

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

Interim Report
For the period from 1 January 2019 to 30 June 2019
(Unaudited accounts)

ABCI DYNAMIC INCOME FUND

For the period from 1 January 2019 to 30 June 2019

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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

ABCI DYNAMIC INCOME FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
For the period from 1 January 2019 to 30 June 2019

	For the period from 1 January 2019 to 30 June 2019	For the period from 1 January 2018 to 30 June 2018
	RMB	RMB
INCOME		
Interest income on financial assets at fair value through profit or loss	2,162,533	1,777,261
Interest income on bank deposits	4,598	723
Net loss on financial asset at fair value through profit or loss	3,755,698	(357,664)
Net foreign exchange difference	(254,033)	(80,037)
	<u>5,668,796</u>	<u>1,340,283</u>
EXPENSES		
Management fee	(248,900)	(230,489)
Trustee fee	(239,957)	(181,290)
Auditor's remuneration	(63,968)	(58,640)
Custodian fee	(10,608)	(9,164)
Legal & Professional fee	(12,801)	-
Handling and Transaction fee	(2,202)	(7,979)
Other expenses	(31,605)	(28,175)
	<u>(610,041)</u>	<u>(515,737)</u>
PROFIT AND LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	<u>5,058,755</u>	<u>824,546</u>

ABCI DYNAMIC INCOME FUND
STATEMENT OF FINANCIAL POSITION (UNAUDITED)
For the period from 1 January 2019 to 30 June 2019

	As at 30 June 2019	As at 31 December 2018
	RMB	RMB
ASSETS		
Financial assets at fair value through profit or loss	99,726,638	88,699,194
Cash and cash balances	3,013,939	8,319,781
Interest receivable on debt securities	1,377,329	1,067,684
Prepayments and other receivable	5,303	10,003
TOTAL ASSETS	<u>104,123,209</u>	<u>98,096,662</u>
LIABILITIES		
Financial liabilities at fair value through profit or loss	2,022,241	1,008,327
Management fee payable	41,962	41,308
Trustee fee payable	39,957	30,000
Custodian fee payable	1,845	3,474
Other payables	62,481	117,585
TOTAL LIABILITIES	<u>2,168,486</u>	<u>1,200,694</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>101,954,723</u>	<u>96,895,968</u>
TOTAL LIABILITIES AND EQUITY	<u>104,123,209</u>	<u>98,096,662</u>
NUMBER OF UNITS IN ISSUE	<u>1,000,000</u>	<u>1,000,000</u>
NET ASSET VALUE PER UNIT	<u>101.95</u>	<u>96.90</u>

ABCI DYNAMIC INCOME FUND
STATEMENT OF CHANGE IN EQUITY (UNAUDITED)
For the period from 1 January 2019 to 30 June 2019

	RMB
At 01 January 2018	93,780,857
Subscription of units	-
Redemption of units	-
Total comprehensive income for the period	<u>3,115,111</u>
As at 31 December 2018	96,895,968
Subscription of units	-
Redemption of units	-
Total comprehensive income for the period	<u>5,058,755</u>
As at 30 June 2019	<u><u>101,954,723</u></u>

ABCI DYNAMIC INCOME FUND
STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
For the period from 1 January 2019 to 30 June 2019

	At 1 January 2019	Additions	Disposals	At 30 June 2019
<u>LISTED DEBT SECURITIES</u>				
Demoninated in USD				
<i>British Virgin Islands</i>				
BRIGHT GALAXY INTL LTD 3.375% S/A 03NOV2021	500,000.00	-	-	500,000.00
CHOUZHOU INTL INVESTMENT LTD 4% S/A 05DEC2020	1,033,000.00	-	-	1,033,000.00
TSINGHUA UNIC LTD 4.75% S/A 31JAN2021	1,400,000.00	-	-	1,400,000.00
YUNNAN ENERGY INVESTMENT OVERSEAS FINANCE CO LTD 6.25% S/A 29NOV2021	-	950,000.00	-	950,000.00
	<u>2,933,000.00</u>	<u>950,000.00</u>	<u>-</u>	<u>3,883,000.00</u>
<i>Cayman Islands</i>				
NUOXI CAPITAL LTD 4.575% S/A 20APR2020	400,000.00	-	-	400,000.00
OVERSEAS CHINESE TOWN ASIA HLDGS LTD 4.3% S/A PERP	1,200,000.00	-	-	1,200,000.00
YANKUANG GROUP CAYMAN LTD 4.75% S/A 30NOV2020	1,300,000.00	-	-	1,300,000.00
	<u>2,900,000.00</u>	<u>-</u>	<u>-</u>	<u>2,900,000.00</u>
<i>China</i>				
CHENGDU COMMUNICATIONS INVESTMENT GROUP CO LTD 5.125% S/A 20DEC2021	-	1,000,000.00	-	1,000,000.00
CHINA CINDA ASSET MANAGEMENT CO LTD 4.45% A PERP	1,200,000.00	-	-	1,200,000.00
CHINA CONSTRUCTION BANK CORP 4.65% A PERP (NON-CUMULATIVE PERPETUAL OFFSHORE PREFERENCE SHARE)	1,300,000.00	-	-	1,300,000.00
CHINA LIFE INSURANCE CO LTD 4% S/A 03JUL2075	1,000,000.00	-	-	1,000,000.00
GANSU PROVINCIAL HIGHWAY AVIATION TOURISM INVESTMENT GROUP CO LTD 3% S/A 18NOV2019	500,000.00	-	-	500,000.00
GANSU PROVINCIAL HIGHWAY AVIATION TOURISM INVESTMENT GROUP CO LTD 6.25% S/A 02AUG2021	700,000.00	-	-	700,000.00
BANK OF COMMUNICATIONS CO LTD 5% A PERP (PREFERENCE SHARES)	800,000.00	-	(800,000.00)	-
CHINA CONSTRUCTION BANK CORP 4.25% S/A 27FEB2029	-	200,000.00	(200,000.00)	-
YUNNAN ENERGY INVESTMENT OVERSEAS FINANCE CO LTD 6.25% S/A 29NOV2021	-	200,000.00	(200,000.00)	-
	<u>5,500,000.00</u>	<u>1,400,000.00</u>	<u>(1,200,000.00)</u>	<u>5,700,000.00</u>
<i>Hong Kong</i>				
HESTEEL HONG KONG CO LTD 4.25% S/A 07APR2020	1,000,000.00	-	-	1,000,000.00
SINO TRENDY INVESTMENT LTD 3.875% S/A 25JAN2021	-	1,000,000.00	-	1,000,000.00
	<u>1,000,000.00</u>	<u>1,000,000.00</u>	<u>-</u>	<u>2,000,000.00</u>
Total listed debt securities	<u>12,333,000.00</u>	<u>3,350,000.00</u>	<u>(1,200,000.00)</u>	<u>14,483,000.00</u>
UNLISTED DEBT SECURITIES				
<i>British Virgin Islands</i>				
HUANENG HONG KONG CAPITAL LTD 4.3% S/A PERP (CALLED)	1,000,000.00	0.00	(1,000,000.00)	0.00
	<u>1,000,000.00</u>	<u>-</u>	<u>(1,000,000.00)</u>	<u>-</u>
Total unlisted debt securities	<u>1,000,000.00</u>	<u>-</u>	<u>(1,000,000.00)</u>	<u>-</u>
Total debt securities	<u>13,333,000.00</u>	<u>3,350,000.00</u>	<u>(2,200,000.00)</u>	<u>14,483,000.00</u>

ABCI DYNAMIC INCOME FUND
INVESTMENT PORTFOLIO (UNAUDITED)
For the period from 1 January 2019 to 30 June 2019

	Holdings	Fair value RMB	Accrued Interest RMB	% of NET Assets
LISTED DEBT SECURITIES				
<i>British Virgin Islands</i>				
BRIGHT GALAXY INTL LTD 3.375% S/A 03NOV2021	500,000	3,385,050	18,695	3.32
CHOUZHOU INTL INVESTMENT LTD 4% S/A 05DEC2020	1,033,000	7,107,803	20,520	6.97
TSINGHUA UNIC LTD 4.75% S/A 31JAN2021	1,400,000	9,458,406	191,798	9.29
YUNNAN ENERGY INVESTMENT OVERSEAS FINANCE CO LTD 6.25% S/A 29NOV2021	950,000	6,695,504	36,291	6.57
		<u>26,646,763</u>	<u>267,304</u>	<u>26.15</u>
<i>Cayman Islands</i>				
NUOXI CAPITAL LTD 4.575% S/A 20APR2020	400,000	2,695,278	24,817	2.64
OVERSEAS CHINESE TOWN ASIA HLDGS LTD 4.3% S/A PERP	1,200,000	8,242,611	79,833	8.08
YANKUANG GROUP CAYMAN LTD 4.75% S/A 30NOV2020	1,300,000	8,935,484	36,563	8.77
		<u>19,873,373</u>	<u>141,213</u>	<u>19.49</u>
<i>China</i>				
CHENGDU COMMUNICATIONS INVESTMENT GROUP CO LTD 5.125% S/A 20DEC2021	1,000,000	7,025,826	10,768	6.89
CHINA CINDA ASSET MANAGEMENT CO LTD 4.45% A PERP	1,200,000	8,129,236	276,412	7.97
CHINA CONSTRUCTION BANK CORP 4.65% A PERP (NON- CUMULATIVE PERPETUAL OFFSHORE PREFERENCE SHARE)	1,300,000	9,033,278	225,152	8.86
CHINA LIFE INSURANCE CO LTD 4% S/A 03JUL2075	1,000,000	6,871,730	135,996	6.74
GANSU PROVINCIAL HIGHWAY AVIATION TOURISM INVESTMENT GROUP CO LTD 3% S/A 18NOV2019	500,000	3,428,748	12,320	3.36
GANSU PROVINCIAL HIGHWAY AVIATION TOURISM INVESTMENT GROUP CO LTD 6.25% S/A 02AUG2021	700,000	5,009,772	124,512	4.91
		<u>39,498,590</u>	<u>785,160</u>	<u>38.73</u>
<i>Hong Kong</i>				
HESTEEL HONG KONG CO LTD 4.25% S/A 07APR2020	1,000,000	6,869,599	68,189	6.74
SINO TRENDY INVESTMENT LTD 3.875% S/A 25JAN2021	1,000,000	6,838,312	115,463	6.71
		<u>13,707,911</u>	<u>183,652</u>	<u>13.45</u>
Total listed debt securities		<u>99,726,637</u>	<u>1,377,329</u>	<u>97.82</u>
TOTAL NET ASSETS				
Denominated in RMB				
Total investment portfolio				
Financial assets at fair value through profit or loss (cost : RMB 95,137,831.08)		99,726,637		97.82
Interest receivable on debt securities		1,377,329		1.35
Other net assets		850,757		0.83
Total net assets		<u>101,954,723</u>		<u>100.00</u>

ABCI DYNAMIC INCOME FUND
PERFORMANCE TABLE (UNAUDITED)
30 June 2019

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 2019 RMB	31 December 2018 RMB
Net asset attributable to unitholders as determined for the purposes of processing unit subscription and redemption	101,954,723	97,409,575
Adjustment to preliminary expenses	(429,725)	(513,607)
	<u>101,524,998</u>	<u>96,895,968</u>

	Share price RMB	Published share RMB
Net asset attributable to unitholders	<u>102.37</u>	<u>97.41</u>

Highest issue price and lowest redemption price per unit

	Highest issue price per unit RMB	Lowest redemption price per unit RMB
Period ended 30 June 2019 (Unaudited)	<u>102.37</u>	<u>97.45</u>
Year ended 31 December 2018	<u>97.41</u>	<u>90.32</u>