発行済口数 No. of Issued Units at End of Previous Calculation Period (①)	設定口数 No. of Units Created (②)	交換口数 No. of Units Redeemed (③)	当中間計算期間末発行済口数 No. of Units in Issue at End of Semi-annual Period (①+②-③)
	千口 '000 units	千口 '000 units	千口 '000 units	千口 '000 units
2019 年 6 月中間 期 SAN ended June 2019	1,564,000	36,000	448,000	1,152,000
2018 年 12 月期 FY ended December 2018	1,495,000	424,500	355,500	1,564,000

(3) 信託財産である外国 ETF の基準価額

(3) Net Asset Value of Trust Asset Foreign ETF

	総資産 Total Assets (①)	負債 Liabilities (②)	純資産 Net Assets (③(①-②))	1 口当たり基準価額 ((③/当中間計算期間末 (前計算期間 末) 発行済口数)×1) Net Asset Value per 1 unit ((③/No. of Units in Issue at End of Semi-annual Period (Previous Calculation Period))×1)
	百万円 JPY mil.	百万円 JPY mil.	百万円 JPY mil.	円 JPY
2019 年 6 月中間 期 SAN ended June 2019	226,597	257	226,340	196
2018 年 12 月期 FY ended December 2018	234,384	324	234,059	149

(4) 上場外国 ETF 信託受益証券に係る設定・交換実績

(4) Creation and Redemption of Listed Foreign ETF Trust Beneficiary Certificates (JDR)

	前計算期間末発行済口数 No. of Issued Units at End of Previous Calculation Period (①)	設定口数 No. of Units Created (②)	交換口数 No. of Units Redeemed (③)	当中間計算期間末発行済口数 No. of Issued Units at End of Semi-annual Period (①+②-③)
	千口 '000 units	千口 '000 units	千口 '000 units	千口 '000 units
2019 年 6 月中間 期 SAN ended June 2019	53	0	0	53
2018 年 12 月期 FY ended December 2018	53	0	0	53

(5) 上場外国 ETF 信託受益証券の分配金

(5) Dividend Payment of Listed Foreign ETF Trust Beneficiary Certificates (JDR)

	1 口当たり分配金 Dividend per 1 unit
	円 JPY
2019 年 6 月中間期 SAN ended June 2019	0
2018 年 12 月期 FY ended December 2018	12

注) 日本円への換算は、1 人民元 = 14.91 円 (2019 年 8 月 30 日東京時間午後 5 時現在のブルームバーグによる米国ドル/人民元 (CNH) 及び米国ドル/日本円の仲値) により計算されています。

Note: Conversion into Japanese yen has been calculated at the exchange rate of RMB 1.00 = JPY 14.91, which represents the middle rates for USD-RMB and USD-JPY as of 17:00 Tokyo time on August 30, 2019 as published by Bloomberg.

2. 信託財産である外国 ETF の会計方針の変更

2. Change in Accounting Policies of Trust Asset Foreign ETF

(1) 会計基準等の改正に伴う会計方針の変更 : 無

(1) Changes accompanying revision to accounting standards, etc. : No

(2) (1) 以外の会計方針の変更 : 無

(2) Changes other than those in (1) : No



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

CSOP FTSE CHINA A50 ETF
Stock Codes: 82822 (RMB counter) and 02822 (HKD counter)
(A sub-fund of CSOP ETF Series)

Unaudited Semi-Annual Report
FOR THE PERIOD ENDED 30 JUNE 2019

CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)

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**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The CSOP FTSE China A50 ETF (the “CSOP A50 ETF” or the “Sub-Fund”), a sub-fund of the CSOP ETF Series, is a unit trust authorized under the Securities and Futures Ordinance (Cap. 571) of Hong Kong. It was launched on 23 August 2012 and commenced trading in RMB under the stock code 82822 on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 28 August 2012; following the SEHK’s dual counter model, the CSOP A50 ETF started trading in HKD under the stock code 02822 on the SEHK on 8 November 2012. The CSOP A50 ETF is benchmarked against the FTSE China A50 Index (the “A50 Index”) and adopts the full-replication strategy. The Manager and RQFII Holder of the CSOP A50 ETF is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The CSOP A50 ETF is a physical ETF which invests directly in the A50 Index securities through the RQFII quotas of the Manager, Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. Under current regulations in the People's Republic of China (“PRC”), foreign investors can invest in the domestic securities market through certain qualified foreign institutional investors that have obtained status as a QFII or a RQFII from the China Securities Regulatory Commission (“CSRC”) and have been granted quota(s) by the State Administration of Foreign Exchange (“SAFE”) to remit foreign freely convertible currencies (in the case of a QFII) and RMB (in the case of a RQFII) into the PRC for the purpose of investing in the PRC’s domestic securities markets. Meanwhile, from November 17, 2014, foreign investors can trade eligible stocks listed in Shanghai Stock Exchange through Shanghai-Hong Kong Stock Connect. And from 5 December 2016, foreign investors can trade eligible stocks listed in Shenzhen Stock Exchange through Shenzhen-Hong Kong Stock Connect. The Manager has obtained RQFII status and the total RQFII quotas obtained by the Manager amount to RMB 46.1 billion as of 30 June 2019.

The FTSE China A50 Index (the “Index”) is compiled and published by FTSE International Limited. It comprises the top 50 A-Share companies from both the Shanghai and Shenzhen markets by market capitalisation. The Index operates under clearly defined rules published by the index provider and is a tradable index.

Capital Gains Tax (“CGT”) Treatment

Rules governing taxes on capital gains derived by QFIIs or RQFIIs from the trading of PRC Securities (including China A-Shares) was announced on 14 November 2014. According to the rules, investors are not required to pay capital gain tax from 17 November 2014. Therefore, the Manager did not provision any withholding tax after November 17, 2014.

Change to the type of the Underlying Index

The Sub-Fund has been using FTSE China A50 price return index as its Underlying Index since its inception in August 2012. Price return index does not include the reinvestment of dividends from the constituent securities of the index. Price return index only considers price movements of the constituent securities of the index but the net total return index assumes that dividends paid by the constituent securities of the index, net of any withholding taxes, are reinvested in additional shares of such index’s constituents. As such, an index’s net total return is usually considered to be a more accurate measurement of the actual investment return and performance. Therefore, it is proposed that the type of the Underlying Index of the Sub-Fund will change from price return index to net total return index with effect from 27 February 2015.

The Manager believes that the change to the type of the Underlying Index will not only reduce the cash dragging but also its tracking error of the Sub-Fund. The Manager considers that the change made to the type of the Sub-Fund’s Underlying Index would not materially prejudice unitholders’ rights or interests and does not anticipate adverse impact to the operation of the Sub-Fund.

CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS (CONTINUED)

The Sub-Fund Performance

The CSOP A50 ETF seeks to provide investment results, before fees and expenses, which closely correspond to the performance of the Index. As of 28 June 2019, the dealing Net Asset Value (“NAV”) per unit of the CSOP A50 ETF was RMB 13.1783 and there were 1,152,000,000 units outstanding. The total asset under management was approximately RMB 15.2 billion.

For the period ended 28 June 2019, the FTSE China A50 net return index increased by 32.56% while the dealing NAV increased by 31.28%. The difference in performance between the NAV of the CSOP A50 ETF and the Index is mainly attributed to dividends, fees and expenses including tax on dividends. YTD Net total return of the RMB counter (stock code 82822) was 32.20%.

Exchange Liquidity

Since inception, the CSOP A50 ETF has attracted great investor attention from investors across the globe. The trading value of the RMB counter (stock code: 82822) remained steadily at an average daily turnover of RMB 18.0 million in June 2019. The trading value of the HKD counter (stock code: 02822) remained steadily at an average daily turnover of HKD 738.5 million in June 2019. The Sub-Fund’s high liquidity often placed it in the most actively traded ETFs on the HKEx. The trading volume for the CSOP A50 ETF reflected strong interest in the CSOP A50 ETF.

Portfolio Rebalance

The CSOP A50 ETF adopts full-replication strategy to track the Index. Since inception, the Sub-Fund has experienced twenty eight quarterly index rebalances.

CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)

CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

		30 June 2019 (Unaudited) RMB	31 December 2018 (Audited) RMB
	<i>Notes</i>		
ASSETS			
NON-CURRENT ASSETS			
Deposit reserve		1,383,200	1,383,200
		-----	-----
CURRENT ASSETS			
Investments	7(c),8(a)	14,994,233,677	15,582,325,704
Interest receivable		8,137	6,787
Bank balances	7(c)	202,064,482	136,222,741
		-----	-----
		15,196,306,296	15,718,555,232
		-----	-----
Total assets		15,197,689,496	15,719,938,432
		=====	=====
LIABILITIES			
CURRENT LIABILITIES			
Management fee payable	7(a)	12,030,137	13,383,339
Trustee fee payable	7(b)	486,066	540,741
License fee payable		4,336,547	7,108,826
Other accounts payable		400,576	726,804
		-----	-----
Total liabilities		17,253,326	21,759,710
		=====	=====
EQUITY			
Net assets attributable to unitholders	4	15,180,436,170	15,698,178,722
		=====	=====

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

CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2019

		Period from 1 January 2019 to 30 June 2019 (Unaudited) RMB	Period from 1 January 2018 to 30 June 2018 (Unaudited) RMB
	<i>Notes</i>		
INCOME			
Dividend income		219,708,749	178,737,705
Interest income	7(c)	413,280	275,987
Net gain/(loss) on investments	5	4,563,193,921	(1,826,674,218)
Other income		7,977,944	16,563,831
Total net income/(loss)		<u>4,791,293,894</u>	<u>(1,631,096,695)</u>
EXPENSES			
Management fee	7(a)	(86,707,376)	(80,496,659)
Trustee fee	7(b)	(3,503,329)	(7,179,192)
Transaction costs of investments		(18,372,883)	(12,138,235)
Audit fee		(510,760)	(375,524)
Safe custody and bank charges		(2,485,480)	(636,882)
Legal and other professional fee		(149,766)	-
License fee		(8,695,701)	(8,072,640)
Other operating expenses		(439,271)	(231,562)
Total operating expenses		<u>(120,864,566)</u>	<u>(109,130,694)</u>
Operating profit/(loss)		<u>4,670,429,328</u>	<u>(1,740,227,389)</u>
Taxation	6	<u>(22,111,280)</u>	<u>(17,953,625)</u>
Total comprehensive income		<u>4,648,318,048</u>	<u>(1,758,181,014)</u>

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

CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
For the period ended 30 June 2019

	Period from 1 January 2019 to 30 June 2019 (Unaudited) RMB	Period from 1 January 2018 to 30 June 2018 (Unaudited) RMB
Net assets attributable to unitholders at the beginning of the period	15,698,178,722	19,305,132,834
Proceeds on issue of units	449,936,900	352,275,600
Payments on redemption of units	(5,615,997,500)	(4,131,042,600)
Net decrease from unit transactions	(5,166,060,600)	(3,778,767,000)
Total comprehensive income for the period	4,648,318,048	(1,758,181,014)
Net assets attributable to unitholders at the end of the period	15,180,436,170	13,768,184,820

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

CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)

CONDENSED STATEMENT OF CASH FLOWS
For the period ended 30 June 2019

	Period from 1 January 2019 to 30 June 2019 (Unaudited) RMB	Period from 1 January 2018 to 30 June 2018 (Unaudited) RMB
OPERATING ACTIVITIES		
Payments for purchase of investments	(3,225,292,022)	(1,684,671,551)
Proceeds from sale of investments	8,376,577,970	5,546,927,700
Dividend received	219,708,749	178,737,705
Interest received	411,930	270,581
Other income received	7,977,944	16,563,831
Management fee paid	(88,060,578)	(85,395,277)
Trustee fee paid	(3,558,004)	(7,578,038)
Transaction costs paid	(18,372,883)	(12,138,235)
Taxation paid	(22,111,280)	(17,953,625)
Other operating expenses paid	(15,379,485)	(10,736,960)
Net cash generated from operating activities	5,231,902,341	3,924,026,131
FINANCING ACTIVITIES		
Proceeds on issue of units	449,936,900	352,275,600
Payments on redemption of units	(5,615,997,500)	(4,156,808,666)
Net cash used in financing activities	(5,166,060,600)	(3,804,533,066)
Net increase in cash and cash equivalents	65,841,741	119,493,065
Cash and cash equivalents at the beginning of the period	136,222,741	36,602,445
Cash and cash equivalents at the end of the period	202,064,482	156,095,510
Analysis of balances of cash and cash equivalents		
Bank balances	202,064,482	156,095,510

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

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CSOP ETF Series (the “Trust”) is an umbrella unit trust governed by its trust deed dated 25 July 2012, as amended, (the “Trust Deed”) and authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to Section 104(1) of the Securities and Futures Ordinance. The terms of the Trust Deed are governed by the laws of Hong Kong. As at 30 June 2019, the Trust has seven sub-funds which are CSOP FTSE China A50 ETF (the “Sub-Fund”), CSOP SZSE ChiNext ETF, CSOP China CSI 300 Smart ETF, CSOP MSCI China A Inclusion Index ETF, ICBC CSOP S&P New China Sectors ETF, CSOP Hong Kong Dollar Money Market ETF and CSOP US Dollar Money Market ETF. The Sub-Funds of the Trust, CSOP CES China A80 ETF was terminated on 31 May 2019 and CSOP US Dollar Money Market ETF was launched on 23 January 2019. The date of inception of the Sub-Fund was 23 August 2012. The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited. CSOP Asset Management Limited, the manager of the Sub-Fund, applied and obtained approval to list Japan Depository Receipt (“JDR”) which represents units of the Sub-Fund on the Tokyo Stock Exchange (“TSE”). The JDR which represents units of the Sub-Fund was listed on the TSE on 27 February 2013.

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

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Underlying Index, namely, FTSE China A50 Index (the “Underlying Index”). In order to achieve the investment objective of the Sub-Fund, the Manager will adopt a full replication strategy by directly investing all, or substantially all, of the assets of the Sub-Fund in index securities constituting the Underlying Index in substantially the same weightings (i.e. proportions) as these index securities have in the Underlying Index. The Manager may also use a representative sampling strategy in exceptional circumstances.

The Sub-Fund has been using FTSE China A50 net total return index as its underlying index.

Under current regulations in the People’s Republic of China (“PRC”), generally foreign investors can invest in the domestic securities market through certain qualified foreign institutional investors that have obtained status as a Qualified Foreign Institutional Investor (“QFII”) or a Renminbi Qualified Foreign Institutional Investor (“RQFII”) from the China Securities Regulatory Commission (“CSRC”) and have been granted quota(s) by the State Administration of Foreign Exchange (“SAFE”) of the PRC to remit foreign freely convertible currencies (in the case of a QFII) and Chinese Renminbi (“RMB”) (in the case of a RQFII) into the PRC for the purpose of investing in the PRC’s domestic securities markets. Foreign investors can also invest in the domestic securities market through Shanghai/Shenzhen – Hong Kong Stock Connect Program (“Stock Connect”).

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

These condensed semi-annual financial statements are prepared for the Sub-Fund only. The condensed financial statements for CSOP SZSE ChiNext ETF, CSOP China CSI 300 Smart ETF, CSOP MSCI China A Inclusion Index ETF, ICBC CSOP S&P New China Sectors ETF, CSOP Hong Kong Dollar Money Market ETF and CSOP US Dollar Money Market ETF have been prepared separately.

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

These condensed semi-annual financial statements for the six months ended 30 June 2019 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The condensed semi-annual financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2018, as described in the annual financial statements.

Standards and amendments to existing standards effective 1 January 2019

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

New standards and amendments to standards effective after 1 January 2019 that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund

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

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

In preparing these financial statements, the Manager has made certain assumptions and used various estimates concerning the fair value of the securities that are suspended from trading which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

Fair value of securities that are suspended from trading

As at 31 December 2018, there were listed equities which have been suspended for trading mainly due to business restructuring. Management made its judgement in determining the fair values of these investments and involved a higher degree of subjectivity. Management judgement in determining the fair values of the suspended investments includes factors such as the duration of suspension period, the relevant market information and news of the suspended listed equities, the price movement of comparable listed equities/index during the suspension period and, if applicable, the market prices of the suspended listed equities upon resumption of trading after year end.

As at 30 June 2019, there was no investment held by the Sub-Fund which has been suspended for trading.

As at 31 December 2018, the Sub-Fund held one listed equity of RMB448,585,791, represented 2.86% of the net asset value of the Sub-Fund, was suspended for trading and it was classified as level 2. Such suspended investment held by the Sub-Fund has resumed trading subsequent to the year ended 31 December 2018. Having considered the factors above, Management has based on their best estimation and concluded using the latest available price before suspension as the fair value of such suspended investment as at 31 December 2018. Refer to Note 8(d).

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

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

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

Redeemable units of the Sub-Fund are classified as equity and they are carried at the redemption amount that would be payable at the reporting date if the unitholder exercised the right to redeem the units in the Sub-Fund.

**CSOP FTSE CHINA A50 ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

4. NUMBER OF UNITS IN ISSUE AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT (Continued)

The movements of the redeemable units for the period ended 30 June 2019 and 30 June 2018 are as follows:

	Period from 1 January 2019 to 30 June 2019 (Unaudited) units	Period from 1 January 2018 to 30 June 2018 (Unaudited) units
Number of units in issue at the beginning of the period	1,564,000,000	1,495,000,000
Units issued	36,000,000	28,000,000
Units redeemed	(448,000,000)	(316,500,000)
Number of units in issue at the end of the period	<u>1,152,000,000</u>	<u>1,206,500,000</u>
	As at 30 June 2019 (Unaudited) RMB	As at 31 December 2018 (Audited) RMB
Net assets attributable to unitholders per unit (per statement of financial position)	<u>13.1775</u>	<u>10.0372</u>

5. NET GAIN/(LOSS) ON INVESTMENTS

	Period from 1 January 2019 to 30 June 2019 (Unaudited) RMB	Period from 1 January 2018 to 30 June 2018 (Unaudited) RMB
Net fair value change in unrealised gain/loss in value of investments	3,346,146,231	(2,679,641,326)
Net realised gain on sale of investments	1,217,047,690	852,967,108
	<u>4,563,193,921</u>	<u>(1,826,674,218)</u>

6. TAXATION

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

PRC tax

The Sub-Fund invests in A-Shares listed in the PRC and is subjected to 10% withholding tax on dividend income derived from A-Shares. Withholding tax was charged on dividend income received from A-Shares during the period.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

6. TAXATION (Continued)

The taxation of the Sub-Fund for the period ended 30 June 2019 and 30 June 2018 represents:

	Period from 1 January 2019 to 30 June 2019 (Unaudited) RMB	Period from 1 January 2018 to 30 June 2018 (Unaudited) RMB
Withholding tax on dividend income	22,095,851	17,945,607
Withholding tax on interest income	15,429	8,018
Taxation	<u>22,111,280</u>	<u>17,953,625</u>

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

The following is a summary of significant related party transactions/transactions entered into during the period between the Sub-Fund and the Trustee, the Manager and the Connected Persons of the Manager. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the period from 1 January 2019 to 30 June 2019, between the Sub-Fund and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with the Connected Persons of the Manager except for those disclosed below.

(a) Management fee

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

(b) Trustee fee and Registrar's fee

The Trustee is entitled to receive a trustee fee of up to 1% per annum of the net asset value of the Sub-Fund, which accrued daily and calculated as at each dealing day and payable monthly in arrears. Prior to 1 December 2018, the trustee fee is calculated as a percentage per annum of the net asset value of the Sub-Fund at the rate as follows, subject to a monthly minimum of RMB40,000:

Prior to 1 December 2018:

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

Effective from 1 December 2018, the trustee fee is calculated at the rate up to 0.08% per annum of the net asset value of the Sub-Fund.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS (Continued)

(b) Trustee fee and Registrar's fee (Continued)

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

The Trustee, acting as the Registrar, is also entitled to a fee of RMB100 per participating dealer per transaction. Prior to 1 December 2018, the Trustee is entitled to a fee of RMB120 per participating dealer per transaction.

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

(c) Financial assets

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

	As at 30 June 2019 (Unaudited) RMB	As at 31 December 2018 (Audited) RMB
Investments		
The Hongkong and Shanghai Banking Corporation Limited	12,656,869,096	13,147,055,563
HSBC Bank (China) Company Limited	2,337,364,581	2,435,270,141
	<u>14,994,233,677</u>	<u>15,582,325,704</u>
Bank balances		
The Hongkong and Shanghai Banking Corporation Limited	195,035,985	86,356,792
HSBC Bank (China) Company Limited	7,028,497	49,865,949
	<u>202,064,482</u>	<u>136,222,741</u>

Interest income amounting to RMB413,280 (for the period from 1 January 2018 to 30 June 2018: RMB275,987) was earned on these bank balances for the period ended 30 June 2019.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT

The objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the FTSE China A50 Index. The Sub-Fund's activities may expose it to a variety of risks including but not limited to: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

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

(a) Market risk

(i) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Fund is designated to track the performance of the FTSE China A50 Index, therefore the exposures to market risk in the Sub-Fund will be substantially the same as the tracked index. The Manager manages the Sub-Fund's exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned with the characteristics of the tracked index.

As at 30 June 2019 and 31 December 2018, the Sub-Fund's investments were concentrated in the following industries:

	30 June 2019 (Unaudited)		31 December 2018 (Audited)	
	Fair value RMB	% of net asset value	Fair value RMB	% of net asset value
Listed equities in PRC – by industry				
Basic materials	201,407,089	1.33	251,191,126	1.60
Consumer goods	3,748,325,558	24.69	3,279,491,218	20.89
Financials	8,938,077,107	58.88	9,501,148,790	60.52
Health Care	416,688,076	2.74	322,042,179	2.05
Industrials	1,118,186,352	7.37	1,534,072,192	9.77
Oil & gas	216,654,161	1.43	279,175,429	1.78
Technology	36,425,547	0.24	46,706,158	0.30
Telecommunications	126,792,309	0.83	141,804,657	0.90
Utilities	191,677,478	1.26	226,693,955	1.45
	<u>14,994,233,677</u>	<u>98.77</u>	<u>15,582,325,704</u>	<u>99.26</u>

The Sub-Fund held 50 out of 50 (31 December 2018: 50 out of 50) constituent securities comprising the FTSE China A50 Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the FTSE China A50 Index.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

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

As at 30 June 2019, if the FTSE China A50 Index were to increase by 10% (31 December 2018: 10%) with all other variables held constant, this would increase the operating profit for the period/year by approximately RMB1,499,423,368 (31 December 2018: RMB1,588,417,089). Conversely, if the FTSE China A50 Index were to decrease by 10% (31 December 2018: 10%), this would decrease the operating profit for the period/year by an equal amount.

(ii) Interest rate risk

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

As at 30 June 2019 and 31 December 2018, interest rate risk arises only from bank balances. As the bank balances held by the Sub-Fund is short term in nature and the interest arising from these interest bearing assets are immaterial, the Manager considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. As a result, the Manager considers sensitivity analysis of interest rate risk is not necessary to be presented.

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-Fund is not exposed to currency risk arising from balances and transactions in foreign currencies as the majority of its assets and liabilities are denominated in RMB, the Sub-Fund's functional and presentation currency. As a result, Managers considers sensitivity analysis of currency risk is not necessary to be presented.

(b) Credit and counterparty risk

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

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

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

As at 30 June 2019, the Sub-Fund placed bank balances of RMB195,035,985 (31 December 2018: RMB86,356,792) and investments of RMB12,656,869,096 (31 December 2018: RMB13,147,055,563) with The Hong Kong and Shanghai Banking Corporation Limited ("HSBC"), which is the custodian of the Sub-Fund. The S&P credit rating of HSBC is A (31 December 2018: A).

As at 30 June 2019, the Sub-Fund placed bank balances of RMB7,028,497 (31 December 2018: RMB49,865,949) and investments of RMB2,337,364,581 (31 December 2018: RMB2,435,270,141) with HSBC Bank (China) Company Limited ("HSBC China"), which is the PRC custodian of the Sub-Fund. The Moody's credit rating of HSBC China is A1 (31 December 2018: A1).

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk (Continued)

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2019 and 31 December 2018, deposit reserve, interest receivables, amounts due from brokers and bank balances are held with counterparties with high credit ratings and are due to be settled within 1 month. Management consider 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.

The maximum exposure to credit risk as at 30 June 2019 and 31 December 2018 is the carrying amount of the financial assets as shown on the condensed statement of financial position.

(c) Liquidity risk

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

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

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

	Less than 1 month RMB	1 month to less than 3 months RMB	Over 3 months RMB	Total RMB
As at 30 June 2019				
Management fee payable	12,030,137	-	-	12,030,137
Trustee fee payable	486,066	-	-	486,066
License fee payable	-	4,336,547	-	4,336,547
Other accounts payable	44,530	500	355,546	400,576
Contractual cash outflow	12,560,733	4,337,047	355,546	17,253,326
As at 31 December 2018				
Management fee payable	13,383,339	-	-	13,383,339
Trustee fee payable	540,741	-	-	540,741
License fee payable	-	7,108,826	-	7,108,826
Other accounts payable	-	87,980	638,824	726,804
Contractual cash outflow	13,924,080	7,196,806	638,824	21,759,710

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

Units are redeemed on demand at the unitholder's option. As at 30 June 2019, there was one (31 December 2018: 1) unitholder holding more than 10% of the Sub-Fund's units.

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

	Less than 1 month <i>RMB</i>	1 to 12 months <i>RMB</i>	No stated maturity <i>RMB</i>	Total <i>RMB</i>
As at 30 June 2019				
Total assets	15,196,298,159	8,137	1,383,200	15,197,689,496
As at 31 December 2018				
Total assets	15,718,548,445	6,787	1,383,200	15,719,938,432

(d) Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Sub-Fund 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

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

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets (by class) measured at fair value at 30 June 2019 and 31 December 2018:

	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
As at 30 June 2019				
Assets				
Investment				
- Equity securities	14,994,233,677	-	-	14,994,233,677
Total assets	14,994,233,677	-	-	14,994,233,677
As at 31 December 2018				
Assets				
Investment				
- Equity securities	15,133,739,913	448,585,791	-	15,582,325,704
Total assets	15,133,739,913	448,585,791	-	15,582,325,704

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

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. Management has used best estimation and assessed all available information and considers that the last traded price is the best estimation of the fair value of level 2 investments as at 31 December 2018.

As at 30 June 2019, there was no investment held by the Sub-Fund which has been suspended for trading.

As at 31 December 2018, one listed equity investment held by the Sub-Fund amounted to RMB448,585,791, represented 2.86% of the net asset value of the Sub-Fund, was suspended for trading due to business restructuring and was classified as level 2. Such investment has resumed trading subsequent to the year ended 31 December 2018.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or do not trade. As at 30 June 2019 and 31 December 2018, the sub fund did not hold any investments classified in level 3.

During the period ended 30 June 2019, the suspended equity investment of RMB448,585,791 has been transferred from level 2 to level 1 and classified as level 1 investments.

During the year ended 31 December 2018, the suspended equity investment of RMB448,585,791 has been transferred from level 1 to level 2 and classified as level 2 investments.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

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

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

(e) Capital risk management

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

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

9. DISTRIBUTION

There was no distribution during the period ended 30 June 2019 and 30 June 2018.

10. FINANCIAL INSTRUMENTS BY CATEGORY

As of 30 June 2019 and 31 December 2018, other than investments as disclosed in the financial statements which are classified as financial assets at fair value through profit or loss, all financial assets including deposit reserve, interest receivable and bank balances are categorised as per IFRS 9 and carried at amortised cost. All the financial liabilities of the Sub-Fund are carried at amortised cost.

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

11. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

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 Index and the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the Index (except as a result of changes in the composition of the Index and the excess is transitional and temporary in nature).

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

There was one constituent security (31 December 2018: 1) that individually accounted for more than 10% of the net asset value of the Sub-Fund and their respective weightings of the FTSE China A50 Index as at 30 June 2019.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

11. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (Continued)

As at 30 June 2019

	Weighting in the Index (%)	% of net asset value
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	14.63	13.95

As at 31 December 2018

	Weighting in the Index (%)	% of net asset value
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	11.91	11.50

During the period ended 30 June 2019, the FTSE China A50 Net Total Return index increased by 32.56% (31 December 2018: decreased by 19.36%) while the net asset value per unit of the Sub-Fund increased by 31.29% (31 December 2018: decreased by 22.27%).

12. SOFT COMMISSION ARRANGEMENT

The Manager has entered into soft commission arrangements for the period/year ended 30 June 2019 and 31 December 2018 with some brokers under which certain goods and services used to support investment decision making are obtained from third parties and are paid for by the brokers in consideration of transactions of the Sub-Fund directed to the brokers. These may include, for example, research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; clearing, registrar and custodial services and investment-related publication; computer hardware and software incidental to the above goods and services.

13. SEGMENT INFORMATION

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

The Manager considers that the Sub-Fund has a single operating segment which is investing in securities. The objectives of the Sub-Fund are to track the performance of the FTSE China A50 Index and invest in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

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

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund's income is derived from investments in PRC securities which constitute FTSE China A50 Index, the tracked index.

The total of non-current assets of the Sub-Fund located in PRC is RMB1,383,200 (31 December 2018: RMB1,383,200). The Sub-Fund has no other assets classified as non-current assets. As at 30 June 2019 and 31 December 2018, the Sub-Fund has a diversified portfolio of investments and one investment accounts for more than 10% of the Sub-Fund's net asset value.

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INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2019

	Holdings	Fair value RMB	% of net assets
Investments (98.77%)			
Listed equities (98.77%)			
China (98.77%)			
360 SECURITY TECHNOLOGY INC A SHRS ORD CNY1	1,074,050	22,963,189	0.15
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	103,592,103	372,931,571	2.46
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	4,672,356	193,902,774	1.28
BANK OF BEIJING CO LTD ORD CNY1 CL A	34,344,781	202,977,656	1.34
BANK OF CHINA LTD A SHS ORD CNY1	56,993,087	213,154,145	1.40
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	54,130,459	331,278,409	2.18
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	14,207,523	92,348,899	0.61
CHINA CITIC BANK CORP A SHRS ORD CNY1	7,366,480	43,977,886	0.29
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	3,811,917	43,150,900	0.28
CHINA CONSTRUCTION BANK A SHS ORD CNY1	24,341,507	181,100,812	1.19
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	37,678,041	143,553,336	0.95
CHINA LIFE INSURANCE CO A SHS ORD NPV	3,941,623	111,626,763	0.74
CHINA MERCHANTS BANK A SHR ORD CNY1	31,796,035	1,144,021,339	7.54
CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD ORD CNY1	5,557,032	116,141,969	0.76
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	74,777,416	474,836,592	3.13
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	6,799,934	248,265,590	1.64
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	25,839,736	141,343,356	0.93
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	10,264,976	102,136,511	0.67
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	5,351,236	109,058,190	0.72
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	45,408,577	261,099,318	1.72
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	20,583,167	126,792,309	0.84
CHINA VANKE CO LTD A SHR ORD CNY1	17,485,415	486,269,391	3.20
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	10,708,239	191,677,478	1.26
CITIC SECURITIES CO LTD A SHR ORD CNY1	21,017,566	500,428,246	3.30
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD A SHS ORD CNY1	593,601	40,887,237	0.27
CRRC CORP LTD A SHR ORD CNY1	20,136,598	162,905,078	1.07
FOSHAN HAITIAN FLAVOURING & FOOD COMPANY LTD A SHS ORD CNY1	730,167	76,667,535	0.50
FOXCONN INDUSTRIAL INTERNET CO LTD A SHRS ORD CNY1	3,022,867	36,425,547	0.24
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	11,504,468	632,745,740	4.17
GUOTAI JUNAN SECURITIES CO LTD A SHRS ORD NPV	8,942,557	164,095,921	1.08

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INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 30 June 2019

	Holdings	Fair value RMB	% of net assets
Investments (98.77%) (continued)			
Listed equities (98.77%) (continued)			
China (98.77%) (continued)			
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	7,653,723	211,089,680	1.39
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	58,324,583	343,531,794	2.26
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	37,464,198	685,220,181	4.51
INNER MONGILIA YILI INDUSTRIAL GROUP CO LTD A SHS ORD CNY1	13,518,472	451,652,150	2.98
JIANGSU HENGRUI MEDICINE CO LTD A SHR ORD CNY1	5,500,465	363,030,690	2.39
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	1,191,487	144,837,160	0.95
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	1,195,364	1,176,238,176	7.75
MIDEA GROUP CO LIMITED A SHR ORD NPV	8,403,295	435,794,879	2.87
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	1,772,758	97,554,873	0.64
PETROCHINA CO LTD A SHRS CNY1	10,946,338	75,310,805	0.50
PING AN BANK CO LTD A SHR ORD CNY1	19,500,766	268,720,555	1.77
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	23,898,690	2,117,662,921	13.95
POLY DEVELOPMENTS AND HOLDINGS GROUP CO LTD A SHR ORD CNY1	18,532,310	236,472,276	1.56
S F HOLDING CO LTD A SHRS ORD CNY1	1,923,983	65,338,463	0.43
SAIC MOTOR CORP LTD A SHR ORD CNY1	7,326,975	186,837,862	1.23
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	8,152,557	55,600,439	0.37
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	38,891,685	454,254,881	2.99
SHENZHEN MINDRAY BIO MEDICAL ELECTRONICS CO LTD A SHS ORD CNY1	328,783	53,657,386	0.35
WENS FOODSTUFF GROUP CO LTD A SHRS ORD CNY1	1,149,358	41,215,978	0.27
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	4,760,058	561,448,841	3.70
Total investments		14,994,233,677	98.77
Other net assets		186,202,493	1.23
Net assets attributable to unitholders at 30 June 2019		15,180,436,170	100.00
Total investments, at cost		11,987,073,952	

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2019

	Holdings				
	1 January 2019	Additions	Corporate actions	Disposals	30 June 2019
Investments					
Listed equities					
360 SECURITY TECHNOLOGY INC A SHRS ORD CNY1	1,431,850	300,200	-	658,000	1,074,050
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	138,101,703	22,789,600	-	57,299,200	103,592,103
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	6,228,856	925,500	-	2,482,000	4,672,356
BANK OF BEIJING CO LTD ORD CNY1 CL A	45,786,026	7,735,755	-	19,177,000	34,344,781
BANK OF CHINA LTD A SHS ORD CNY1	75,979,087	7,898,600	-	26,884,600	56,993,087
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	72,162,959	15,660,500	-	33,693,000	54,130,459
BANK OF SHANGHAI CO LTD A SHS ORD CNY1	16,439,426	11,771,600	-	28,211,026	-
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	18,933,451	739,672	-	5,465,600	14,207,523
BOE TECHNOLOGY GROUP CO LT ORD CNY1	-	139,000	-	139,000	-
BYD CO LTD ORD CNY1	-	5,400	-	5,400	-
CHINA CITIC BANK CORP A SHRS ORD CNY1	9,820,542	1,713,138	-	4,167,200	7,366,480
CHINA CITIC BANK CORP NIL PAID RTS 04/03/2019	-	-	1,510,000	1,510,000	-
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	5,081,717	1,023,800	-	2,293,600	3,811,917
CHINA CONSTRUCTION BANK A SHS ORD CNY1	32,450,407	4,517,700	-	12,626,600	24,341,507
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	50,229,641	7,798,100	-	20,349,700	37,678,041
CHINA LIFE INSURANCE CO A SHS ORD NPV	5,254,723	910,100	-	2,223,200	3,941,623
CHINA MERCHANTS BANK A SHR ORD CNY1	42,388,303	7,701,532	-	18,293,800	31,796,035

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the period ended 30 June 2019

	Holdings				
	1 January 2019	Additions	Corporate actions	Disposals	30 June 2019
Investments (Continued)					
Listed equities (Continued)					
CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD ORD CNY1	7,408,313	1,169,119	-	3,020,400	5,557,032
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	99,687,916	14,789,600	-	39,700,100	74,777,416
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	9,065,234	1,913,100	-	4,178,400	6,799,934
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	34,447,736	1,337,600	-	9,945,600	25,839,736
CHINA RAILWAY GROUP LTD A ORD CNY1	18,536,147	17,259,600	-	35,795,747	-
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	13,684,401	7,722,975	-	11,142,400	10,264,976
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	7,133,836	1,178,200	-	2,960,800	5,351,236
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	60,562,477	7,121,500	-	22,275,400	45,408,577
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	27,428,367	3,043,600	-	9,888,800	20,583,167
CHINA VANKE CO LTD A SHR ORD CNY1	23,310,319	895,096	-	6,720,000	17,485,415
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	14,275,438	554,401	-	4,121,600	10,708,239
CITIC SECURITIES CO LTD A SHR ORD CNY1	28,019,100	4,762,466	-	11,764,000	21,017,566
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD A SHS ORD CNY1	791,295	723,106	-	920,800	593,601
CRRC CORP LTD A SHR ORD CNY1	26,844,690	4,303,308	-	11,011,400	20,136,598
FOCUS MEDIA INFORMATION TE ORD CNY1	-	37,900	-	37,900	

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the period ended 30 June 2019

	Holdings				
	1 January 2019	Additions	Corporate actions	Disposals	30 June 2019
Investments (Continued)					
Listed equities (Continued)					
FOSHAN HAITIAN FLAVOURING & FOOD COMPANY LTD A SHS ORD CNY1	973,767	136,000	-	379,600	730,167
FOXCONN INDUSTRIAL INTERNET CO LTD A SHRS ORD CNY1	4,029,867	157,800	-	1,164,800	3,022,867
GF SECURITIES CO LTD ORD CNY1	-	21,000	-	21,000	-
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	15,337,012	2,161,856	-	5,994,400	11,504,468
GUANGZHOU AUTOMOBILE GROUP ORD CNY1	-	3,400	-	3,400	-
GUOTAI JUNAN SECURITIES CO LTD A SHRS ORD NPV	11,921,756	1,629,001	-	4,608,200	8,942,557
HAITONG SECURITIES CO LTD ORD CNY1	-	45,100	-	45,100	-
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	10,071,162	1,589,361	-	4,006,800	7,653,723
HUATAI SECURITIES CO LTD ORD CNY1	-	22,400	-	22,400	-
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	77,754,283	11,276,100	-	30,705,800	58,324,583
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	49,944,618	7,879,680	-	20,360,100	37,464,198
INNER MONGILIA YILI INDUSTRIAL GROUP CO LTD A SHS ORD CNY1	17,968,172	747,100	-	5,196,800	13,518,472
JIANGSU HENGRUI MEDICINE CO LTD A SHR ORD CNY1	6,105,065	1,095,932	1,249,868	2,950,400	5,500,465
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	1,588,585	50,902	-	448,000	1,191,487
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	1,593,582	159,782	-	558,000	1,195,364

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the period ended 30 June 2019

	Holdings				
	1 January 2019	Additions	Corporate actions	Disposals	30 June 2019
Investments (Continued)					
Listed equities (Continued)					
MIDEA GROUP COMPANY LIMITED A SHR ORD NPV	14,148,895	3,102,000	-	8,847,600	8,403,295
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	2,363,258	126,300	-	716,800	1,772,758
PETROCHINA CO LTD A SHRS CNY1	14,592,838	2,414,700	-	6,061,200	10,946,338
PING AN BANK CO LTD NIL PAID RTS 21/01/2019	-	-	6,917,900	6,917,900	-
PING AN BANK CO LTD A SHR ORD CNY1	25,997,087	1,779,779	-	8,276,100	19,500,766
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	32,193,144	6,212,746	-	14,507,200	23,898,690
POLY DEVELOPMENTS AND HOLDINGS GROUP CO LTD A SHR ORD CNY1	24,629,910	984,800	-	7,082,400	18,532,310
S F HOLDING CO LTD A SHRS ORD CNY1	2,562,143	558,640	-	1,196,800	1,923,983
SAIC MOTOR CORP LTD A SHR ORD CNY1	9,767,843	340,732	-	2,781,600	7,326,975
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	10,868,480	2,020,077	-	4,736,000	8,152,557
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	51,847,667	7,307,218	-	20,263,200	38,891,685
SHENZHEN MINDRAY BIO MEDICAL ELECTRONICS CO LTD A SHS ORD CNY1	-	593,783	-	265,000	328,783
WENS FOODSTUFF GROUP CO LTD A SHRS ORD CNY1	-	2,847,358	-	1,698,000	1,149,358
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	6,345,755	206,303	-	1,792,000	4,760,058

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PERFORMANCE RECORD (Unaudited)

Net asset value

	Dealing net asset value of the Sub-Fund <i>RMB</i>	Dealing net asset value per unit <i>RMB</i>
At the end of financial period/year dated		
30 June 2019	15,180,436,170	13.1775
31 December 2018	15,698,178,722	10.0372
31 December 2017	19,305,132,834	12.9131

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/year ended		
30 June 2019	13.4874	9.9063
31 December 2018	14.5348	9.9521
31 December 2017	13.9003	9.9773
31 December 2016	10.8850	8.5007
31 December 2015	15.0028	8.6763
31 December 2014	11.3976	6.3961
31 December 2013	9.1469	6.8307
31 December 2012 (since 23 August 2012 (date of inception))	8.2890	6.9571

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MANAGEMENT AND ADMINISTRATION

Manager and RQFII Holder

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

Trustee and Registrar

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

Adviser

China Southern Fund Management Co. Limited
33rd Floor, Duty-Free Business Building,
6 Fuhua 1st Rd, Futian CBD,
Shenzhen, China 518048

Custodian

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

PRC Custodian

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

Service Agent

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

Listing Agent

Oriental Patron Asia Limited
27th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong

Directors of the Manager

Chen Ding
Gaobo Zhang
Xiaosong Yang
Xiuyan Liu
Yi Zhou
Zhiwei Liu
Zhongping Cai

Legal Adviser to the Manager

Simmons & Simmons
13th Floor, One Pacific Place
88 Queensway
Hong Kong

Auditor

PricewaterhouseCoopers
21st Floor, Edinburgh Tower
15 Queen's Road Central
Hong Kong



www.csopasset.com

Telephone: (852) 3406 5688

2801-2803, Two Exchange Square, 8 Connaught Place, Central, Hong Kong