

ABF Hong Kong Bond Index Fund

Interim Report 2022



HSBC
Global Asset
Management

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Statement of Financial Position

ABF Hong Kong Bond Index Fund

	31 January 2022 HKD	31 July 2021 HKD
ASSETS		
Financial assets at fair value through profit or loss	2,261,645,496	2,331,015,762
Interest receivable	13,507,065	11,717,349
Amounts due from brokers	195,813,180	–
Cash and cash equivalents	7,419,951	11,448,255
Total assets	2,478,385,692	2,354,181,366
LIABILITIES		
Amounts due to brokers	188,676,127	–
Distributions payable	11,650,951	10,273,501
Other payables	614,431	676,472
Total liabilities	200,941,509	10,949,973
Net assets attributable to unitholders (bid prices)	2,277,444,183	2,343,231,393
Representing:		
Equity	2,277,444,183	2,343,231,393
Total number of units in issue	22,845,001	22,830,001
Net asset value per unit at bid prices	99.69	102.64

Note: Interim reports have applied the same accounting policies and methods of computation as are applied in the annual reports of the Fund.

Statement of Comprehensive Income for the period ended 31 January 2022

ABF Hong Kong Bond Index Fund

	1 August 2021 to 31 January 2022 HKD	1 August 2020 to 31 January 2021 HKD
Net losses from financial assets at fair value through profit or loss	(52,851,778)	(16,510,023)
Net foreign exchange loss	(213)	(25)
Sundry income	13,503	4,501
Interest income	521	13
	<hr/>	<hr/>
Total loss	(52,837,967)	(16,505,534)
	<hr/>	<hr/>
Management fees ^{Note 2}	1,646,773	1,653,036
Transaction fees ^{Note 1}	10,697	12,253
Trustee's fees ^{Note 1}	587,320	591,756
Registrar fees ^{Note 1}	10,901	10,852
Bank charges ^{Note 1}	400	–
Legal and professional fees	328,666	199,314
Auditor's remuneration	77,202	75,951
Miscellaneous expenses ^{Note 1}	265,371	329,519
	<hr/>	<hr/>
Total operating expenses	2,927,330	2,872,681
	<hr/>	<hr/>
Decrease in net assets attributable to unitholders and total comprehensive income for the period	(55,765,297)	(19,378,215)

^{Note 1} During the period ended 31 January 2022 and 2021, other than Transaction fees, Trustee's fees and Registrar fees, other respective amounts paid to the Trustee/connected person of Trustee were as follows:

	1 August 2021 to 31 January 2022 HKD	1 August 2020 to 31 January 2021 HKD
Bank charges	400	–
Miscellaneous expenses	47,946	44,575

^{Note 2} During the period ended 31 January 2022 and 2021, other than Management fee that paid to Manager, no other amounts paid to the Manager/connected person of Manager.

Statement of Changes in Equity for the period ended 31 January 2022

ABF Hong Kong Bond Index Fund

	1 August 2021 to 31 January 2022 HKD	1 August 2020 to 31 January 2021 HKD
Balance at the beginning of the period	2,343,231,393	2,401,860,727
Decrease in net assets attributable to unitholders and total comprehensive income for the period	(55,765,297)	(19,378,215)
Subscriptions of units (excluding equalisation)	15,314,190	–
Redemptions of units (excluding equalisation)	(13,673,897)	(22,276,318)
Equalisation on subscriptions and redemptions	(11,255)	(99,295)
Distributions to unitholders during the period	(11,650,951)	(6,620,700)
	(10,021,913)	(28,996,313)
Balance at the end of the period	2,277,444,183	2,353,486,199
Number of units in issue	Units	Units
Number of units in issue brought forward	22,830,001	23,046,001
Units issued during the period	150,000	–
Units redeemed during the period	(135,000)	(216,000)
Number of units in issue carried forward	22,845,001	22,830,001

Cash Flow Statement

for the period ended 31 January 2022

ABF Hong Kong Bond Index Fund

	1 August 2021 to 31 January 2022 HKD	1 August 2020 to 31 January 2021 HKD
Operating activities		
Interest received	521	13
Management fees paid	(1,643,553)	(1,674,458)
Trustee's fees paid	(586,513)	(599,658)
Transaction fees paid	(10,308)	(9,919)
Payments on purchase of investments	(289,937,066)	(374,697,541)
Proceeds from sale of investments (including coupon interest received from investments)	297,528,785	413,345,106
Other operating expenses paid	(749,210)	(666,574)
Sundry income received	13,503	4,501
	<hr/>	<hr/>
Net cash generated from operating activities	4,616,159	35,701,470
Financing activities		
Proceeds from issue of units including equalisation	15,341,775	–
Payments on redemption of units including equalisation	(13,712,737)	(22,375,613)
Distributions paid	(10,273,501)	(10,601,160)
	<hr/>	<hr/>
Net cash used in financing activities	(8,644,463)	(32,976,773)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(4,028,304)	2,724,697
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the period	11,448,255	5,608,613
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	7,419,951	8,333,310
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Portfolio Statement

ABF Hong Kong Bond Index Fund

as at 31 January 2022

	Holdings	Market value HKD	% of net asset value		Holdings	Market value HKD	% of net asset value
Debt securities					THE GOVERNMENT OF THE HKSAR OF THE PRC 0.8% 27 AUGUST 2027	10,000,000	9,651,224 0.42
Listed investments					THE GOVERNMENT OF THE HKSAR OF THE PRC 1.09% 5 JUNE 2023	11,500,000	11,589,920 0.51
China					THE GOVERNMENT OF THE HKSAR OF THE PRC 1.25% 29 JUNE 2027	99,300,000	98,821,185 4.34
CHINA DEVELOPMENT BK/HK 0.55% 12 JANUARY 2023	82,500,000	82,234,457	3.61		THE GOVERNMENT OF THE HKSAR OF THE PRC 1.49% 22 FEBRUARY 2028	9,000,000	8,993,859 0.40
		<u>82,234,457</u>	<u>3.61</u>		THE GOVERNMENT OF THE HKSAR OF THE PRC 1.59% 4 MARCH 2036	60,000,000	58,015,548 2.55
Hong Kong					THE GOVERNMENT OF THE HKSAR OF THE PRC 1.68% 21 JANUARY 2026	220,200,000	223,934,218 9.83
HONG KONG MONETARY AUTHORITY 1.51% EXCHANGE FUND NOTES 24 FEBRUARY 2027	16,800,000	16,881,949	0.74		THE GOVERNMENT OF THE HKSAR OF THE PRC 1.84% 9 DECEMBER 2024	13,000,000	13,280,063 0.58
HONG KONG MONETARY AUTHORITY 1.73% EXCHANGE FUND NOTES 20 FEBRUARY 2024	85,100,000	86,621,196	3.80		THE GOVERNMENT OF THE HKSAR OF THE PRC 1.89% 2 MARCH 2032	76,500,000	77,770,351 3.42
HONG KONG MONETARY AUTHORITY 1.96% EXCHANGE FUND NOTES 3 JUNE 2024	6,850,000	7,012,978	0.31		THE GOVERNMENT OF THE HKSAR OF THE PRC 1.94% 4 DECEMBER 2023	6,500,000	6,640,217 0.29
HONG KONG MONETARY AUTHORITY 2.39% EXCHANGE FUND NOTES 20 AUGUST 2025	30,000,000	31,248,828	1.37		THE GOVERNMENT OF THE HKSAR OF THE PRC 1.97% 17 JANUARY 2029	116,000,000	119,879,133 5.26
HONG KONG MONETARY AUTHORITY 2.48% EXCHANGE FUND NOTES 28 FEBRUARY 2029	12,500,000	13,239,249	0.58		THE GOVERNMENT OF THE HKSAR OF THE PRC 2.02% 7 MARCH 2034	59,200,000	60,710,192 2.67
HONG KONG MONETARY AUTHORITY 2.49% EXCHANGE FUND NOTES 22 AUGUST 2028	5,000,000	5,292,316	0.23		THE GOVERNMENT OF THE HKSAR OF THE PRC 2.07% 26 AUGUST 2026	29,000,000	29,938,994 1.31
HONG KONG MONETARY AUTHORITY 2.6% EXCHANGE FUND NOTES 20 AUGUST 2024	29,000,000	30,171,446	1.33		THE GOVERNMENT OF THE HKSAR OF THE PRC 2.13% 16 JULY 2030	90,100,000	93,821,743 4.12
HONG KONG MORTGAGE CORP LTD 0.5% 9 FEBRUARY 2023	105,000,000	104,535,816	4.59		THE GOVERNMENT OF THE HKSAR OF THE PRC 2.22% 7 AUGUST 2024	217,400,000	223,841,714 9.83
THE GOVERNMENT OF THE HKSAR OF THE PRC 0.11% 23 NOVEMBER 2022	1,300,000	1,297,452	0.06		THE GOVERNMENT OF THE HKSAR OF THE PRC 2.24% 27 AUGUST 2029	52,000,000	54,296,544 2.38
THE GOVERNMENT OF THE HKSAR OF THE PRC 0.36% 15 APRIL 2024	145,000,000	143,184,861	6.29		THE GOVERNMENT OF THE HKSAR OF THE PRC 2.27% 20 FEBRUARY 2025	3,000,000	3,072,688 0.14
THE GOVERNMENT OF THE HKSAR OF THE PRC 0.51% 23 OCTOBER 2023	80,000,000	79,696,128	3.50		THE GOVERNMENT OF THE HKSAR OF THE PRC 2.95% 24 FEBRUARY 2025	30,000,000	31,640,340 1.39
THE GOVERNMENT OF THE HKSAR OF THE PRC 0.55% 5 DECEMBER 2022	4,000,000	4,002,680	0.18		THE GOVERNMENT OF THE HKSAR OF THE PRC 3.27% 28 AUGUST 2023	17,150,000	17,852,747 0.78
					THE GOVERNMENT OF THE HKSAR OF THE PRC 3.32% 25 FEBRUARY 2026	4,000,000	4,324,844 0.19
					THE GOVERNMENT OF THE HKSAR OF THE PRC 4.65% 29 AUGUST 2022	15,000,000	15,356,400 0.67
						<u>1,686,616,823</u>	<u>74.06</u>

Portfolio Statement

ABF Hong Kong Bond Index Fund

as at 31 January 2022

	Holdings	Market value HKD	% of net asset value		Holdings	Market value HKD	% of net asset value
South Korea				Malaysia			
KOREA EXPRESSWAY CORP 3.02% 5 MARCH 2023	30,000,000	30,629,757	1.34	EXPORT-IMPORT BANK OF MALAYSIA BHD 2.95% 12 MARCH 2023	61,000,000	62,110,121	2.73
		30,629,757	1.34			62,110,121	2.73
Listed Investments Total		1,799,481,037	79.01				
Unlisted but quoted investments				South Korea			
Cayman Islands				EXPORT-IMPORT BANK OF KOREA 0.9% 13 AUGUST 2026			
MTR CORPORATION CI LTD 2.25% 28 DECEMBER 2024	22,000,000	22,365,821	0.98		25,000,000	23,937,250	1.05
MTR CORPORATION CI LTD 2.46% 20 SEPTEMBER 2032	60,000,000	59,491,170	2.62			23,937,250	1.05
		81,856,991	3.60	Unlisted but quoted investments Total		462,164,459	20.30
				Total investments		2,261,645,496	99.31
China				Other Net Assets		15,798,687	0.69
EXPORT-IMPORT BANK OF CHINA 3.13% 22 MARCH 2023	15,000,000	15,357,871	0.67	Total Net Assets		2,277,444,183	100.00
		15,357,871	0.67	Total Cost of Investment		2,294,453,255	
Hong Kong							
AIRPORT AUTHORITY HK 1.55% 30 OCTOBER 2027	45,000,000	43,368,261	1.90				
AIRPORT AUTHORITY HK 1.95% 16 JUNE 2027	20,000,000	19,774,222	0.87				
AIRPORT AUTHORITY HK 2.3% 24 APRIL 2030	47,000,000	46,696,596	2.05				
HONG KONG MORTGAGE CORP LTD 0.65% 25 OCTOBER 2023	30,000,000	29,706,600	1.31				
HONG KONG MORTGAGE CORP LTD 0.8% 15 APRIL 2024	75,000,000	73,860,750	3.24				
HONG KONG MORTGAGE CORP LTD 1.92% 10 MAY 2022	5,000,000	5,018,564	0.22				
HONG KONG MORTGAGE CORP LTD 3.15% 19 MARCH 2049	30,000,000	30,073,322	1.32				
URBAN RENEWAL AUTHORITY 2.15% 10 MAY 2023	30,000,000	30,403,911	1.34				
		278,902,226	12.25				

Statement of Movements in Portfolio Holdings

ABF Hong Kong Bond Index Fund

as at 31 January 2022

	% of net asset value 31 January 2022	% of net asset value 31 July 2021
Debt securities		
Listed investments	79.01	79.42
Unlisted but quoted investments	20.30	20.06
Debt securities (Total)	99.31	99.48
Total investments	99.31	99.48
Other net assets	0.69	0.52
Total net assets	100.00	100.00

Performance Record

ABF Hong Kong Bond Index Fund

	Net asset value per unit		
	Lowest HKD	Highest HKD	
1 August 2021 to 31 January 2022	99.60	102.83	
2021	101.31	104.24	
2020	98.42	104.63	
2019	95.25	99.98	
2018	95.89	100.02	
2017	97.28	101.52	
2016	98.44	102.30	
2015	98.64	101.48	
2014	98.08	100.42	
2013	98.92	104.92	
2012	102.13	105.54	
	31 January 2022 HKD	31 July 2021 HKD	31 July 2020 HKD
Total net asset value	2,277,444,183	2,343,231,393	2,401,860,727
Net asset value per unit	99.69	102.64	104.22

In accordance with chapter 8.6(l) of the Code on Unit Trusts and Mutual Funds, the Trustee is required to provide a comparison of the Trust's performance and the actual index performance over the relevant period.

	6 months ended 31 January 2022	12 months ended 31 July 2021
ABF Hong Kong Bond Index Fund	(2.37)% ^(a)	(0.81)% ^(a)
Markit iBoxx ABF Hong Kong Index	(2.24)% ^(b)	(0.18)% ^(b)

- (a) Performance is calculated in base currency with Unit-price to Unit price, dividend (if any) reinvested.
- (b) The benchmark returns are stated on a total return basis. Unlike the Trust, the benchmark returns do not include the impact of trust expenses or trust transaction costs.

Investors should note that investment involves risk and past performance may not be indicative of future performance. Investors should refer to the Trust's Prospectus before making any investment decision.

Distribution Disclosure

ABF Hong Kong Bond Index Fund

	Date of Ex-distribution	Date of Payment	Distribution Per Unit HKD	Total Distribution HKD
2022 Interim Distribution	27 January 2022	10 February 2022	0.51	11,650,951
2021 Final Distribution	29 July 2021	12 August 2021	0.45	10,273,501
2021 Interim Distribution	28 January 2021	8 February 2021	0.29	6,620,700

Underlying Index Constituent Stocks Disclosure

As at 31 January 2022

The Trust is an index fund which seeks investment results that correspond closely to the total return of the Markit iBoxx ABF Hong Kong Index ("the Index"). There were no constituent security of the Index that accounted for more than 10% of the Index.

During the period from 1 August 2021 to 31 January 2022, the Markit iBoxx ABF Hong Kong Index decreased by 2.24% while the net asset value per unit of the ABF Hong Kong Bond Index (dividends reinvested) decreased by 2.37%.

Administration

Manager and listing agent

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Directors of the Manager

Po Chi Cecilia CHAN
Ka Yin Joanne LAU
Sze Ki YIP
Wai Fun HO (appointed on 19 November 2021)
Chun Pong Stephen TAM (appointed on 19 November 2021)

Members of supervisory committee

Stephen Y L CHEUNG
Kyle HUNG
Andrew MALCOLM
Anthony YUEN

Investment adviser

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