



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

CSOP HONG KONG DOLLAR MONEY MARKET ETF
Stock Codes: 03053 (HKD counter) and 83053 (RMB counter)
(A sub-fund of CSOP ETF Series)

Unaudited Semi-Annual Report
FOR THE PERIOD FROM 11 JULY 2018 (DATE OF INCEPTION)
TO 30 JUNE 2019



**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

CONTENTS

	Page
Report of the Manager to the Unitholders	1
Condensed Statement of Financial Position	2
Condensed Statement of Comprehensive Income	3
Condensed Statement of Changes in Net Assets Attributable to Unitholders	4
Condensed Statement of Cash Flows	5
Notes to the Unaudited Condensed Financial Statements	6 – 15
Investment Portfolio (Unaudited)	16
Statement of Movements in Investment Portfolio (Unaudited)	17
Performance Record (Unaudited)	18
Management and Administration	19

CSOP HONG KONG DOLLAR MONEY MARKET ETF (A SUB-FUND OF CSOP ETF SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The CSOP Hong Kong Dollar Money Market ETF (the “CSOP HKD MMF ETF”), a sub-fund of the CSOP ETF Series, is a unit trust authorised under the Securities and Futures Ordinance (Cap. 571) of Hong Kong. It was launched on 17 July 2018, commenced trading in HKD under the stock code 3053 and in RMB under the stock code 83053 on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 18 July 2018. The Sub-Fund is benchmarked against 3-month Hong Kong Dollar Interest Settlement Rate (commonly known as Hong Kong Interbank Offered Rate or “HIBOR”) calculated by the Hong Kong Association of Banks (“HKAB”) (the “Benchmark”). The Manager is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The CSOP HKD MMF ETF invest all, or substantially all, of the assets of the Sub-Fund in Hong Kong Dollar-denominated and settled short-term deposits and money market instruments issued by Eligible Financial Institutions (including their group companies), and debt securities issued by governments, quasi-governments, international organisations and financial institutions.

The Sub-Fund Performance

The CSOP HKD MMF ETF provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the 3-month Hong Kong Dollar Interest Settlement Rate (commonly known as Hong Kong Interbank Offered Rate or “HIBOR” thereafter) calculated by the Hong Kong Association of Banks (“HKAB”) (the “Benchmark”). As of 28 June 2019, the dealing Net Asset Value (“NAV”) per unit of the CSOP HKD MMF ETF was HKD 1013.5834 and there were 2,677,000 units outstanding. The total asset under management was approximately HKD 2.71 billion.

For the period from 17 July 2018 to 28 June 2019, the dealing NAV of CSOP HKD MMF ETF performed 1.35% while the benchmark performed 1.83%. YTD Price return of the HKD counter (stock code 3135) was 1.35%.

Exchange Liquidity

Since inception, the CSOP HKD MMF ETF has attracted great investor attention from investors across the globe. The trading value of the HKD counter (stock code: 3053) remained steadily at an average daily turnover of HKD 21.84 million in June 2019. The trading value of the RMB counter (stock code: 83053) remained steadily at an average daily turnover of RMB 1.79 million in June 2019.

Portfolio Rebalance

The CSOP HKD MMF ETF adopts daily portfolio rebalance.

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

		30 June 2019 (Unaudited) HKD
ASSETS		
CURRENT ASSETS		
Bank interest receivable		4,405,937
Other receivables		303,187
Bank balances	6(c)	2,770,038,166
Total assets		<u>2,774,747,290</u>
LIABILITIES		
CURRENT LIABILITIES		
Management fee payable		645,684
Other accounts payable		81,706
Total liabilities		<u>727,390</u>
EQUITY		
Net assets attributable to unitholders	4	<u>2,774,019,900</u>

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

CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period from 11 July 2018 (date of inception) to 30 June 2019

		Period from 11 July 2018 (date of inception) to 30 June 2019 (Unaudited) <i>HKD</i>
	<i>Notes</i>	
INCOME		
Interest income from bank deposits	6(c)	39,136,374
Interest on certificate of deposits		1,174,290
Total net income		<hr/> 40,310,664 <hr/>
EXPENSES		
Management fee	6(a),(b)	(6,619,003)
Audit fee		(15,228)
Safe custody and bank charges		(10,169)
Legal and other professional fee		(449,255)
Establishment costs		(706,965)
Other operating expenses		(510,466)
Total operating expenses		<hr/> (8,311,086) <hr/>
Total comprehensive income		<hr/> <hr/> 31,999,578 <hr/> <hr/>

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

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 11 July 2018 (date of inception) to 30 June 2019

	Period from 11 July 2018 (date of inception) to 30 June 2019 (Unaudited) <i>HKD</i>
Net assets attributable to unitholders at the beginning of the period	-

Proceeds on issue of units	5,468,824,662
Payments on redemption of units	(2,726,804,340)

Net increase from unit transactions	2,742,020,322
Total comprehensive income for the period	31,999,578

Net assets attributable to unitholders at the end of the period	2,774,019,900
	=====

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

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

CONDENSED STATEMENT OF CASH FLOWS

For the period from 11 July 2018 (date of inception) to 30 June 2019

	Period from 11 July 2018 (date of inception) to 30 June 2019 (Unaudited) <i>HKD</i>
OPERATING ACTIVITIES	
Payments for purchase of investments	(399,116,176)
Proceeds from sale of investments	399,116,176
Interest income from bank deposits	34,730,437
Interest income from certificate of deposits	1,174,290
Management fee paid	(5,973,319)
Other receivables	(303,187)
Other operating expense paid	(1,610,377)
	<hr/>
Net cash generated from operating activities	28,017,844

FINANCING ACTIVITIES	
Proceeds on issue of units	5,468,824,662
Payments on redemption of units	(2,726,804,340)
	<hr/>
Net cash generated from in financing activities	2,742,020,322
	<hr/>
Net increase in cash and cash equivalents	2,770,038,166

Cash and cash equivalents at the beginning of the period	-
	<hr/>
Cash and cash equivalents at the end of the period	2,770,038,166
	<hr/> <hr/>
Analysis of balances of cash and cash equivalents	
Bank balances	1,038,166
Short-term deposits	2,769,000,000
	<hr/> <hr/>

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

**CSOP HONG KONG DOLLAR MONEY MARKET 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 Hong Kong Dollar Money Market ETF (the “Sub-Fund”), CSOP FTSE China A50 ETF, 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 and CSOP US Dollar Money Market ETF. The sub fund 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 11 July 2018. The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited.

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

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the benchmark, namely, 3-month HIBOR. In order to achieve the investment objective of the Sub-Fund, the Manager will adopt a passive tracking strategy. A passive tracking strategy involves constructing portfolio of the Sub-Fund from time to time based on credit rating, liquidity and target maturity.

These condensed semi-annual financial statements are prepared for the Sub-Fund only. The condensed financial statements for CSOP FTSE China A50 ETF, 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 and CSOP US Dollar Money Market ETF have been prepared separately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

These condensed semi-annual financial statements for the six months ended 30 June 2019 have been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting”.

The condensed semi-annual financial statements of the Sub-Fund have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

New standards and amendments to standards effective after 11 July 2018 (date of inception) that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund

Number of new standards, amendment to standards and interpretations are effective for annual periods beginning after 11 July 2018 (date of inception), 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.

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.

**CSOP HONG KONG DOLLAR MONEY MARKET 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

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.

Establishment costs are expensed as incurred. However, in accordance with the provisions of the Trust's Prospectus, establishment costs are recognised using the amortization method.

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

The movements of the redeemable units for the period from 11 July 2018 (date of inception) to 30 June 2019 are as follows:

	Period from 11 July 2018 (date of inception) to 30 June 2019 (Unaudited) Units
Number of units in issue at the beginning of the period	-
Units issued	5,441,000
Units redeemed	(2,704,000)
	<hr/>
Number of units in issue at the end of the period	2,737,000
	<hr/> <hr/>
	As at 30 June 2019 (Unaudited)
Net assets attributable to unitholders per unit (per statement of financial position)	1,013.5257
	<hr/> <hr/>

5. TAXATION

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

There was no tax expense of the Sub-Fund for the period from 11 July 2018 (date of inception) to 30 June 2019.

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

6. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND CONNECTED PERSONS

The following is a summary of significant related party transactions/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 11 July 2018 (date of inception) 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 0.30% per annum of the net asset value of the Sub-Fund, inclusive of Trustee fee and Registrar’s fee, accrued daily and calculated as at each dealing day and payable monthly in arrears.

(b) Trustee fee and Registrar’s fee

The Trustee fee and Registrar’s fee are included in the management fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

The Trustee’s fee is inclusive of fees payable to The Hongkong and Shanghai Banking Corporation Limited (the “Custodian”).

The Trustee shall also be entitled to be reimbursed from the Sub-Fund for all out-of-pocket expenses incurred. Refer to Note 6(a).

(c) Financial assets

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

	As at 30 June 2019 (Unaudited) <i>HKD</i>
Bank balances	
The Hongkong and Shanghai Banking Corporation Limited	1,038,166
	<hr/>
	1,038,166
	<hr/> <hr/>
Short-term deposits	
The Hongkong and Shanghai Banking Corporation Limited	337,000,000
	<hr/>
	337,000,000
	<hr/> <hr/>

Interest income amounted to HKD1,760,396 was earned on these bank balances for the period from 11 July 2018 (date of inception) to 30 June 2019.

(d) Manager’s holdings

The Manager of the Sub-Fund holds 46,000 HKD counter units, which represents 1.68% of the net asset value of the Sub-Fund as at 30 June 2019.

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

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

(e) Investment adviser fee

The management fee is inclusive of the Investment Adviser's fee and the Manager will pay the fees of the Investment Adviser (if any) out of the management fee. Refer Note 6(a).

7. FINANCIAL RISK MANAGEMENT

The objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the 3-month HIBOR. 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

As at 30 June 2019, the Sub-Fund did not hold any investments and it only invested into short-term deposits. The Sub-Fund was not exposed to market risk. As a result, no market exposure and sensitivity analysis are presented.

(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, the Sub-Fund invests in short-term deposits, the Sub-Fund is subject to interest rate risk. Interest rate risk is the risk that the value of the Sub-Fund's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for short-term deposits and higher for long-term deposits.

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

The table below summarises the Sub-Fund's exposure to interest rate risks. It includes the Sub-Fund's assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

As at 30 June 2019

	Maturity Less than 1 month <i>HKD</i>	Maturity 1-3 months <i>HKD</i>	Maturity Over 3 months <i>HKD</i>	Non- interest Bearing <i>HKD</i>	Total <i>HKD</i>
Assets					
Bank interest receivable	-	-	-	4,405,937	4,405,937
Other receivables	-	-	-	303,187	303,187
Bank balances	1,270,038,166	1,500,000,000	-	-	2,770,038,166
Total assets	<u>1,270,038,166</u>	<u>1,500,000,000</u>	<u>-</u>	<u>4,709,124</u>	<u>2,774,747,290</u>
Liabilities					
Management fee payable	-	-	-	645,684	645,684
Other accounts payable	-	-	-	81,706	81,706
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>727,390</u>	<u>727,390</u>
Total interest sensitivity gap	<u>1,270,038,166</u>	<u>1,500,000,000</u>	<u>-</u>		

At 30 June 2019, the Sub-Fund has bank balance and short-term deposits of HKD2,770,038,166. If the interest rates had been 10 basis points higher or lower with all variables held constant, net assets attributable to unitholders would have been HKD2,770,038 higher or lower as a result of higher or lower interest income.

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries. As at 30 June 2019, the Sub-Fund did not hold any interest-bearing securities hence, the portfolio weighted average modified duration of the Sub-Fund is Nil.

(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 HKD, the Sub-Fund's functional and presentation currency. As a result, Management considers sensitivity analysis of currency risk is not necessary to be presented.

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit and counterparty risk

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

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

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.

The main concentration to which the Sub-Fund is exposed arises from the Sub-Fund's investments in short-term deposits and money market instruments. The Sub-Fund does not have explicit restrictions on the minimum credit ratings of securities it may hold. The Manager will actively manage the portfolio of the Sub-Fund. In case of credit rating downgrading, the Manager will adjust the positions in the portfolio using its credit analysis and rating systems that are designed to manage credit risks.

The table below summarises the amount of Short-term deposits and bank balance of the Sub-Fund placed with the counterparties together with the credit rating of the relevant counterparties as at 30 June 2019.

	<i>HKD</i>	Credit rating	Source of credit rating
As at 30 June 2019			
Short-term deposits			
Agricultural Bank of China Limited Hong Kong Branch	266,000,000	P-1	Moody's
China Minsheng Banking Corp Ltd Hong Kong Branch	83,000,000	A-3	S&P
CMB Wing Lung Bank Limited	315,000,000	P-2	Moody's
Industrial and Commercial Bank of China (Asia) Ltd	68,000,000	P-1	Moody's
Industrial Bank Co., LTD. Hong Kong Branch	471,000,000	P-2	Moody's
Maybank, HK Branch	35,000,000	P-2	Moody's
Nanyang Commercial Bank Limited	368,000,000	P-2	Moody's
Ping An Bank Co., LTD	626,000,000	P-2	Moody's
Shanghai Pudong Development Bank co LTD, Hong Kong Branch	100,000,000	P-2	Moody's
The Bank of East Asia, Limited, Hong Kong	100,000,000	P-2	Moody's
The Hongkong and Shanghai Banking Corporation Limited	337,000,000	P-1	Moody's
Bank balances			
The Hongkong and Shanghai Banking Corporation Limited ("HSBC")	1,038,166	A	S&P

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

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT (Continued)

(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 short-term deposits that are matured less than three months.

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

	Less than 1 month <i>HKD</i>	1 month to less than 3 months <i>HKD</i>	Over 3 months <i>HKD</i>	Total <i>HKD</i>
As at 30 June 2019				
Management fee payable	645,684	-	-	645,684
Other accounts payable	-	81,706	-	81,706
Contractual cash outflow	<u>645,684</u>	<u>81,706</u>	<u>-</u>	<u>727,390</u>

Units are redeemed on demand at the unitholder's option. As at 30 June 2019, there were two unitholders holding more than 10% of the Sub-Fund's units.

The Manager has assessed the liquidity of the instruments based on historical liquidity of similar money market instruments, by assessing the days to liquidate for such instruments. Only instruments or deposits with high liquidity are included in the portfolio of the Sub-Fund. The following table illustrates the expected liquidity of assets held:

	Less than 1 month <i>HKD</i>	1 to 12 months <i>HKD</i>	No stated maturity <i>HKD</i>	Total <i>HKD</i>
As at 30 June 2019				
Total assets	<u>2,770,341,353</u>	<u>4,405,938</u>	<u>-</u>	<u>2,774,747,291</u>

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT (Continued)

(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.

The Sub-Fund did not hold any investments as at 30 June 2019.

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

(e) Capital risk management

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

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

8. DISTRIBUTION

There was no distribution during the period from 11 July 2018 (date of inception) to 30 June 2019.

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

9. FINANCIAL INSTRUMENTS BY CATEGORY

As of 30 June 2019, all financial assets including bank interest receivable, other receivable and bank balances are categorised as per IFRS9 and carried at amortised costs. All the financial liabilities of the Sub-Fund are carried at amortised cost.

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

10. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

The aggregate value of a scheme's holding of instruments and deposits issued by a single issuer may not exceed 10% of the total net asset value of the scheme except:

- (i) where the issuer is a substantial financial institution and the total amount does not exceed 10% of the issuer's issued capital and published reserves, the limit may be increased to 25%; or
- (ii) in the case of Government and other public securities, up to 30% may be invested in the same issue; or
- (iii) in respect of any deposit of less than US\$ 1,000,000 or its equivalent in the base currency of the scheme, where a scheme cannot otherwise diversify as a result of its size.

As at 30 June 2019, the Sub-Fund held short-term deposits collectively more than 10% of net assets value, issued by single issuer as follows.

Issuer	% of NAV
CMB Wing Lung Bank Limited	11.36%
Industrial Bank Co., LTD. Hong Kong Branch	16.98%
Nanyang Commercial Bank Limited	13.27%
Ping An Bank Co., LTD	22.57%
The Hongkong and Shanghai Banking Corporation Limited	12.15%

For the period from 17 July 2018 to 30 June 2019, the 3-month HIBOR Index increased by 1.83% while the net asset value per unit of Sub-Fund increased by 1.35%. For the period from 11 July 2018 (date of inception) to 30 June 2019, the Sub-Fund did not pay any dividend. For the details of dividend distribution, refer to Note 8.

11. SOFT COMMISSION ARRANGEMENT

The Manager confirms that there have been no soft commission arrangements existing during the period from 11 July 2018 (date of inception) to 30 June 2019 in relation to directing transactions of the Sub-Fund through a broker or dealer.

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

12. SEGMENT INFORMATION

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

The Manager considers that the Sub-Fund has a single operating segment which is investing in fixed income investment. The objectives of the Sub-Fund are to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the benchmark, namely, 3-month HIBOR.

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 short-term deposits and money market instruments including short-term deposits which constitute 3-month HIBOR, the tracked index.

The Sub-Fund has no other assets classified as non-current assets. As at 30 June 2019, the Sub-Fund does not have a portfolio of investments and one short-term deposit account for more than 10% of the Sub-Fund's net asset value.

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2019

Currency	Investments	Holdings	Fair value HK\$	% of net asset value
Total investments at fair value			-	-
Other net assets			2,774,019,900	100.00
Net assets attributable to unitholders			<u>2,774,019,900</u>	<u>100.00</u>
Total investments at cost			<u>-</u>	

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period from 11 July 2018 (date of inception) to 30 June 2019

	Holdings			30 June 2019
	11 July 2018 (date of inception)	Additions	Corporate actions Disposals	
Investments				
Unlisted bonds				
AGRICULTURAL BANK CHINA/HK SER CD (REG S) 0% 19/09/2018	-	200,000,000	-	200,000,000
BANK OF CHINA/HONG KONG SER CD (REG S) 0% 24/09/2018	-	100,000,000	-	100,000,000
SMTB HONG KONG SER FXCD (REG S) 1.71% 20/09/2018	-	100,000,000	-	100,000,000

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

PERFORMANCE RECORD (Unaudited)

Net asset value

	Dealing net asset value of the Sub-Fund <i>HKD</i>	Dealing net asset value per unit <i>HKD</i>
At the end of financial period dated		
30 June 2019	2,774,525,133	1,013.7103

Highest and lowest net asset value per unit

	Highest net asset value per unit <i>HKD</i>	Lowest net asset value per unit <i>HKD</i>
Financial period ended		
30 June 2019 (Since 11 July 2018 (date of inception))	1,013.5834	1,000.0710

Net assets attributable to unitholders per unit

Establishment costs are expensed as incurred. However, in accordance with the provisions of the Trust's Prospectus, establishment costs are recognised using the amortisation method. As at 30 June 2019, the expensing of establishment costs as stated in the financial statements resulted in a decrease of net assets attributable to unitholders of HKD505,233 when compared with the methodology indicated in the Trust's Prospectus.

	As at 30 June 2019 (Unaudited) <i>HKD</i>
Net assets attributable to unitholders as reported in the statement of financial position	2,774,019,900
Adjustments for unamortised establishment costs	505,233
Net asset value in accordance with the Trust's Prospectus	<u>2,774,525,133</u>

**CSOP HONG KONG DOLLAR MONEY MARKET ETF
(A SUB-FUND OF CSOP ETF SERIES)**

MANAGEMENT AND ADMINISTRATION

Manager

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

Trustee and Registrar

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

Custodian

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

Service Agent

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

Listing Agent

Altus Capital Limited
21 Wing Wo Street
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

RESTRICTED