

**ABCI INVESTMENT FUNDS
- ABCI DYNAMIC INCOME FUND**

Interim Report
For the period from 1 January 2018 to 30 June 2018
(Unaudited accounts)

ABCI DYNAMIC INCOME FUND

For the period from 1 January 2018 to 30 June 2018

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ADMINISTRATION AND MANAGEMENT

DIRECTORS OF MANAGER

Li Lu

Luo Pei

Lee Yat Chun (Appointed on 11 April 2018)

Ho Tse Chung Billy (Resigned on 11 April 2018)

Cao Yi (Appointed on 28 June 2018)

MANAGER

ABCI Asset Management Limited

10/F, Agricultural Bank of China

Tower

50 Connaught Road Central

Hong Kong

TRUSTEE AND REGISTRAR

BOCI-Prudential Trustee Limited

12/F & 25/F, Citicorp Centre

18 Whitfield Road

Causeway Bay

Hong Kong

CUSTODIAN

Bank of China (Hong Kong) Limited

14/F, Bank of China Tower

1 Garden Road

Central

Hong Kong

LEGAL COUNSEL TO THE MANAGER

Simmons & Simmons

13/F, Floor One Pacific Place

88 Queensway

Hong Kong

AUDITORS

Ernst & Young

22/F CITIC Tower

1 Tim Mei Avenue

Central, Hong Kong

ABCIDYNAMIC INCOME FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
For the period from 1 January 2018 to 30 June 2018

	For the period from 1 January 2018 to 30 June 2018	For the period from 20 December 2016 to 30 June 2017
		RMB
INCOME		
Interest income on financial assets at fair value through profit or loss	1,777,261	785,065
Interest income on bank deposits	723	32,363
Net loss on financial asset at fair value through profit or loss	(357,664)	(70,064)
Net foreign exchange difference	(80,037)	(2,128,920)
	<u>1,340,283</u>	<u>(1,381,556)</u>
EXPENSES		
Management fee	(230,489)	(260,743)
Trustee fee	(181,290)	(127,742)
Preliminary expenses	-	(861,318)
Auditor's remuneration	(58,640)	(59,897)
Custodian fee	(9,164)	(4,538)
Legal & Professional fee	-	(43,148)
Handling and Transaction fee	(7,979)	(4,977)
Other expenses	(28,175)	(8,445)
	<u>(515,737)</u>	<u>(1,370,808)</u>
PROFIT AND LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	<u>824,546</u>	<u>(2,752,364)</u>

ABCI DYNAMIC INCOME FUND
STATEMENT OF FINANCIAL POSITION (UNAUDITED)
For the period from 1 January 2018 to 30 June 2018

	As at 30 June 2018	As at 31 December 2017
	RMB	RMB
ASSETS		
Financial assets at fair value through profit or loss	75,993,648	70,695,643
Cash and cash balances	17,452,066	22,728,989
Interest receivable on debt securities	1,321,606	571,695
Prepayments and other receivable	5,044	10,281
TOTAL ASSETS	<u><u>94,772,364</u></u>	<u><u>94,006,608</u></u>
LIABILITIES		
Management fee payable	77,166	77,513
Trustee fee payable	30,000	18,710
Custodian fee payable	1,405	9,502
Other payables	58,390	120,026
TOTAL LIABILITIES	<u>166,961</u>	<u>225,751</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>94,605,403</u>	<u>93,780,857</u>
TOTAL LIABILITIES AND EQUITY	<u><u>94,772,364</u></u>	<u><u>94,006,608</u></u>
NUMBER OF UNITS IN ISSUE	<u>1,000,000</u>	<u>1,000,000</u>
NET ASSET VALUE PER UNIT	<u>94.61</u>	<u>93.78</u>

ABCI Dynamic Income Fund
STATEMENT OF CHANGE IN EQUITY (UNAUDITED)
For the period from 1 January 2018 to 30 June 2018

	RMB
As at 20 December 2016 (date of commencement of operation)	-
Subscription of units	100,000,000
Redemption of units	-
Total comprehensive income for the period	<u>(6,219,143)</u>
As at 31 December 2017	93,780,857
Subscription of units	-
Redemption of units	-
Total comprehensive income for the period	<u>824,546</u>
As at 30 June 2018	<u><u>94,605,403</u></u>

ABCI DYNAMIC INCOME FUND
STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
For the period from 1 January 2018 to 30 June 2018

	At 1 January 2018	Additions	Disposals	At 29 June 2018
<u>LISTED DEBT SECURITIES</u>				
Demoninated in USD				
<i>British Virgin Islands</i>				
BEIJING CAPITAL POLARIS INVESTMENT CO LTD 4.25% S/A 26MAR2021	-	1,000,000	(1,000,000)	-
BLUESTAR FINANCE HLDGS LTD 4.375% S/A PERP	1,000,000	-	-	1,000,000
BRIGHT GALAXY INTL LTD 3.375% S/A 03NOV2021	500,000	-	-	500,000
CHINA RAILWAY XUNJIE CO LTD 2.875% S/A 25JUL2022	200,000	-	-	200,000
CHOUZHOU INTL INVESTMENT LTD 4% S/A 05DEC2020	200,000	-	-	200,000
DAWN VICTOR LTD 5.5% S/A 05JUN2018	900,000	-	(900,000)	-
HUARONG FINANCE 2017 CO LTD 3M L+1.65% Q 27APR2020	200,000	-	(200,000)	-
TSINGHUA UNIC LTD 4.75% S/A 31JAN2021	-	2,400,000	(1,000,000)	1,400,000
	<u>3,000,000</u>	<u>3,400,000</u>	<u>(3,100,000)</u>	<u>3,300,000</u>
<i>Cayman Islands</i>				
AZURE NOVA INTL FINANCE LTD 2.625% S/A 01NOV2021	500,000	-	(500,000)	-
NUOXI CAPITAL LTD 4.575% S/A 20APR2020	-	400,000	-	400,000
OVERSEAS CHINESE TOWN ASIA HLDGS LTD 4.3% S/A PERP	200,000	1,000,000	-	1,200,000
YANKUANG GROUP CAYMAN LTD 4.75% S/A 30NOV2020	-	1,300,000	-	1,300,000
	<u>700,000</u>	<u>2,700,000</u>	<u>(500,000)</u>	<u>2,900,000</u>
<i>China</i>				
BANK OF CHINA LTD 6.75% A PERP (NON-CUMULATIVE OFFSHORE PREFERENCE SHARES)(USD)	3,000,000	-	(3,000,000)	-
BANK OF COMMUNICATIONS CO LTD 5% A PERP (PREFERENCE SHARES)	-	800,000	-	800,000
CHINA CINDA ASSET MANAGEMENT CO LTD 4.45% A PERP	1,000,000	-	-	1,000,000
CHINA CONSTRUCTION BANK CORP 4.65% A PERP (NON-CUMULATIVE PERPETUAL OFFSHORE PREFERENCE SHARE)	1,000,000	300,000	-	1,300,000
CHINA LIFE INSURANCE CO LTD 4% S/A 03JUL2075	1,000,000	-	-	1,000,000
GANSU PROVINCIAL HIGHWAY AVIATION TOURISM INVESTMENT GROUP CO LTD 3% S/A 18NOV2019	500,000	-	-	500,000
INDUSTRIAL BANK CO LTD/HONG KONG 2.375% S/A 21SEP2021	1,000,000	-	(1,000,000)	-
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD/NEW YORK 2.452% S/A 20OCT2021	1,000,000	-	(1,000,000)	-
	<u>8,500,000</u>	<u>1,100,000</u>	<u>(5,000,000)</u>	<u>4,600,000</u>
<i>Hong Kong</i>				
CNAC HK FINBRIDGE CO LTD 4.125% S/A 14MAR2021	-	500,000	(500,000)	-
ICBCIL FINANCE CO LTD 3.375% S/A 05APR2022	200,000	-	(200,000)	-
	<u>200,000</u>	<u>500,000</u>	<u>(700,000)</u>	<u>-</u>
Total listed debt securities	<u>12,400,000</u>	<u>7,700,000</u>	<u>(9,300,000)</u>	<u>10,800,000</u>
<u>UNLISTED DEBT SECURITIES</u>				
<i>British Vrigin Islands</i>				
HUANENG HONG KONG CAPITAL LTD 4.3% S/A PERP	1,000,000	-	-	1,000,000
	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Total unlisted debt securities	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Total debt securities	<u>13,400,000</u>	<u>7,700,000</u>	<u>(9,300,000)</u>	<u>11,800,000</u>

**ABCI DYNAMIC INCOME FUND
INVESTMENT PORTFOLIO (UNAUDITED)
For the period from 1 January 2018 to 30 June 2018**

	Holdings	Fair value RMB	Accrued Interest RMB	% of NET Assets
LISTED DEBT SECURITIES				
<i>British Virgin Islands</i>				
BLUESTAR FINANCE HLDGS LTD 4.375% S/A PERP	1,000,000	6,638,969	11,285	7.02
BRIGHT GALAXY INTL LTD 3.375% S/A 03NOV2021	500,000	3,170,047	18,033	3.35
CHINA RAILWAY XUNJIE CO LTD 2.875% S/A 25JUL2022	200,000	1,283,513	16,527	1.36
CHOUZHOU INTL INVESTMENT LTD 4% S/A 05DEC2020	200,000	1,261,771	3,832	1.33
TSINGHUA UNIC LTD 4.75% S/A 31JAN2021	1,400,000	8,845,675	185,009	9.35
		<u>21,199,975</u>	<u>234,686</u>	<u>22.41</u>
<i>Cayman Islands</i>				
NUOXI CAPITAL LTD 4.575% S/A 20APR2020	400,000	2,537,019	23,939	2.68
OVERSEAS CHINESE TOWN ASIA HLDGS LTD 4.3% S/A PERP	1,200,000	7,649,820	77,007	8.09
YANKUANG GROUP CAYMAN LTD 4.75% S/A 30NOV2020	1,300,000	8,292,307	35,269	8.77
		<u>18,479,146</u>	<u>136,215</u>	<u>19.53</u>
<i>China</i>				
BANK OF COMMUNICATIONS CO LTD 5% A PERP (PREFERENCE SHARES)	800,000	5,284,272	244,677	5.59
CHINA CINDA ASSET MANAGEMENT CO LTD 4.45% A PERP	1,000,000	6,101,446	222,190	6.45
CHINA CONSTRUCTION BANK CORP 4.65% A PERP (NON- CUMULATIVE PERPETUAL OFFSHORE PREFERENCE SHARE)	1,300,000	8,557,367	217,183	9.04
CHINA LIFE INSURANCE CO LTD 4% S/A 03JUL2075	1,000,000	6,473,878	131,182	6.84
GANSU PROVINCIAL HIGHWAY AVIATION TOURISM INVESTMENT GROUP CO LTD 3% S/A 18NOV2019	500,000	3,203,609	11,884	3.39
		<u>29,620,572</u>	<u>827,115</u>	<u>31.30</u>
Total listed debt securities		<u>69,299,693</u>	<u>1,198,016</u>	<u>73.24</u>
UNLISTED DEBT SECURITIES				
<i>British Virgin Islands</i>				
HUANENG HONG KONG CAPITAL LTD 4.3% S/A PERP	1,000,000	6,693,954	123,591	7.08
		<u>6,693,954</u>	<u>123,591</u>	<u>7.08</u>
Total unlisted debt securities		<u>6,693,954</u>	<u>123,591</u>	<u>7.08</u>
TOTAL NET ASSETS				
Denominated in RMB				
Total investment portfolio				
Financial assets at fair value through profit or loss (cost : RMB 77,491,998.42)		75,993,647		80.32
Interest receivable on debt securities		1,321,607		1.40
Other net assets		<u>17,290,149</u>		<u>18.28</u>
Total net assets		<u>94,605,403</u>		<u>100.00</u>

ABCI DYNAMIC INCOME FUND
PERFORMANCE TABLE (UNAUDITED)
30 June 2018

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

A reconciliation of the net assets attributable to unitholders as determined for the purposes of processing unit subscription and redemptions to the net assets attributable to unitholders as reported in the statement of financial positions is provided below :

	30 June 2018	31 December 2017
	RMB	RMB
Net asset attributable to unitholders as determined for the purposes of processing unit subscription and redemption	95,205,237	94,466,448
Adjustment to preliminary expenses	(599,834)	(685,591)
Net asset attributable to unitholders (per interim report)	<u>94,605,403</u>	<u>93,780,857</u>

Net asset attributable to unitholders of class I per unit

	Share price	Published share price
	RMB	RMB
As at 30 June 2018 (Unaudited)	<u>94.61</u>	<u>95.20</u>
As at 31 December 2017 (audited)	<u>93.78</u>	<u>94.47</u>

Highest issue price and lowest redemption price per unit

	Highest issue price per unit	Lowest redemption price per unit
	RMB	RMB
Period ended 30 June 2018 (Unaudited)	<u>95.20</u>	<u>90.32</u>
Year ended 31 December 2017	<u>100.02</u>	<u>94.10</u>