



China Southern Dragon Dynamic Fund

Société d'Investissement à Capital Variable

Unaudited Semi-Annual Report
for the period from January 1, 2020 to June 30, 2020

R.C.S Luxembourg B 157.189

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China Southern Dragon Dynamic Fund

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China Southern Dragon Dynamic Fund

General Information

Registered Office

Atrium Business Park
31, Z.A. Bourmicht
L-8070 Bertrange
Grand Duchy of Luxembourg

Board of Directors

Chairman

Ms. Ka Yan Wong
CSOP Asset Management Limited
Suite 2802
Two Exchange Square
8 Connaught Place, Central
Hong Kong S.A.R.

Directors

Mr. Dimitri Brunwasser
Lemanik Asset Management S.A.
106, route d'Arlon
L-8210 Mamer
Grand Duchy of Luxembourg

Mr. Jin Wang
Independent Director
EJF Capital
2107 Wilson Blvd, Suite 410
Arlington, VA 22201
United States

Conducting Persons of the Management Company

Mr. Philippe Meloni
Mr. Jean Philippe Claessens
Mr. Alexandre Dumont
Mr. Gilles Rolland
Mrs. Jennifer Collin

Management Company and Global Distributor

Lemanik Asset Management S.A.
106, route d'Arlon
L-8210 Mamer
Grand Duchy of Luxembourg

Investment Manager

CSOP Asset Management Limited
Suite 2802
Two Exchange Square
8 Connaught Place, Central
Hong Kong S.A.R.

Depository, Paying and Domiciliary Agent, Fund Administrator and, Transfer and Registrar Agent

Citibank Europe plc, Luxembourg Branch
Atrium Business Park
31, Z.A. Bourmicht
L-8070 Bertrange
Grand Duchy of Luxembourg

Auditor

PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator, B.P. 1443
L-1014 Luxembourg
Grand Duchy of Luxembourg

Legal Adviser

Elvinger Hoss Prussen, Société anonyme
2, Place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

Information to Shareholders

Copies of the prospectus and any information relating thereto may be obtained from the registered office of the SICAV at 31, Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg.

China Southern Dragon Dynamic Fund

Statement of Net Assets (unaudited)

as at June 30, 2020

(Expressed in United States dollars)

	China New Balance Opportunity Fund
Assets	
Investment portfolio at cost	50,595,176
Net unrealised appreciation	19,039,962
Investment portfolio at market value (note 2b)	69,635,138
Cash at bank and at broker	2,723,758
Interest and dividend receivables, net (notes 2e,2f)	87,277
Receivable on securities sold	924,416
Receivable on shares purchased	19,880
Unrealised appreciation on forward foreign exchange contracts (notes 2h,13)	99
Total Assets	73,390,568
Liabilities	
Payable on securities purchased	148,426
Payable for shares redeemed	3,066,747
Management fees payable (note 3)	266,258
Performance fees payable (note 5)	20,644
Other payables	100,309
Total Liabilities	3,602,384
Net Assets	69,788,184

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

China Southern Dragon Dynamic Fund

Statement of Net Assets (unaudited) (continued)

as at June 30, 2020

(Expressed in United States dollars)

	China New Balance Opportunity Fund
Net Asset Value per share (expressed in share class currency)	
Class A (USD) Acc	223.00
Class A (USD) Dis	167.26
Class A (HKD) Acc	231.03
Class A (HKD) Dis	181.00
Class I (USD) Acc	271.77
Class I (USD) Dis	82.05
Class V (EUR) Hedged Acc	152.99
Number of outstanding shares	
Class A (USD) Acc	77,489.408
Class A (USD) Dis	1,347.532
Class A (HKD) Acc	658,252.813
Class A (HKD) Dis	649,352.550
Class I (USD) Acc	43,253.085
Class I (USD) Dis	69,894.137
Class V (EUR) Hedged Acc	30.000

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

China Southern Dragon Dynamic Fund

Statement of Operations and Changes in Net Assets (unaudited)

From January 1, 2020 to June 30, 2020

(Expressed in United States dollars)

	China New Balance Opportunity Fund
Net Assets at the beginning of the period	76,701,928
Income	
Dividends (net of withholding tax) (note 2f)	269,412
Interest Income (note 2e)	4,242
Security Lending Income (note 14)	28,398
Total income	302,052
Expenses	
Management fees (note 3)	598,469
Depositary fees (note 7)	33,060
Audit and Legal fees	76,183
Administration and Accounting fees (note 7)	36,591
Registrar and Transfer Agent fees (note 7)	26,341
Management Company fees (note 4)	20,677
Taxe d'Abonnement (note 6)	13,077
Publication / Printing fees	2,982
Compliance fees	8,499
Performance fees (note 5)	20,644
Directors fees (note 8)	7,459
Transaction fees (note 12)	358,299
Other expenses	31,704
Total expenses	1,233,985
Net (loss from investments)	(931,933)
Net realised gain / (loss)	
- on investments (note 2g)	375,497
- on foreign exchange (notes 2c, 2g)	(6,324)
- on forward foreign exchange contracts (note 2h)	(383)
- on futures contracts (note 2i)	(334,196)
Net change in unrealised appreciation / depreciation	
- on investments	16,044,121
- on forward foreign exchange contracts (note 2h)	142
Net change in net assets for the period as a result of operations	15,146,924
Proceeds from subscriptions	6,138,926
Payments for redemptions	(28,199,594)
Net proceeds from shares transactions	(22,060,668)
Net Assets at the end of the period	69,788,184

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

China Southern Dragon Dynamic Fund

Net Asset Information as at June 30, 2020 (unaudited)

	China New Balance Opportunity Fund
Total Net Assets (expressed in United States dollars)	
June 30, 2020	69,788,184
December 31, 2019	76,701,928
December 31, 2018	94,080,421
Net Asset Value per Share (expressed in share class currency)	
Class A (USD) Acc	
June 30, 2020	223.00
December 31, 2019	178.55
December 31, 2018	145.32
Class A (USD) Dis	
June 30, 2020	167.26
December 31, 2019	133.92
December 31, 2018	109.00
Class A (HKD) Acc	
June 30, 2020	231.03
December 31, 2019	185.86
December 31, 2018	152.15
Class A (HKD) Dis	
June 30, 2020	181.00
December 31, 2019	145.61
December 31, 2018	119.20
Class I (USD) Acc	
June 30, 2020	271.77
December 31, 2019	216.68
December 31, 2018	174.53
Class I (USD) Dis	
June 30, 2020	82.05
December 31, 2019	65.47
December 31, 2018	52.73

China Southern Dragon Dynamic Fund

Net Asset Information as at June 30, 2020 (unaudited) (continued)

	China New Balance Opportunity Fund
Class I (HKD) Dis	
June 30, 2020	—
December 31, 2019	—*
December 31, 2018	112.27
Class R (EUR) Hedged Dis	
June 30, 2020	—
December 31, 2019	—
December 31, 2018	—
Class V (EUR) Hedged Acc	
June 30, 2020	152.99
December 31, 2019	123.39
December 31, 2018	102.53

*The share class was put into dormancy on August 8, 2019.

China Southern Dragon Dynamic Fund

Notes to the Financial Statements as at June 30, 2020

1. Description of the SICAV

China Southern Dragon Dynamic Fund (the "SICAV") was originally incorporated on December 3, 2010 as a Luxembourg investment company with variable capital – specialised investment fund (société d'investissement à capital variable – fonds d'investissement spécialisé or SICAV-FIS) with multiple sub-funds governed by the provisions of the amended law dated February 13, 2007 on specialised investment funds.

The SICAV has been converted from a specialised investment fund to a UCITS on November 4, 2011 and is governed by the Part I of the Law of December 17, 2010, as amended by the Directive 2014/91 (UCITS V).

The Articles of Incorporation of the SICAV were published in the Mémorial, Recueil des Sociétés et Associations (the "Mémorial") on December 22, 2010. The SICAV is registered at the Luxembourg Register of Commerce under the number B 157.189. The revised articles were published on November 25, 2011.

As at June 30, 2020, the SICAV is comprised of the following sub-fund:

- China New Balance Opportunity Fund

The SICAV may in the future create new sub-funds and new share classes.

2. Significant Accounting policies

a) Basis of presentation

The financial statements have been prepared in accordance with Luxembourg legal and regulatory requirements relating to investment funds under the going concern basis of accounting.

b) Investment Securities

Listed securities and securities dealt in on another regulated market are valued on the basis of their last available market price at the date of these financial statements.

Transferable securities and money market instruments which are quoted, listed or traded on a regulated market or on another regulated market will be valued at last traded market prices, which may be, the closing market price, the mid-market price or the latest market price, as appropriate. Where a security is listed or dealt in on more than one regulated market or on another regulated market, the relevant exchange or market shall be the principal stock exchange or market on which the security is listed or dealt in on. Investments listed or traded on a regulated market or on another regulated market, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market, may be valued taking into account the level of premium or discount as of the valuation day.

The value of any transferable security which is not quoted, listed or dealt in on a regulated market or on another regulated market or which is so quoted, listed or dealt in on but for which no such quotation or value is available or the available quotation or value is not representative, shall be the probable realisation value as estimated with care and good faith by the Directors and approved for the purpose by the Depositary.

Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined using matrix methodology compiled by the Directors.

China Southern Dragon Dynamic Fund

Notes to the Financial Statements as at June 30, 2020 (continued)

2. Significant Accounting policies (continued)

c) Foreign currency translation

The financial statements and accounting records of each sub-fund are expressed in USD.

Amounts included in the Statement of Operations and Changes in Net Assets in foreign currency are translated into USD at the rate of exchange prevailing on the date of the transaction.

Assets and liabilities denominated in other currencies are converted into USD at the exchange rate prevailing at the closing date of the financial statements.

Any resulting gains or losses are recognised in the Statements of Operations and Changes in Net Assets under the heading "Net realised gain/ (loss) on foreign exchange".

Main exchange rates used as of June 30, 2020 are:

1 USD = 7.075038 CNH*
1 USD = 0.892140 EUR
1 USD = 7.750076 HKD

* The valuation of Renminbi ("RMB") assets, denominated in Chinese Renminbi ("CNY") and traded through Hong Kong or Singapore, is done at the Hong Kong delivered Chinese Renminbi ("CNH") foreign exchange rate.

d) Formation Expenses

The formation expenses represent the cost of establishing the SICAV and its sub-funds. The formation costs are amortised on a straight line basis over 5 years from the date on which sub-funds commenced business.

e) Interest Income

Interest income includes interest applied to bonds and interest applied to bank accounts. It is accrued on a daily basis.

f) Dividend Income

Dividends are accounted for on an "ex-dividend" basis net of any irrecoverable withholding tax.

g) Realised Gains or Losses on Sales of Investments and on foreign exchange

Realised gains or losses comprise the profit or loss arising from disposal of securities during the period and differences arising on the revaluation of other assets and liabilities denominated in foreign currencies.

Realised gains or losses are determined on the basis of the weighted average cost of the securities sold.

h) Forward foreign exchange contracts

The forward foreign exchange contracts are valued on the basis of forward foreign exchange rates prevailing on June 30, 2020. The change in unrealised gain or loss is disclosed in the Statement of Operations and Changes in Net Assets under "net change in unrealised appreciation /(depreciation) on forward foreign exchange contracts". The realised gain / (loss) on forward foreign exchange contracts is disclosed in the Statement of Operations and Changes in Net Assets under "net realised gain/(loss) on forward foreign exchange contracts".

China Southern Dragon Dynamic Fund

Notes to the Financial Statements as at June 30, 2020 (continued)

2. Significant Accounting policies (continued)

i) Futures contracts

The futures contracts are valued at the last available settlement price or the last available market price of the instruments. The change in unrealised gain or loss on futures contracts is disclosed in the Statement of Operations and Changes in Net Assets under "net change in unrealised appreciation /(depreciation) on futures contracts". The realised gain / (loss) on futures contracts is disclosed in the Statement of Operations and Changes in Net Assets under "net realised gain/(loss) on futures contracts".

3. Management Fees

The Investment Manager, CSOP Asset Management Limited, will receive from each sub-fund, payable out of the assets attributable to the relevant class of shares, the following management fees calculated and accrued on each valuation day on the basis of the Net Asset Value of the assets attributable to the relevant class of shares and paid out monthly in arrears on the relevant valuation day:

Sub-Funds	Class A	Class I	Class V
China New Balance Opportunity Fund	2.00% p.a.	1.00% p.a.	1.00% p.a.

4. Management Company Fees

The Management Company is entitled to receive a management company fee maximum of 0.05% per year, subject to an annual minimum fee of EUR 20,000 for the SICAV. This fee is payable monthly and based on the average net assets of the Sub-Fund during the relevant month.

5. Performance Fees

The Investment Manager, CSOP Asset Management Limited, will receive from Class V and I Shares of China New Balance Opportunity Fund a performance fee calculated and accrued on each valuation day on the basis of the increase in the Net Asset Value per Share outstanding. The performance fees are equal to 20% of the increase in the Net Asset Value per Share, with the Hurdle rate of 8% for each performance period. The performance fees are also subject to a High Water Mark ("The High Water Mark" is the greater of: (a) the highest Net Asset Value per Share on the last day of the previous Performance Period; or (b) USD 100 per Share (being the price at which Shares were issued during the Initial Offer Period)).

The performance fee in respect of each performance period is calculated by reference to the Net Asset Value per Share before the deduction of any accrued Performance Fees.

The performance fee is calculated and accrued in a daily basis and payable annually.

The Investment Manager is entitled to be paid a Performance Fee on the Shares outstanding as at the last Valuation Day of each Performance Period and a Performance Fee on the Shares being redeemed or exchanged during a Performance Period.

For the period ended June 30, 2020, the performance fee paid is USD 20,644.

6. Taxation

The SICAV is subject to Luxembourg tax laws. Under current laws and regulations, the SICAV is subject in Luxembourg to the subscription tax (« taxe d'abonnement ») at an annual rate of 0.05% (0.01% for institutional share classes) such tax being payable quarterly and calculated on the basis of the net assets at the end of the relevant quarter. The SICAV is not subject to Corporate Income Tax in Luxembourg. Income received from the SICAV may be subject to withholding taxes in the country of origin of the issuer of the security, in respect of which such income is paid.

China Southern Dragon Dynamic Fund

Notes to the Financial Statements as at June 30, 2020 (continued)

7. Depositary, Paying and Domiciliary Agent, Fund Administrator, and Transfer and Registrar Agent

The SICAV pays the fees of the Depositary, Paying and Domiciliary Agent, Fund Administrator, and Transfer and Registrar Agent at commercial rates agreed between these parties and the SICAV, in addition to reasonable out-of-pocket expenses properly incurred in the course of carrying out their duties. The maximum fee paid for these services by the SICAV is 0.5% p.a. of its Net Asset Value (excluding reasonable out-of-pocket expenses) and subject to a minimum of USD 35,000 per year.

8. Directors fees

The SICAV shall pay to the Directors out of the assets of the SICAV an annual fee, which shall not exceed USD 15,000 per Director, per annum.

For the period ended June 30, 2020, an amount of USD 7,459 has been accrued for the SICAV.

9. Changes in the Investment Portfolio

The details of the changes in investment portfolio composition are held at the disposal of the shareholders at the registered office of the SICAV and are available upon request free of charge.

10. Related Party Transactions

All transactions with related parties were entered into the ordinary course of business and under normal commercial terms. The main related party to the SICAV is the Investment Manager, CSOP Asset Management Limited. For the basis of the fees charged by the Investment Manager please refer to note 3 and note 5 above.

11. Soft Commission

During the period covered by this financial report, the Investment Manager entered into soft-dollar commissions/arrangements with the following entities:

Company	Currency	Total Commission Paid
Citigroup Global Markets Limited	HKD	160,296
	CNH	3,802
China International Capital Corporation Hong Kong Securities Limited	HKD	158,072
China Merchants Securities (HK) Co., Limited	HKD	222,984
Credit Suisse (Hong Kong) Limited	HKD	192,199
	USD	33,909
Haitong International Sec Co Ltd	HKD	221

12. Transaction costs

For the period ended June 30, 2020, the SICAV incurred transaction costs related to purchase or sale of financial instruments (securities and derivatives) as follows:

China New Balance Opportunity Fund: USD: 358,299

The amount of transaction costs supported by the Fund is included in the Statement of Operations and Changes in Net Assets under the heading "Transaction fees".

The transaction costs mainly relate to brokerage fees.

China Southern Dragon Dynamic Fund

Notes to the Financial Statements as at June 30, 2020 (continued)

13. Outstanding forward foreign exchange contracts

As at June 30, 2020, the China New Balance Opportunity Fund had the following outstanding forward foreign exchange contracts:

CCY purchased	Amount bought	CCY sold	Amount sold	Maturity Date	Counterparty	Unrealised gain / (loss) in USD
EUR	77	HKD	665	August 7, 2020	Citigroup	1
HKD	665	EUR	77	August 7, 2020	Citigroup	(1)
EUR	77*	USD	86	August 7, 2020	Citigroup	1
USD	93*	EUR	85	August 7, 2020	Citigroup	(2)
USD	156*	EUR	143	August 7, 2020	Citigroup	(4)
USD	88*	EUR	80	August 7, 2020	Citigroup	(2)
EUR	3466*	USD	3,798	August 7, 2020	Citigroup	91
EUR	184*	USD	205	August 7, 2020	Citigroup	1
EUR	80*	USD	90	August 7, 2020	Citigroup	—
EUR	237*	USD	269	August 7, 2020	Citigroup	(3)
EUR	95*	USD	107	August 7, 2020	Citigroup	—
EUR	91*	USD	102	August 7, 2020	Citigroup	—
EUR	80*	USD	90	August 7, 2020	Citigroup	(1)
EUR	83*	USD	94	August 7, 2020	Citigroup	(1)
EUR	306*	USD	331	August 7, 2020	Citigroup	12
EUR	120*	USD	130	August 7, 2020	Citigroup	5
EUR	78*	USD	84	August 7, 2020	Citigroup	3
EUR	83*	USD	90	August 7, 2020	Citigroup	3
EUR	137*	USD	150	August 7, 2020	Citigroup	4
USD	212*	EUR	196	August 7, 2020	Citigroup	(8)

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* The purpose of these forward foreign exchange contracts is to hedge the currency exposure of the Class V (EUR) Hedged Acc.

Total commitment on open forward foreign exchange contracts at period end before netting and hedging arrangements amounts to USD 6,457.

As at June 30, 2020, there is no collateral related to the forward foreign exchange contracts.

14. Securities Lending

In accordance with the provisions set forth in the CSSF Circular 08/356, the SICAV may enter into securities lending in respect of securities held within the portfolio of a Sub-Fund in order to generate capital or additional income and to reduce costs or risk.

The SICAV may only lend securities through a standardised system organised by a recognised clearing institution or through a first class financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law and specialized in this type of transactions. As part of and during the lifetime of the lending transactions, the SICAV must in principle receive a guarantee, the value of which must be at least equivalent to 90% of the global valuation of the securities lent. This guarantee must be given in the form of liquid assets and/or in the form of securities, and may be reinvested under the conditions set out in CSSF Circular 08/356. The SICAV must ensure that the volume of the Securities Lending transactions is kept at an appropriate level or that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

China Southern Dragon Dynamic Fund

Notes to the Financial Statements as at June 30, 2020 (continued)

14. Securities Lending (continued)

As at June 30, 2020, the China New Balance Opportunity Fund had securities on loan with the following counterparties:

Counterparty	Market Value of Securities on Loan	Type of Collateral	Amount of Collateral Received
BARCLAYS CAPITAL SEC LTD	2,061,623	Bond	2,470,071
J.P. MORGAN SECURITIES PLC	2,758,533	Bond	3,368,251
MACQUARIE BANK LIMITED	2,112,645	Bond	2,133,653
THE BANK OF NOVA SCOTIA LON	1,986,260	Bond	2,020,951
UBS AG LONDON	3,483,648	Bond	3,930,046
	12,402,709		13,922,972

For the period ended June 30, 2020, the amounts of income received by the China New Balance Opportunity Fund from securities lending are as follows (in USD):

Gross Amount of Securities Lending Income	40,568
Direct and Indirect Costs and Fees	12,170
Net Amount of Securities Lending Income	28,398

15. Dividend paid

No dividend was paid during the period ended June 30, 2020.

16. Other important information

The Investment Manager is closely monitoring and responding to developments concerning the outbreak of COVID-19. The Investment Manager, the Administrator and the Custodian have all deployed business continuity arrangements to minimise interruption to business in respect of the COVID-19 pandemic. At the time of issuing these financial statements there remains uncertainty regarding the full impact of COVID-19. The Fund Board, the Investment Manager and the other key service providers will continue to monitor developments and respond as appropriate.

China Southern Dragon Dynamic Fund

Schedule of Investments (expressed in United States dollars)

(unaudited)

As at June 30, 2020

China New Balance Opportunity Fund

Quantity	Description	Market Value	% NAV
Transferable securities and money market instruments admitted to an official exchange listing			
CNY Equities			
16,000	Kweichow Moutai Company Limited - A	3,308,262	4.74
Total CNY Equities		3,308,262	4.74
HKD Equities			
200,000	Akeso Inc.	957,410	1.37
233,000	Alibaba Group Holding Limited	6,301,461	9.02
700,000	Alibaba Health Information Technology Limited	2,041,270	2.92
121,000	CanSino Biologics Inc. - H	3,338,006	4.79
950,000	China Yongda Automobiles	1,141,215	1.64
17,600,000	China Youzan Limited	2,906,810	4.17
550,000	Country Garden Services Holdings	2,554,814	3.66
156,000	Financial Street Property Company Limited - H*	148,148	0.21
82,000	Hong Kong Exchanges and Clearing Limited	3,491,579	5.00
600,000	Hua Hong Semiconductor Limited	2,082,560	2.98
45,850	JD.com Inc.	1,371,345	1.97
1,920,000	Kingdee International Software Group Company Limited	4,464,266	6.39
500,000	Koolearn Technology Holding Limited	2,006,432	2.88
140,000	Meituan Dianping - B	3,105,260	4.45
1,100,000	Semiconductor Manufacturing International Corp.	3,832,221	5.49
750,000	Shanghai Fudan Microelectronics Company Limited - H	884,508	1.27
380,000	Shanghai Junshi Biosciences Company - H	2,738,425	3.92
1,100,000	Sino Biopharmaceutical Limited	2,072,238	2.97
107,800	Tencent Holdings Limited	6,935,298	9.93
1,920,000	Times Neighborhood Holdings Limited	2,606,220	3.74
Total HKD Equities		54,979,486	78.77
USD Equities			
37,000	ACM Research Inc.	2,146,000	3.08
67,000	Bilibili Inc.	3,048,500	4.37
50,000	GSX Techedu Inc.	2,916,500	4.18
37,000	Pinduoduo Inc.	3,236,390	4.64
Total USD Equities		11,347,390	16.27
Total Transferable securities and money market instruments admitted to an official exchange listing		69,635,138	99.78

* Illiquid security

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

China Southern Dragon Dynamic Fund

Schedule of Investments (expressed in United States dollars) (unaudited) (continued)

As at June 30, 2020

China New Balance Opportunity Fund (continued)

Quantity	Description	Market Value	% NAV
Other transferable securities and money market instruments			
HKD Equities			
3,000,000	China Animal Healthcare Limited*	—	—
2,600,000	Sound Global Limited*	—	—
Total HKD Equities		—	—
Total Other transferable securities and money market instruments		—	—
Total Investments in Securities		69,635,138	99.78
Other Net Assets		153,046	0.22
Total Net Assets		69,788,184	100.00

* Illiquid security

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

China Southern Dragon Dynamic Fund

Economic and Geographical Classification

As at June 30, 2020

China New Balance Opportunity Fund

Economic Classification as at June 30, 2020

Sector	% NAV
Internet software and services	30.01
Software	19.11
Semiconductors	12.82
Biotechnology	10.08
Financial services	5.00
Beverages	4.74
Real estate investment trust	3.95
Commercial services	3.66
Pharmaceuticals	2.97
Computers and peripherals	2.92
Public services	2.88
Retail	1.64
Total Investments in Securities	99.78
Other Net Assets	0.22
Total Net Assets	100.00

Geographical Classification as at June 30, 2020

Country	% NAV
Cayman Islands	63.04
China	18.59
Hong Kong	12.15
United States	3.08
Bermuda	2.92
Total Investments in Securities	99.78
Other Net Assets	0.22
Total Net Assets	100.00

China Southern Dragon Dynamic Fund

Unaudited Supplementary Information

Global Exposure

The SICAV uses a risk-management process that enables to monitor and measure at any time the risk of the Sub-Funds' portfolio positions and their contribution to the overall risk profile of the SICAV.

The Commitment Approach is used for the sub-fund.

Global Exposure is measured with the Commitment Approach calculated along the guidelines of ESMA 10-788.

European Regulation (EU) 2015/2365 on the transparency of financial transactions in securities and reuse of collateral (Securities Financing Transactions or SFTR)

The SICAV engages in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, Securities Financing Transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions) through its exposure on securities lending transactions during the period. In accordance with Article 13 of the Regulation, the information on securities lending transactions is detailed below:

a) Global Data

Amount of assets engaged in securities lending transactions

The following table represents the value of assets engaged in securities lending transactions as a proportion of the Sub-Fund's total lendable assets as at 31 December 2019. Total lendable assets represents the aggregate value of asset types forming part of the Sub-Funds' securities lending program.

Market Value of loaned securities (in USD)	% of Total lendable assets	% of Total Net Asset Value
12,402,709	21.23%	17.77%

b) Concentration data

Ten largest collateral issuers

Issuer	Type of collateral	Market Value of Collateral (in USD)
French Republic Government	Government Bond	48,367
Federal Republic Of Germany	Government Bond	74
Kingdom Of The Netherlands	Government Bond	561,375
United Kingdom of Great Britain	Government Bond	2,806,876
United States of America	Government Bond	336,633
Japan Government	Government Bond	10,169,646

Top ten counterparties

Counterparty	Country of Incorporation	Market Value of Collateral (in USD)
BARCLAYS CAPITAL SEC LTD	United Kingdom	2,470,071
J.P. MORGAN SECURITIES PLC	United Kingdom	3,368,251
MACQUARIE BANK LIMITED	United Kingdom	2,133,653
THE BANK OF NOVA SCOTIA LON	United Kingdom	2,020,951
UBS AG LONDON	United Kingdom	3,930,046

China Southern Dragon Dynamic Fund

Unaudited Supplementary Information (continued)

European Regulation (EU) 2015/2365 on the transparency of financial transactions in securities and reuse of collateral (Securities Financing Transactions or SFTR) (continued)

c) Aggregate Transaction data

Type and quality of collateral

Type of collateral	Quality	Market Value of Collateral (in USD)
Government Bond	Investment Grade	13,922,972

Maturity tenor of collateral

Less than one day	-
One day to one week	-
One week to one month	-
One month to three months	-
Three months to one year	4,079,044
GBP	1,117,885
JPY	2,961,159
Above one year	9,843,928
EUR	609,817
GBP	1,688,991
JPY	7,208,487
USD	336,633
Open transactions	-

Currency of collateral

Currency	Market Value of Collateral (in USD)
EUR	609,817
JPY	10,169,646
GBP	2,806,876
USD	336,633

Maturity tenor of securities lending transactions

Less than one day	-
One day to one week	-
One week to one month	-
One month to three months	-
Three months to one year	-
Above one year	-
Open transactions	12,402,709
HKD	12,402,709

China Southern Dragon Dynamic Fund

Unaudited Supplementary Information (continued)

European Regulation (EU) 2015/2365 on the transparency of financial transactions in securities and reuse of collateral (Securities Financing Transactions or SFTR) (continued)

Country in which counterparties are established

The country in which counterparties are established is disclosed under the section “Top Ten Counterparties” above.

Settlement and clearing

The Sub-Fund's securities lending transactions, including related collateral, are settled and cleared on a tri-party basis.

d) Safekeeping of collateral

Collateral received

The financial guarantees received by the Sub-Fund will be kept by the Depositary or, failing that, by any third party depositary (such as Euroclear Bank SA/NV) which is subject to a prudential supervision and that has no link with the guarantee provider.

Collateral granted

There is no collateral granted in respect of securities lending transactions.

e) Reuse of collateral

Non-cash collateral received in relation to securities lending transactions cannot be sold, reinvested or pledged.

f) Return and cost

The total income earned from securities lending transactions is split between the Sub-Fund and the securities lending agent. Details of this split are disclosed in the below table:

	in Percentage
Lending income (Gross)	100%
Lending Agent Fees (in Percentage)	30%
Lending Income (Net) (in Percentage)	70%

Remuneration policies and practices

The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, the Prospectus or the Articles of Incorporation nor impair compliance with the Management Company's obligation to act in the best interest of the SICAV (the Remuneration Policy).

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the SICAV or the Sub-Funds. Within the Management Company, these categories of staff represent 22 persons.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the SICAV and the Shareholders and includes measures to avoid conflicts of interest.

China Southern Dragon Dynamic Fund

Unaudited Supplementary Information (continued)

Remuneration policies and practices (continued)

In particular, the Remuneration Policy will ensure that:

- a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- b) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- c) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks.

The following table shows the fixed and variable remuneration in 2019 for the Identified Staff (22 persons), who is fully or partly involved in the activities of all the funds managed by the Management Company. For the purposes of the below disclosures, where portfolio management activities have been formally delegated to another entity, the remuneration of the relevant identified staff of the delegate has been excluded, as it is not paid out by the Management Company or by the SICAV.

Staff expenses split into fixed and variable remuneration

Wages and salaries

- a. Fixed
- b. Variable

Staff expenses broken down by categories of staff subject to UCITS V pay rules (in EUR):

Staff code	Fixed remuneration	Variable Remuneration	Total
S	1,809,599.25	327,500.00	2,137,099.25
R	713,989.33	41,000.00	754,989.33
C	538,324.58	50,500.00	588,824.58
O	0	0	0

S = Senior Management

R = Risk takers, which includes staff members whose professional activities can exert material influence on UCITS or AIFs managed by Lemanik Asset Management S.A. ("LAM").

C = Staff engaged in control functions (other than senior management) responsible for risk management, compliance, internal audit and similar functions

O = Any other staff member receiving total remuneration that takes them into the same remuneration bracket as senior management and risk-takers, whose professional activities have a material impact on LAM's risk profile.

A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.



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