



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

CSOP SZSE CHINEXT ETF
Stock Codes: 83147 (RMB counter) and 03147 (HKD counter)
(A sub-fund of CSOP ETF Series)

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



CSOP SZSE CHINEXT ETF
(A SUB-FUND OF CSOP ETF SERIES)

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**CSOP SZSE CHINEXT ETF
(A SUB-FUND OF CSOP ETF SERIES)**

REPORT OF THE MANAGER TO THE UNITHOLDERS

Introduction

The CSOP SZSE ChiNext ETF (the “CSOP ChiNext 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 13 May 2015 and commenced trading in RMB under the stock code 83147 on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 15 May 2015; following the SEHK’s dual counter model, the CSOP ChiNext ETF started trading in HKD under the stock code 03147 on the SEHK on 15 May 2015 too. The CSOP ChiNext ETF is benchmarked against the ChiNext Index and adopts the full-replication strategy. The Manager and RQFII Holder of the CSOP ChiNext ETF is CSOP Asset Management Limited (the “Manager”). The trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The CSOP ChiNext ETF is a physical ETF which invests directly in the ChiNext Index securities through the RQFII quotas of the Manager. 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 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 December 5, 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 31 December 2018.

The ChiNext Index (the “Index”) is compiled and published by Shenzhen Securities Information Co., Ltd. It comprises the top 100 A-Share companies listed on the ChiNext board of the Shenzhen Stock Exchange ranked by total market capitalisation, free-float market capitalisation and turnovers. The Index operates under clearly defined rules published by the Index provider and is a tradable Index.

The Sub-Fund Performance

The CSOP ChiNext 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 ChiNext ETF was RMB 5.4178 and there were 85,200,000 units outstanding. The total asset under management was approximately RMB 461.6 million.

For the period ended 28 June 2019, the dealing NAV of CSOP ChiNext ETF RMB counter (stock code 83147) performed 20.51% while the Index performed 20.87%. The difference in performance between the NAV of the CSOP ChiNext ETF and the Index is mainly attributed to fees and expenses. YTD Price return of the RMB counter (stock code 83147) was -21.52%.

Exchange Liquidity

Since inception, the CSOP ChiNext ETF has attracted great investor attention from investors across the globe. The trading value of the RMB counter (stock code: 83147) remained steadily at an average daily turnover of RMB 18 thousand in June 2019. The trading value of the HKD counter (stock code: 03147) remained steadily at an average daily turnover of HKD 4.75 million in June 2019.

Portfolio Rebalance

The CSOP ChiNext ETF adopts full-replication strategy to track the Index. Since inception, the Sub-Fund has experienced sixteen quarterly Index rebalances.

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CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	<i>Notes</i>	30 June 2019 (Unaudited) <i>RMB</i>	31 December 2018 (Audited) <i>RMB</i>
ASSETS			
NON-CURRENT ASSETS			
Deposit reserve		224,000	224,000
		-----	-----
CURRENT ASSETS			
Investments	7(c),8(a)	461,018,574	224,964,481
Interest receivable		89	117
Amounts due from participating dealers		648	648
Bank balances	7(c)	1,143,722	6,700,033
		-----	-----
		462,163,033	231,665,279
		-----	-----
Total assets		462,387,033	231,889,279
		-----	-----
LIABILITIES			
CURRENT LIABILITIES			
Amount due to brokers		-	4,751,740
Management fee payable	7(a)	349,862	194,190
Other accounts payable		466,443	443,878
		-----	-----
Total liabilities		816,305	5,389,808
		-----	-----
EQUITY			
Net assets attributable to unitholders	4	461,570,728	226,499,471
		-----	-----

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

CSOP SZSE CHINEXT ETF
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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		2,371,949	1,215,935
Interest income	7(c)	11,607	7,191
Net gain/(loss) on investments	5	25,002,203	(21,097,429)
Other income		1,728,984	285,896
Total net gain/(loss)		<u>29,114,743</u>	<u>(19,588,407)</u>
EXPENSES			
Management fee	7(a), 7(b)	(2,004,356)	(1,242,515)
Transaction costs on investments		(904,766)	(197,809)
Audit fee		(124,740)	(93,756)
Safe custody and bank charges		(53,396)	(106,065)
Legal and other professional fee		(34,836)	-
Other operating expenses		(580,851)	(163,309)
Total operating expenses		<u>(3,702,945)</u>	<u>(1,803,454)</u>
Operating profit/(loss)		<u>25,411,798</u>	<u>(21,391,861)</u>
Taxation	6	(237,491)	(122,198)
Total comprehensive income		<u><u>25,174,307</u></u>	<u><u>(21,514,059)</u></u>

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

CSOP SZSE CHINEXT ETF
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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) <i>RMB</i>	Period from 1 January 2018 to 30 June 2018 (Unaudited) <i>RMB</i>
Net assets attributable to unitholders at the beginning of the period	226,499,471	254,626,757
	-----	-----
Proceeds on issue of units	291,497,850	61,376,310
Payments on redemption of units	(81,600,900)	(27,872,100)
	-----	-----
Net increase from unit transactions	209,896,950	33,504,210
	-----	-----
Total comprehensive income for the period	25,174,307	(21,514,059)
	-----	-----
Net assets attributable to unitholders at the end of the period	461,570,728	266,616,908
	=====	=====

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CSOP SZSE CHINEXT ETF
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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	(469,535,089)	(84,281,244)
Proceeds from sale of investments	253,731,459	54,563,178
Dividend income received	2,371,949	1,215,935
Interest income received	11,635	6,926
Other income received	1,728,984	285,896
Management fee paid	(1,848,684)	(1,256,566)
Transaction costs paid	(904,766)	(197,809)
Taxation paid	(237,491)	(122,198)
Other operating expenses paid	(771,258)	(384,399)
	<hr/>	<hr/>
Net cash used in operating activities	(215,453,261)	(30,170,281)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
FINANCING ACTIVITIES		
Proceeds on issue of units	291,497,850	61,376,310
Payments on redemption of units	(81,600,900)	(27,872,100)
	<hr/>	<hr/>
Net cash generated from financing activities	209,896,950	33,504,210
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net (decrease)/increase in cash and cash equivalents	(5,556,311)	3,333,929
Cash and cash equivalents at the beginning of the period	6,700,033	315,015
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	1,143,722	3,648,944
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Analysis of balances of cash and cash equivalents		
Bank balances	1,143,722	3,648,944
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The accompanying notes form an integral part of these unaudited condensed financial statements.

**CSOP SZSE CHINEXT ETF
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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 SZSE ChiNext ETF (“the Sub-Fund”), CSOP FTSE China A50 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 13 May 2015. 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 underlying index, namely, the ChiNext Index. In order to achieve the investment objective of the Sub-Fund, the Manager will primarily use 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 also invests not more than 5% of its net asset value in securities other than index securities in exceptional circumstances.

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 will directly invest in securities issued within the PRC primarily through the RQFII quotas of the Manager and 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 FTSE China A50 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.

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 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 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”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Standard and amendments to existing standards effective 1 January 2019

There are no standards, amendment 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, amendment 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.

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

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 period end.

As at 30 June 2019 and 31 December 2018, the Sub-Fund did not hold any investment under suspension nor hold any investment classified in level 3.

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.

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

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.

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 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	50,400,000	40,200,000
Units issued	49,800,000	9,900,000
Units redeemed	(15,000,000)	(4,200,000)
	85,200,000	45,900,000
	85,200,000	45,900,000
	As at 30 June 2019 (Unaudited)	As at 31 December 2018 (Audited)
Net assets attributable to unitholders per unit (per statement of financial position)	5.4175	4.4940
	5.4175	4.4940

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 in value of investments	58,702,468	12,296,233
Net realised loss on sale of investments	(33,700,265)	(33,393,662)
	25,002,203	(21,097,429)
	25,002,203	(21,097,429)

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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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) <i>RMB</i>	Period from 1 January 2018 to 30 June 2018 (Unaudited) <i>RMB</i>
Withholding tax on dividend income	237,182	121,594
Withholding tax on interest income	309	604
Taxation	<u>237,491</u>	<u>122,198</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, 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. Refer to Note 7(a).

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

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

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

(c) Financial assets

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

	30 June 2019 (Unaudited) <i>RMB</i>	31 December 2018 (Audited) <i>RMB</i>
Investments		
HSBC Bank (China) Company Limited	-	118,708,744
The Hongkong and Shanghai Banking Corporation Limited	461,018,574	106,255,737
	<u>461,018,574</u>	<u>224,964,481</u>
Bank balances		
HSBC Bank (China) Company Limited	1,531	1,050,976
The Hongkong and Shanghai Banking Corporation Limited	1,142,191	5,649,057
	<u>1,143,722</u>	<u>6,700,033</u>

Interest income amounted to RMB11,607 (for the period from 1 January 2018 to 30 June 2018: RMB7,191) was earned on these bank balances for the period ended 30 June 2019.

8. 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 ChiNext 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 ChiNext 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.

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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)

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 <i>RMB</i>	% of net asset value	Fair value <i>RMB</i>	% of net asset value
Listed equities in PRC – by industry				
Basic Materials	18,147,268	3.93	10,307,903	4.55
Consumer Goods	96,392,696	20.88	41,487,735	18.32
Consumer Services	57,004,163	12.35	28,508,478	12.59
Health Care	103,545,977	22.43	44,034,057	19.44
Industrials	95,989,576	20.80	52,786,513	23.30
Oil & Gas	3,375,350	0.73	2,115,048	0.93
Technology	86,563,544	18.76	44,665,757	19.72
Telecommunications	-	-	1,058,990	0.47
	<u>461,018,574</u>	<u>99.88</u>	<u>224,964,481</u>	<u>99.32</u>

The Sub-Fund held 100 out of 100 (31 December 2018: 100 out of 100) constituent comprising the ChiNext Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the ChiNext Index.

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

As at 30 June 2019 and 31 December 2018, if the ChiNext Index were to increase by 10% (31 December 2018: increase by 10%) with all other variables held constant, this would increase the operating profit for the period by approximately RMB46,101,857 (31 December 2018: 19,242,494). Conversely, if the ChiNext Index were to decrease by 10% (31 December 2018: decrease by 10%), this would decrease the operating profit for the period 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 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.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(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, the Manager 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 RMB1,142,191 (31 December 2018: RMB 5,649,057) and investments of RMB461,018,574 (31 December 2018: RMB106,255,737) 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 RMB1,531 (31 December 2018: RMB1,050,976) and investments of RMBNil (31 December 2018: RMB118,708,744) 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).

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 receivable, amounts due from participating dealers 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.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

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 <i>RMB</i>	1 month to less than 3 months <i>RMB</i>	Over 3 months <i>RMB</i>	Total <i>RMB</i>
As at 30 June 2019				
Management fee payable	349,862	-	-	349,862
Other accounts payable	52,372	400	413,671	466,443
Contractual cash outflow	<u>402,234</u>	<u>400</u>	<u>413,671</u>	<u>816,305</u>
As at 31 December 2018				
Amounts due to brokers	4,751,740	-	-	4,751,740
Management fee payable	194,190	-	-	194,190
Other accounts payable	10,935	43,710	389,233	443,878
Contractual cash outflow	<u>4,956,865</u>	<u>43,710</u>	<u>389,233</u>	<u>5,389,808</u>

Units are redeemed on demand at the unitholder's option. As at 30 June 2019, there were 2 (31 December 2018: 2) unitholders 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	<u>462,162,944</u>	<u>89</u>	<u>224,000</u>	<u>462,387,033</u>
As at 31 December 2018				
Total assets	<u>231,665,162</u>	<u>117</u>	<u>224,000</u>	<u>231,889,279</u>

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. 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 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 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 30 June 2019				
Assets				
Investments				
- Equity securities	461,018,574	-	-	461,018,574
Total assets	<u>461,018,574</u>	<u>-</u>	<u>-</u>	<u>461,018,574</u>
As at 31 December 2018				
Assets				
Investments				
- Equity securities	224,964,481	-	-	224,964,481
Total assets	<u>224,964,481</u>	<u>-</u>	<u>-</u>	<u>224,964,481</u>

**CSOP SZSE CHINEXT ETF
(A SUB-FUND OF CSOP ETF SERIES)**

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value estimation (Continued)

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 30 June 2019 and 31 December 2018, there were no investments classified in level 2.

As at 30 June 2019 and 31 December 2018, none of the investments were suspended for trading.

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, there was no investment classified as level 3.

During the year ended 31 December 2018, the equity investments of RMB16,409,521 have been transferred from level 2 to level 1 related to securities which were suspended for trading as at 31 December 2017 and have resumed trading during the year ended 31 December 2018.

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

The following table presents the movements in level 3 investment of the Sub-Fund as at 31 December 2018:

	31 December 2018
	<i>RMB</i>
	2018
Opening balance	2,027,263
Transfer from level 3 to level 1	(2,027,263)
Closing balance	<u><u>-</u></u>
Change in unrealized gains or losses for level 3 assets held at year end and included in the statement of comprehensive income at the end of the year	<u><u>-</u></u>

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.

**CSOP SZSE CHINEXT ETF
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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT (Continued)

(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 the financial assets at fair value through profit or loss, all financial assets including deposit reserve, interest receivable, amount due from participating dealers 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 securities that individually accounted for more than 10% of the net asset value of the Sub-Fund and their respective weightings of the ChiNext Index as at 30 June 2019 and 31 December 2018.

	<u>Weighting</u> <u>in index (%)</u>	<u>% of net asset value</u>
As at 30 June 2019		
WENS FOODSTUFF GROUP CO LTD A SHRS ORD CNY1	11.40	11.38
As at 31 December 2018		
WENS FOODSTUFF GROUP CO LTD A SHRS ORD CNY1	10.84	10.77

During the period ended 30 June 2019, the ChiNext Index increased by 20.87% (31 December 2018: decreased by 28.65%) while the net asset value per unit of the Sub-Fund increased by 20.55% (31 December 2018: decreased by 29.05%).

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

12. SOFT COMMISSION ARRANGEMENT

The Manager has entered into soft commission arrangements since 26 October 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 ChiNext 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 ChiNext Index, the tracked index.

The total of non-current assets of the Sub-Fund located in PRC is RMB224,000 (31 December 2018: RMB224,000). 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 (31 December 2018: 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 (99.88%)			
Listed Equities (99.88%)			
China (99.88%)			
AIER EYE HOSPITAL GROUP CO A SHARE ORD CNY1	463,119	14,342,795	3.11
ANHUI ANKE BIOTECHNOLOGY GROUP CO LTD A SHRS ORD CNY1	244,111	3,881,365	0.84
BEIJING EASPRING MATERIAL TECHNOLOGY CO LTD A SHS ORD CNY1	134,355	3,086,134	0.67
BEIJING E-HUALU INFORMATION TECHNOLOGY CO LTD A SHR ORD CNY1	127,375	3,120,687	0.68
BEIJING ENLIGHT MEDIA CO LTD A SHR ORD CNY1	361,100	2,455,480	0.53
BEIJING JETSON TECHNOLOGY CO LTD A SHRS ORD CNY1	659,854	2,909,956	0.63
BEIJING KUNLUN TECH CO LTD ORD CNY1	214,186	2,756,574	0.60
BEIJING LANXUM TECHNOLOGY A SHS A ORD CNY1	269,300	2,528,727	0.55
BEIJING ORIENT NATIONAL COMMUNICATION SCIENCE & TECHNOLOGY CO LTD ORD CNY1	301,680	3,707,647	0.80
BEIJING ORIGINWATER TECHNOLOGY CO LTD A SHR ORD CNY1	655,100	5,103,229	1.11
BEIJING SHUZHONG TECHNOLOGY CO LTD A ORD CNY1	280,000	2,620,800	0.57
BEIJING SINNET TECHNOLOGY A SHRS ORD RMB1	373,600	6,265,272	1.36
BEIJING SJ ENVIRONMENTAL PROTECTION AND NEW MATERIAL CO LTD A SHS ORD CNY1	458,067	3,632,471	0.79
BEIJING SUPERMAP SOFTWARE CO LTD A SHARES ORD CNY1	129,700	1,916,966	0.42
BEIJING THUNISOFT CORP LTD ORD CNY1	222,839	4,233,941	0.92
BEIJING ULTRAPOWER SOFTWARE A ORD CNY1	557,000	2,216,860	0.48
BEIJING WATERTEK INFORMATION TECHNOLOGY CO LTD A SHRS ORD NPV	353,242	2,045,271	0.44
BETTA PHARMACEUTICALS CO LTD A SHRS ORD CNY1	69,300	2,875,950	0.62
BGI GENOMICS CO LTD A SHRS ORD CNY1	63,040	3,595,802	0.78
BLUEFOCUS COMMUNICATION GROUP CO LTD A SHR ORD CNY1	685,414	2,926,718	0.63
BOYA BIO-PHARMACEUTICAL GROUP CO LTD A SHRS ORD CNY1	79,177	2,149,656	0.47
CENTRE TESTING INTERNATIONAL CORP A SHR ORD CNY1	518,400	5,598,720	1.21
CHANGSHA JINGJIA MICROELECTRON A SHS ORD CNY1	37,500	1,479,750	0.32
CHAOZHOU THREE CIRCLE GROUP CO LTD ORD CNY1	407,500	7,925,875	1.72
CHONGQING ZHIFEI BIOLOGICAL PRODUCT CO LTD A SHRS ORD CNY1	175,903	7,581,419	1.64
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD A SHS ORD CNY1	285,200	19,644,576	4.26
CSG SMART SCIENCE & TECHNOLOGY CO LTD A SHRS ORD CNY1	106,400	1,385,328	0.30
DIAN DIAGNOSTICS GROUP CO LTD SHRS A ORD CNY1	146,788	2,492,460	0.54
EAST MONEY INFORMATION CO LTD A SHR ORD CNY1	1,954,691	26,486,063	5.74
EVE ENERGY CO LTD A SHRS ORD CNY1	193,847	5,904,580	1.28
FOCUSED PHOTONICS HANGZHOU A SHRS ORD CNY1	117,201	2,801,104	0.61
GUANGDONG BY-HEALTH BIOTECHNOLOGY CO LTD A SHS ORD CNY1	287,895	5,585,163	1.21
GUANGDONG GOSUN TELECOMMUNICATIONS CO LTD A SHS ORD NPV	452,249	3,608,947	0.78
GUANGZHOU SHANGPIN HOME COLLECTION CO LTD A SHS ORD CNY1	26,280	1,987,294	0.43

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INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 30 June 2019

	Holdings	Fair value RMB	% of net assets
Investments (99.88%) (Continued)			
Listed Equities (99.88%) (Continued)			
China (99.88%) (Continued)			
GUANGZHOU WONDFO BIOTECH CO LTD ORD CNY1	54,340	2,048,618	0.44
HAINAN POLY PHARM CO LTD ORD CNY1	44,000	2,535,280	0.55
HAND ENTERPRISE SOLUTIONS CO LTD A SHR ORD CNY1	268,100	3,643,479	0.79
HANGZHOU CENTURY CO LTD A ORD CNY1	205,336	2,096,481	0.45
HANGZHOU SHUNWANG TECHNOLOGY CO LTD A SHS ORD CNY1	167,526	2,626,808	0.57
HANGZHOU TIGERMED CONSULTING CO LTD A SHR ORD NPV	130,814	10,085,759	2.18
HAPPIGO HOME SHOPPING CO L ORD CNY1	84,553	3,470,901	0.75
HC SEMITEK CORPORATION-A SHRS ORD CNY 1	164,400	1,015,992	0.22
HITHINK FLUSH INFORMATION NETWORK CO LTD A SHS ORD CNY1	74,300	7,308,148	1.58
HUABAO FLAVOURS & FRAGRANCES CO LTD A SHRS ORD CNY1	25,400	805,180	0.17
HUAFON MICROFIBRE SHANGHAI CO LTD A SHR ORD CNY1	216,312	3,032,694	0.66
HUAYI BROTHERS MEDIA CORPORATION A SHR ORD CNY1	649,409	3,188,598	0.69
HYBIO PHARMACEUTICAL CO LTD A SHS ORD CNY1	191,600	1,756,972	0.38
JAFRON BIOMEDICAL CO LTD A SHR ORD CNY1	44,285	2,761,170	0.60
JL MAG RARE-EARTH CO LTD ORD CNY1	17,400	1,045,392	0.23
KONFOONG MATERIALS INTERNATIONAL CO LTD A SHRS ORD CNY1	35,500	1,346,160	0.29
LENS TECHNOLOGY CO LTD A SHRS ORD CNY1	300,439	2,094,060	0.45
LEPU MEDICAL TECHNOLOGY A SHRS CNY1	436,100	10,039,022	2.17
LEYARD OPTOELECTRONIC CO L A SHRS ORD CNY1	685,200	5,365,116	1.16
NANFANG ZHONGJIN ENVIRONMENT CO LTD A SHS ORD CNY1	453,600	1,968,624	0.43
NANJING HANRUI COBALT CO LTD A SHS ORD CNY1	34,400	2,064,000	0.45
NETPOSA TECHNOLOGIES LTD A SHRS ORD NPV	208,900	2,061,843	0.45
OURPALM CO LTD ORD CNY1	967,700	3,338,565	0.72
QINGDAO TGOOD ELECTRIC A ORD CNY1	194,228	3,499,989	0.76
RICHINFO TECHNOLOGY CO LTD A ORD CNY1	40,400	875,468	0.19
SANGFOR TECHNOLOGIES INC A SHRS ORD CNY1	56,300	4,928,502	1.07
SHANDONG SINOCERA FUNCTION MATERIAL CO LTD A SHR NPV	250,214	4,256,140	0.92
SHANGHAI GANGLIAN E-COMMERCE HOLDINGS CO LTD A SHRS ORD CNY1	46,148	3,459,254	0.75
SHANGHAI WANGSU SCIENCE & TECHNOLOGY CO LTD A SHARE ORD CNY1	720,247	7,764,263	1.68
SHENZHEN EVENWIN PRECISION TECH CO LTD CL A ORD CNY1	212,200	2,225,978	0.48
SHENZHEN INOVANCE TECHNOLOGY CO LTD A SHR ORD CNY1	419,841	9,618,557	2.08
SHENZHEN KANGTAI BIOLOGICAL PRODUCTS CO LTD A SHS ORD CNY1	105,700	5,549,250	1.20
SHENZHEN MINDRAY BIO MEDICAL ELECTRONICS CO LTD A SHS ORD CNY1	50,149	8,184,317	1.77
SHENZHEN SC NEW ENERGY TECHNOLOGY CORP ORD CNY1	32,800	873,136	0.19
SHENZHEN SUNWAY COMMUNICATION CO LTD ORD CNY1	312,412	7,638,473	1.65
SHENZHEN TECHAND ECOLOGY AND TD ENVIRONMENT CO LTD A SHRS ORD CNY1	572,400	2,054,916	0.45
SHENZHEN YINGHE TECHNOLOGY CO LTD ORD CNY1	88,400	2,203,812	0.48

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INVESTMENT PORTFOLIO (Unaudited) (Continued)

As at 30 June 2019

	Holdings	Fair value RMB	% of net assets
Investments (99.88%) (Continued)			
Listed Equities (99.88%) (Continued)			
China (99.88%) (Continued)			
SHENZHEN YSSTECH INFO-TECH CO LTD A SHRS ORD CNY1	173,350	1,962,322	0.43
SIASUN ROBOT & AUTOMATION CO LTD A SHR ORD CNY1	459,673	7,000,820	1.52
SICHUAN MAKER BIOTECHNOLOGY CO LTD A SHRS ORD NPV	103,100	2,590,903	0.56
SONGCHENG PERFORMANCE DEVELOPMENT CO LTD A SHRS ORD CNY1	281,352	6,510,485	1.41
SONOSCAPE MEDICAL CORP ORD CNY1	59,000	1,685,040	0.37
SUNGROW POWER SUPPLY CO LTD CL A ORD CNY1	361,000	3,375,350	0.73
SUNWODA ELECTRONIC CO LTD A SHR ORD CNY1	378,604	4,361,518	0.94
THUNDER SOFTWARE TECHNOLOGY GO LTD ORD CNY1	90,000	2,617,200	0.57
TIANJIN CHASE SUN PHARMACEUTICAL CO LTD A SHRS ORD CNY1	672,393	2,319,756	0.50
VICTORY GIANT TECHNOLOGY (HUIZHOU) CO LTD A SHS ORD CNY1	152,700	1,725,510	0.37
WALVAX BIOTECHNOLOGY CO LTD SHS A ORD CNY1	486,874	13,807,747	2.99
WEIHAI GUANGWEI COMPOSITES CO LTD A SHRS ORD CNY1	89,700	2,933,190	0.64
WENS FOODSTUFF GROUP CO LTD A SHRS ORD CNY1	1,465,095	52,538,307	11.38
WINNING HEALTH TECHNOLOGY GROUP CO LTD SHS A ORD CNY1	447,324	6,343,054	1.37
WONDERS INFORMATION CO LTD A SHRS ORD CNY1	336,135	4,359,671	0.94
WUHAN JINGCE ELECTRONIC GROUP LTD ORD CNY1	48,950	2,570,854	0.56
WUHAN RAYCUS FIBER LASER TECHNOLOGI ES CO LTD ORD CNY1 A	12,869	1,801,789	0.39
WUHU TOKEN SCIENCE CO LTD A SHR ORD CNY1	731,559	3,701,688	0.80
WUXI LEAD INTELLIGENT EQUIPMENT CO LTD A SHS ORD NPV	177,533	5,965,109	1.29
XIAMEN MEIYA PICO INFORMATION COMPANY LIMITED ORD CNY1 A SHARES	169,180	3,016,479	0.65
XINJIANG MACHINERY RESEARCH INSTITUTE CO LTD A SHR ORD CNY1	358,100	1,783,338	0.39
YANGZHOU YANGJIE ELCTRONIC TECHNOLO LTD ORD NPV	76,000	1,139,240	0.25
YEALINK NETWORK TECHNOLOGY CORP LTD A SHRS ORD CNY1	30,641	3,280,732	0.71
ZHEJIANG HUACE FILM & TV CO LTD A SHS ORD CNY1	386,754	2,602,854	0.56
ZHEJIANG JINGSHENG MECHANICAL & ELECTRICAL CO LTD A SHRS ORD CNY1	231,572	2,938,649	0.64
ZHEJIANG JINKE CULTURE INDUSTRY CO LTD A SHR ORD CNY1	240,800	1,370,152	0.30
ZHEJIANG NARADA POWER SOURCE CO LTD ORD CNY1	178,745	2,019,818	0.44
ZHEJIANG WOLWO BIO PHARMACEUTICAL CO LTD ORD NPV CNY1	96,188	3,262,697	0.71
ZHONGJI INNOLIGHT CO LTD A SHS ORD CNY1	51,480	1,749,805	0.38
Total investments		461,018,574	99.88
Other net assets		552,154	0.12
Net assets attributable to unitholders at 30 June 2019		461,570,728	100.00
Total investments, at cost		463,724,803	

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period from 1 January 2019 to 30 June 2019

	Holdings				
	1 January 2019	Additions	Corporate actions	Disposals	30 June 2019
Investments					
Listed Equities					
AIER EYE HOSPITAL GROUP CO A SHARE ORD CNY1	209,635	210,993	102,491	60,000	463,119
ANHUI ANKE BIOTECHNOLOGY GROUP CO LTD A SHRS ORD CNY1	155,000	149,311	-	60,200	244,111
BEIJING EASPRING MATERIAL TECHNOLOGY CO LTD A SHS ORD CNY1	67,300	87,055	-	20,000	134,355
BEIJING E-HUALU INFORMATION TECHNOLOGY CO LTD A SHR ORD CNY1	69,700	66,346	21,229	29,900	127,375
BEIJING ENLIGHT MEDIA CO LTD A SHR ORD CNY1	235,628	413,300	-	287,828	361,100
BEIJING JETSON TECHNOLOGY CO LTD A SHRS ORD CNY1	419,916	672,954	-	433,016	659,854
BEIJING KUNLUN TECH CO LTD ORD CNY1	137,160	237,586	-	160,560	214,186
BEIJING LANXUM TECHNOLOGY A SHS A ORD CNY1	160,500	165,300	-	56,500	269,300
BEIJING ORIENT NATIONAL COMMUNICATION SCIENCE & TECHNOLOGY CO LTD ORD CNY1	198,232	198,448	-	95,000	301,680
BEIJING ORIGINWATER TECHNOLOGY CO LTD A SHR ORD CNY1	399,913	704,000	-	448,813	655,100
BEIJING PHILISENSE TECHNOLOGY CO LTD A SHS ORD CNY1	280,156	485,700	-	765,856	-
BEIJING SHUZHONG TECHNOLOGY CO LTD A ORD CNY1	177,000	267,000	-	164,000	280,000
BEIJING SINNET TECHNOLOGY A SHRS ORD RMB1	229,800	407,400	-	263,600	373,600
BEIJING SJ ENVIRONMENTAL PROTECTION AND NEW MATERIAL CO LTD A SHS ORD CNY1	264,700	473,267	-	279,900	458,067
BEIJING SUPERMAP SOFTWARE CO LTD A SHARES ORD CNY1	83,400	83,000	-	36,700	129,700
BEIJING THUNISOFT CORP LTD ORD CNY1	140,868	239,939	-	157,968	222,839
BEIJING ULTRAPOWER SOFTWARE A ORD CNY1	321,800	330,200	-	95,000	557,000
BEIJING WATER BUSINESS DOCTOR CO LTD A SHR ORD CNY1	157,200	143,100	-	300,300	-
BEIJING WATERTEK INFORMATION TECHNOLOGY CO LTD A SHRS ORD NPV	238,588	410,942	-	296,288	353,242
BETTA PHARMACEUTICALS CO LTD A SHRS ORD CNY1	45,900	82,100	-	58,700	69,300

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)

For the period from 1 January 2019 to 30 June 2019

	Holdings				
	1 January 2019	Additions	Corporate actions	Disposals	30 June 2019
Investments (continued)					
Listed Equities (continued)					
BGI GENOMICS CO LTD A SHRS ORD CNY1	40,440	36,400	-	13,800	63,040
BLUEFOCUS COMMUNICATION GROUP CO LTD A SHR ORD CNY1	330,114	470,300	-	115,000	685,414
BOYA BIO-PHARMACEUTICAL GROUP CO LTD A SHRS ORD CNY1	44,967	81,877	-	47,667	79,177
CENTRE TESTING INTERNATIONAL CORP A SHR ORD CNY1	340,300	670,900	-	492,800	518,400
CHANGSHA JINGJIA MICROELECTRON A SHS ORD CNY1	18,400	36,200	-	17,100	37,500
CHAOZHOU THREE CIRCLE GROUP CO LTD ORD CNY1	265,410	468,400	-	326,310	407,500
CHENGDU CORPRO TECHNOLOGY CO LTD A SHR ORD CNY1	103,700	173,900	-	277,600	-
CHONGQING ZHIFEI BIOLOGICAL PRODUCT CO LTD A SHRS ORD CNY1	112,391	202,503	-	138,991	175,903
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD A SHS ORD CNY1	58,700	300,600	-	74,100	285,200
CSG SMART SCIENCE & TECHNOLOGY CO LTD A SHRS ORD CNY1	80,367	144,700	-	118,667	106,400
DIAN DIAGNOSTICS GROUP CO LTD SHRS A ORD CNY1	80,235	153,788	-	87,235	146,788
EAST MONEY INFORMATION CO LTD A SHR ORD CNY1	958,800	988,076	347,615	339,800	1,954,691
EVE ENERGY CO LTD A SHRS ORD CNY1	126,843	132,004	-	65,000	193,847
FOCUSED PHOTONICS HANGZHOU A SHRS ORD CNY1	76,300	82,201	-	41,300	117,201
GUANGDONG BY-HEALTH BIOTECHNOLOGY CO LTD A SHS ORD CNY1	188,700	325,095	-	225,900	287,895
GUANGDONG DOWSTONE TECHNOLOGY CO A SHRES ORD CNY1	53,500	82,600	-	136,100	-
GUANGDONG GOSUN TELECOMMUNICATIONS CO LTD A SHS ORD NPV	272,685	431,449	-	251,885	452,249
GUANGZHOU SHANGPIN HOME COLLECTION CO LTD A SHS ORD CNY1	17,300	30,480	-	21,500	26,280
GUANGZHOU WONDFO BIOTECH CO LTD ORD CNY1	-	54,340	-	-	54,340
HAINAN POLY PHARM CO LTD ORD CNY1	-	29,800	14,200	-	44,000

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)

For the period from 1 January 2019 to 30 June 2019

	Holdings				30 June 2019
	1 January 2019	Additions	Corporate actions	Disposals	
Investments (continued)					
Listed Equities (continued)					
HAND ENTERPRISE SOLUTIONS CO LTD A SHR ORD CNY1	174,700	143,400	-	50,000	268,100
HANGZHOU CENTURY CO LTD A ORD CNY1	127,886	231,200	-	153,750	205,336
HANGZHOU SHUNWANG TECHNOLOGY CO LTD A SHS ORD CNY1	109,900	115,426	-	57,800	167,526
HANGZHOU TIGERMED CONSULTING CO LTD A SHR ORD NPV	80,400	131,714	-	81,300	130,814
HAPPIGO HOME SHOPPING CO L ORD CNY1	55,600	49,653	-	20,700	84,553
HC SEMITEK CORPORATION-A SHRS ORD CNY 1	99,000	157,900	-	92,500	164,400
HITHINK FLUSH INFORMATION NETWORK CO LTD A SHS ORD CNY1	48,400	49,800	-	23,900	74,300
HUABAO FLAVOURS & FRAGRANCES CO LTD A SHRS ORD CNY1	16,600	30,600	-	21,800	25,400
HUAFON MICROFIBRE SHANGHAI CO LTD A SHR ORD CNY1	142,560	243,912	-	170,160	216,312
HUAYI BROTHERS MEDIA CORPORATION A SHR ORD CNY1	427,099	413,710	-	191,400	649,409
HYBIO PHARMACEUTICAL CO LTD A SHS ORD CNY1	113,100	204,100	-	125,600	191,600
INNER MONGOLIA HOTISION & MONSOD DROUGHT-RESISTANCE GREENING CO LTD A SHR ORD CNY1	297,400	518,800	-	816,200	-
JAFRON BIOMEDICAL CO LTD A SHR ORD CNY1	28,000	61,185	-	44,900	44,285
JL MAG RARE-EARTH CO LTD ORD CNY1	-	17,400	-	-	17,400
KONFOONG MATERIALS INTERNATIONAL CO LTD A SHRS ORD CNY1	22,600	32,000	-	19,100	35,500
LENS TECHNOLOGY CO LTD A SHRS ORD CNY1	181,191	320,439	-	201,191	300,439
LEPU MEDICAL TECHNOLOGY A SHRS CNY1	249,300	261,800	-	75,000	436,100
LEYARD OPTOELECTRONIC CO L A SHRS ORD CNY1	392,450	713,800	-	421,050	685,200
NANFANG ZHONGJIN ENVIRONMENT CO LTD A SHS ORD CNY1	279,862	496,600	-	322,862	453,600
NANJING HANRUI COBALT CO LTD A SHS ORD CNY1	17,140	31,000	-	13,740	34,400

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)

For the period from 1 January 2019 to 30 June 2019

	Holdings				
	1 January 2019	Additions	Corporate actions	Disposals	30 June 2019
Investments (continued)					
Listed Equities (continued)					
NETPOSA TECHNOLOGIES LTD A					
SHRS ORD NPV	125,679	215,100	-	131,879	208,900
OURPALM CO LTD ORD CNY1	636,538	1,116,900	-	785,738	967,700
QINGDAO TGOOD ELECTRIC A ORD					
CNY1	115,700	116,128	-	37,600	194,228
RICHINFO TECHNOLOGY CO LTD A					
ORD CNY1	10,800	42,800	-	13,200	40,400
SANGFOR TECHNOLOGIES INC A					
SHRS ORD CNY1	10,800	61,400	-	15,900	56,300
SHANDONG SINOCERA FUNCTION					
MATERIAL CO LTD A SHR NPV	93,000	175,326	93,288	111,400	250,214
SHANGHAI GANGLIAN E-COMMERCE					
HOLDINGS CO LTD A SHRS ORD					
CNY1	29,700	55,648	-	39,200	46,148
SHANGHAI WANGSU SCIENCE &					
TECHNOLOGY CO LTD A SHARE					
ORD CNY1	396,472	439,175	-	115,400	720,247
SHENWU ENVIRONMENTAL TECH A					
SHS ORD CNY1	144,300	230,700	-	375,000	-
SHENZHEN EVENWIN PRECISION					
TECH CO LTD CL A ORD CNY1	139,805	239,500	-	167,105	212,200
SHENZHEN INOVANCE TECHNOLOGY					
CO LTD A SHR ORD CNY1	272,737	457,841	-	310,737	419,841
SHENZHEN KANGTAI BIOLOGICAL					
PRODUCTS CO LTD A SHS ORD					
CNY1	66,600	107,800	-	68,700	105,700
SHENZHEN MINDRAY BIO MEDICAL					
ELECTRONICS CO LTD A SHS ORD					
CNY1	32,900	66,149	-	48,900	50,149
SHENZHEN SC NEW ENERGY					
TECHNOLOGY CORP ORD CNY1	-	32,800	-	-	32,800
SHENZHEN SUNWAY					
COMMUNICATION CO LTD ORD					
CNY1	205,574	198,438	-	91,600	312,412
SHENZHEN TECHAND ECOLOGY AND					
TD ENVIRONMENT CO LTD A SHRS					
ORD CNY1	315,700	651,600	-	394,900	572,400
SHENZHEN YINGHE TECHNOLOGY					
CO LTD ORD CNY1	-	88,400	-	-	88,400
SHENZHEN YSSTECH INFO-TECH CO					
LTD A SHRS ORD CNY1	112,450	202,750	-	141,850	173,350
SIASUN ROBOT & AUTOMATION CO					
LTD A SHR ORD CNY1	302,500	297,373	-	140,200	459,673
SICHUAN MAKER BIOTECHNOLOGY					
CO LTD A SHRS ORD NPV	67,300	119,300	-	83,500	103,100
SONGCHENG PERFORMANCE					
DEVELOPMENT CO LTD A SHRS					
ORD CNY1	183,917	310,845	-	213,410	281,352

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)
For the period from 1 January 2019 to 30 June 2019

	Holdings				
	1 January 2019	Additions	Corporate actions	Disposals	30 June 2019
Investments (continued)					
Listed Equities (continued)					
SONOSCAPE MEDICAL CORP ORD CNY1	-	59,000	-	-	59,000
SUNGROW POWER SUPPLY CO LTD CL A ORD CNY1	237,113	414,800	-	290,913	361,000
SUNWODA ELECTRONIC CO LTD A SHR ORD CNY1	177,300	251,704	-	50,400	378,604
THUNDER SOFTWARE TECHNOLOGY GO LTD ORD CNY1	55,100	94,200	-	59,300	90,000
TIANJIN CHASE SUN PHARMACEUTICAL CO LTD A SHRS ORD CNY1	450,600	445,993	-	224,200	672,393
VICTORY GIANT TECHNOLOGY (HUIZHOU) CO LTD A SHS ORD CNY1	103,400	160,000	-	110,700	152,700
WALVAX BIOTECHNOLOGY CO LTD SHS A ORD CNY1	291,399	462,953	-	267,478	486,874
WEIHAI GUANGWEI COMPOSITES CO LTD A SHRS ORD CNY1	39,700	68,640	26,760	45,400	89,700
WENS FOODSTUFF GROUP CO LTD A SHRS ORD CNY1	931,549	1,556,295	-	1,022,749	1,465,095
WINNING HEALTH TECHNOLOGY GROUP CO LTD SHS A ORD CNY1	289,446	506,124	-	348,246	447,324
WONDERS INFORMATION CO LTD A SHRS ORD CNY1	189,776	344,359	-	198,000	336,135
WUHAN JINGCE ELECTRONIC GROUP LTD ORD CNY1	-	48,950	-	-	48,950
WUHAN RAYCUS FIBER LASER TECHNOLOGI ES CO LTD ORD CNY1 A	8,600	24,469	-	20,200	12,869
WUHU TOKEN SCIENCE CO LTD A SHR ORD CNY1	473,400	508,759	-	250,600	731,559
WUHU TOKEN SCIENCE CO LTD A SHR ORD CNY1 NIL PAID RTS 18/03/2019	-	-	24,300	24,300	-
WUXI LEAD INTELLIGENT EQUIPMENT CO LTD A SHS ORD NPV	101,814	179,233	-	103,514	177,533

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (Continued)

For the period from 1 January 2019 to 30 June 2019

	Holdings				
	1 January 2019	Additions	Corporate actions	Disposals	30 June 2019
Investments (continued)					
Listed Equities (continued)					
XIAMEN MEIYA PICO INFORMATION COMPANY LIMITED ORD CNY1 A SHARES	101,380	178,900	-	111,100	169,180
XINGYUAN ENVIRONMENT TECHNOLOGY CO LTD A SHS ORD CNY1	237,908	399,500	-	637,408	-
XINJIANG MACHINERY RESEARCH INSTITUTE CO LTD A SHR ORD CNY1	221,947	352,200	-	216,047	358,100
YANGZHOU YANGJIE ELECTRONIC TECHNOLO LTD ORD NPV	49,200	80,100	-	53,300	76,000
YEALINK NETWORK TECHNOLOGY CORP LTD A SHRS ORD CNY1	20,200	33,141	-	22,700	30,641
ZHEJIANG HUACE FILM & TV CO LTD A SHS ORD CNY1	217,554	234,200	-	65,000	386,754
ZHEJIANG JINGSHENG MECHANICAL & ELECTRICAL CO LTD A SHRS ORD CNY1	152,292	265,100	-	185,820	231,572
ZHEJIANG JINKE CULTURE INDUSTRY CO LTD A SHR ORD CNY1	147,300	259,100	-	165,600	240,800
ZHEJIANG NARADA POWER SOURCE CO LTD ORD CNY1	115,345	115,500	-	52,100	178,745
ZHEJIANG WOLWO BIO PHARMACEUTICAL CO LTD ORD NPV CNY1	-	96,188	-	-	96,188
ZHONGJI INNOLIGHT CO LTD A SHS ORD CNY1	24,300	38,500	14,240	25,560	51,480
ZHUHAI ORBITA CONTROL ENGINEERING CO LTD A ORD CNY1	127,100	127,200	-	254,300	-

**CSOP SZSE CHINEXT ETF
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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	461,570,728	5.4175
31 December 2018	226,557,167	4.4952
31 December 2017	254,859,321	6.3398

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 year/period ended		
30 June 2019	6.3575	4.3661
31 December 2018	6.7968	4.3472
31 December 2017	7.4020	6.1254
31 December 2016	9.3382	7.0438
31 December 2015 (Since 13 May 2015 (date of inception))	15.0190	6.7295

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, there was no establishment costs expense. As at 31 December 2018, the expensing of establishment costs as stated in the financial statements resulted in a decrease of net assets attributable to unitholders of RMB57,696 when compared with the methodology indicated in the Trust's Prospectus.

	As at 30 June 2019 (Unaudited) <i>RMB</i>	As at 31 December 2018 (Audited) <i>RMB</i>
Net assets attributable to unitholders as reported in the statement of financial position	461,570,728	226,499,471
Adjustments for unamortised establishment costs	-	57,696
Net asset value in accordance with the Trust's Prospectus	<u>461,570,728</u>	<u>226,557,167</u>

**CSOP SZSE CHINEXT ETF
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MANAGEMENT AND ADMINISTRATION

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