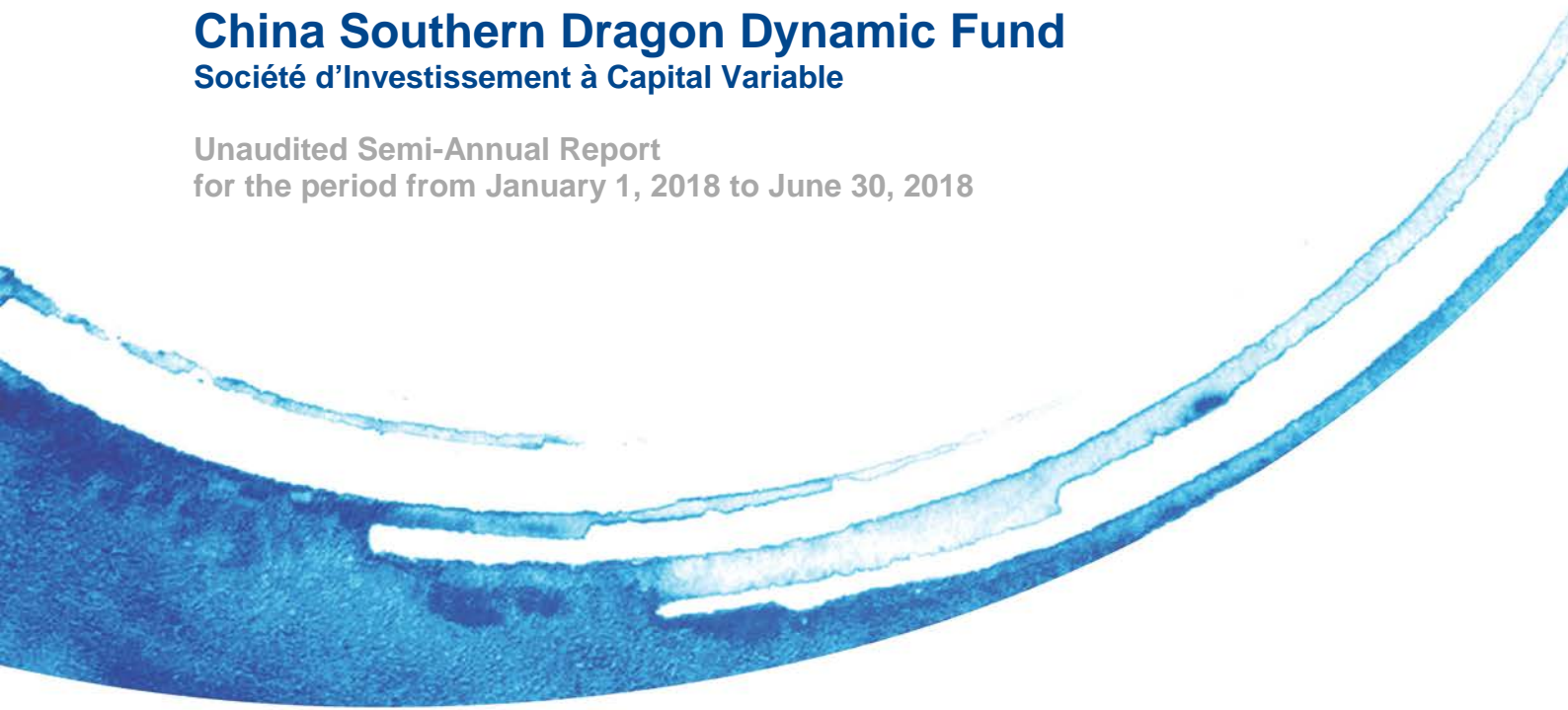




# **China Southern Dragon Dynamic Fund**

## **Société d'Investissement à Capital Variable**

**Unaudited Semi-Annual Report**  
for the period from January 1, 2018 to June 30, 2018



**R.C.S Luxembourg B 157.189**

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# China Southern Dragon Dynamic Fund

## Société d'Investissement à Capital Variable

### Unaudited Semi-Annual Report for the period from January 1, 2018 to June 30, 2018

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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. Marco Sagramoso  
Mr. Jean Philippe Claessens  
Mr. Alexandre Dumont  
Ms. Sandrine Puccilli

### 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, 2018

(Expressed in United States dollars)

	China New Balance Opportunity Fund	CSOP RMB High Yield Bond Fund	Combined
<b>Assets</b>			
Investment portfolio at cost	159,907,531	10,480,440	170,387,971
Net unrealised appreciation / (depreciation)	5,002,340	(398,599)	4,603,741
Investment portfolio at market value (note 2a)	164,909,871	10,081,841	174,991,712
Cash at bank and at broker	5,605,077	655,097	6,260,174
Interest and dividend receivables, net (notes 2d,2e)	411,283	172,534	583,817
Receivable on securities sold	14,076,641	405,439	14,482,080
Receivable on shares purchased	50,000	–	50,000
<b>Total Assets</b>	<b>185,052,872</b>	<b>11,314,911</b>	<b>196,367,783</b>
<b>Liabilities</b>			
Payable on securities purchased	8,398,633	459,781	8,858,414
Payable for shares redeemed	4,365,010	18,405	4,383,415
Management fees payable (note 3)	830,451	22,464	852,915
Performance fees payable (note 5)	15,155	–	15,155
Unrealised loss on forward foreign exchange contracts (notes 2h,13)	3,914	83,166	87,080
Other payables	124,982	33,103	158,085
<b>Total Liabilities</b>	<b>13,738,145</b>	<b>616,919</b>	<b>14,355,064</b>
<b>Net Assets</b>	<b>171,314,727</b>	<b>10,697,992</b>	<b>182,012,719</b>

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, 2018

(Expressed in United States dollars)

	China New Balance Opportunity Fund	CSOP RMB High Yield Bond Fund
Net Asset Value per share (expressed in share class currency)		
Class A (USD) Acc	197.69	—
Class A (USD) Dis	148.27	129.26
Class A (EUR) Dis	—	147.94
Class A (HKD) Acc	207.35	—
Class A (HKD) Dis	162.45	—
Class I (USD) Acc	236.18	—
Class I (USD) Dis	71.36	125.46
Class I (EUR) Dis	—	149.75
Class I (HKD) Dis	152.19	—
Class I (RMB) Dis	—	126.84
Class R (EUR) Hedge Dis	—	111.09
Class V (EUR) Hedge Acc	141.25	102.53
Number of outstanding shares		
Class A (USD) Acc	351,938.311	—
Class A (USD) Dis	1,259.504	592.000
Class A (EUR) Dis	—	10.000
Class A (HKD) Acc	1,113,829.313	—
Class A (HKD) Dis	1,293,664.483	—
Class I (USD) Acc	106,966.522	—
Class I (USD) Dis	257,069.409	64,064.950
Class I (EUR) Dis	—	7,500.000
Class I (HKD) Dis	80,000.000	—
Class I (RMB) Dis	—	7,293.281
Class R (EUR) Hedge Dis	—	1,872.484
Class V (EUR) Hedge Acc	1,070.000	7,480.750

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, 2018 to June 30, 2018

(Expressed in United States dollars)

	China New Balance Opportunity Fund	CSOP RMB High Yield Bond Fund	Combined
<b>Net Assets at the beginning of the period</b>	198,732,620	11,002,922	209,735,542
<b>Income</b>			
Dividends (net of withholding tax) (note 2e)	2,447,180	68	2,447,248
Interest Income (note 2d)	4,980	305,038	310,018
Other income	—	44	44
<b>Total income</b>	<b>2,452,160</b>	<b>305,150</b>	<b>2,757,310</b>
<b>Expenses</b>			
Management fees (note 3)	1,718,462	44,632	1,763,094
Depository fees (note 7)	56,477	25,381	81,858
Audit and Legal fees	116,678	11,766	128,444
Administration and Accounting fees (note 7)	61,730	37,620	99,350
Registrar and Transfer Agent fees (note 7)	30,688	11,341	42,029
Management Company fees (note 4)	51,828	4,150	55,978
Taxe d'Abonnement (note 6)	34,765	621	35,386
Publication / Printing fees	6,071	3,118	9,189
Compliance fees	8,577	8,577	17,154
Performance fees (note 5)	15,155	—	15,155
Directors fees (note 8)	7,085	395	7,480
Transaction fees (note 12)	1,799,920	13	1,799,933
Other expenses	39,535	2,813	42,348
<b>Total expenses</b>	<b>3,946,971</b>	<b>150,427</b>	<b>4,097,398</b>
<b>Net gain / (loss) from investments</b>	<b>(1,494,811)</b>	<b>154,723</b>	<b>(1,340,088)</b>
Net realised gain / (loss)			
- on investments (note 2f)	(2,178,042)	47,329	(2,130,713)
- on foreign exchange (notes 2b, 2f)	(39,412)	(5,081)	(44,493)
- on forward foreign exchange contracts (note 2h)	1,467	37,309	38,776
Net change in unrealised depreciation			
- on investments	(15,151,629)	(479,072)	(15,630,701)
- on forward foreign exchange contracts (note 2h)	(9,187)	(98,720)	(107,907)
<b>Net change in net assets for the period as a result of operations</b>	<b>(18,871,614)</b>	<b>(343,512)</b>	<b>(19,215,126)</b>
Proceeds from subscriptions	49,337,344	184,517	49,521,861
Payments for redemptions	(57,883,623)	(145,935)	(58,029,558)
<b>Net proceeds from shares transactions</b>	<b>(8,546,279)</b>	<b>38,582</b>	<b>(8,507,697)</b>
<b>Net Assets at the end of the period</b>	<b>171,314,727</b>	<b>10,697,992</b>	<b>182,012,719</b>

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

# China Southern Dragon Dynamic Fund

## Net Asset Information as at June 30, 2018 (unaudited)

	China New Balance Opportunity Fund	CSOP RMB High Yield Bond Fund
<b>Total Net Assets (expressed in United States dollars)</b>		
June 30, 2018	171,314,727	10,697,992
December 31, 2017	198,732,620	11,002,922
December 31, 2016	165,571,647	10,817,582
<b>Net Asset Value per Share (expressed in share class currency)</b>		
Class A (USD) Acc		
June 30, 2018	197.69	—
December 31, 2017	218.63	—
December 31, 2016	148.18	—
Class A (USD) Dis		
June 30, 2018	148.27	129.26
December 31, 2017	163.98	132.81
December 31, 2016	111.14	124.10
Class A (EUR) Dis		
June 30, 2018	—	147.94
December 31, 2017	—	147.49
December 31, 2016	—	156.42
Class A (HKD) Acc		
June 30, 2018	207.35	—
December 31, 2017	228.42	—
December 31, 2016	153.61	—
Class A (HKD) Dis		
June 30, 2018	162.45	—
December 31, 2017	178.96	—
December 31, 2016	120.35	—
Class I (USD) Acc		
June 30, 2018	236.18	—
December 31, 2017	260.39	—
December 31, 2016	185.82	—
Class I (USD) Dis		
June 30, 2018	71.36	125.46
December 31, 2017	78.39	128.72
December 31, 2016	74.79	119.94

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

# China Southern Dragon Dynamic Fund

## Net Asset Information as at June 30, 2018 (unaudited) (continued)

	China New Balance Opportunity Fund	CSOP RMB High Yield Bond Fund
Class I (EUR) Dis		
June 30, 2018	—	149.75
December 31, 2017	—	149.18
December 31, 2016	—	157.80
Class I (HKD) Acc		
June 30, 2018	—*	—
December 31, 2017	223.11	—
December 31, 2016	158.27	—
Class I (HKD) Dis		
June 30, 2018	152.19	—
December 31, 2017	166.52	—
December 31, 2016	118.13	—
Class I (RMB) Dis		
June 30, 2018	—	126.84
December 31, 2017	—	127.87
December 31, 2016	—	127.44
Class R (EUR) Hedge Dis		
June 30, 2018	—	111.09
December 31, 2017	—	116.30
December 31, 2016	—	111.79
Class V (EUR) Hedge Acc		
June 30, 2018	141.25	102.53
December 31, 2017	157.43	107.28
December 31, 2016	113.85	102.08

\* The share class was put in dormancy on June 26, 2018

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



# China Southern Dragon Dynamic Fund

## Notes to the Financial Statements as at June 30, 2018

### 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, 2018, the SICAV is comprised of the following two sub-funds:

- China New Balance Opportunity Fund
- CSOP RMB High Yield Bond Fund

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

### 2. Significant Accounting policies

The financial statements have been prepared in accordance with Luxembourg regulations relative to undertakings for collective investment, including the following significant policies:

#### a) 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.

#### b) 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.

# China Southern Dragon Dynamic Fund

## Notes to the Financial Statements as at June 30, 2018 (continued)

### 2. Significant Accounting policies (continued)

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, 2018 are:

1 USD = 6.632179 CNH\*

1 USD = 0.859070 EUR

1 USD = 7.846276 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.

#### c) 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.

#### d) Interest Income

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

#### e) Dividend Income

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

#### f) 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 year 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.

#### g) Combined Figures

The combined Statement of Net Assets and the combined Statement of Operations and Changes in Net Assets are expressed in USD and are presented for information purposes only.

#### h) Forward foreign exchange contracts

The forward foreign exchange contracts are valued on the basis of forward foreign exchange rates prevailing on June 30, 2018. 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".

#### 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".

# China Southern Dragon Dynamic Fund

## Notes to the Financial Statements as at June 30, 2018 (continued)

### 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 R	Class V
China New Balance Opportunity Fund	2.00% p.a.	1.00% p.a.	2.00% p.a.	1.00% p.a.
CSOP RMB High Yield Bond Fund	1.00% p.a.	0.75% p.a.	1.75% 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.

### 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.

### 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 sub-fund is 0.5% p.a. of its Net Asset Value (excluding reasonable out-of-pocket expenses).

# China Southern Dragon Dynamic Fund

## Notes to the Financial Statements as at June 30, 2018 (continued)

### 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.

### 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 4 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	Total Commission Paid
Bloomberg Tradebook Hong Kong Limited	HKD 5,449
China International Capital Corporation Hong Kong Securities Limited	HKD 1,769,914 USD 20,831

### 12. Transaction costs

For the period ended June 30, 2018, the SICAV incurred transaction costs related to purchase or sale of financial instruments (securities and derivatives) as follows:

China New Balance Opportunity Fund: USD: 1,799,920  
CSOP RMB High Yield Bond Fund: USD: 13

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.

### 13. Outstanding forward foreign exchange contracts

As at June 30, 2018, 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
USD	10,453*	EUR	9,000.00	August 9, 2018	Citibank	(56)
USD	11,691*	EUR	10,000.00	August 9, 2018	Citibank	15
EUR	160,000*	USD	190,680.80	August 9, 2018	Citibank	(3,853)
EUR	6,500*	USD	7,609.85	August 9, 2018	Citibank	(20)
						<b>(3,914)</b>

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

# China Southern Dragon Dynamic Fund

## Notes to the Financial Statements as at June 30, 2018 (continued)

### 13. Outstanding forward foreign exchange contracts (continued)

Total commitment on open forward foreign exchange contracts at year-end before netting and hedging arrangements amounts to USD 215,959.13. Outstanding forward foreign exchange contracts (continued)

As at June 30, 2018, the CSOP RMB High Yield Bond 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
USD	33,081*	EUR	26,800.00	July 17, 2018	Citibank	1,841
USD	29,793*	EUR	25,300.00	July 17, 2018	Citibank	304
USD	33,039*	EUR	28,300.00	July 17, 2018	Citibank	53
EUR	887,493*	USD	1,102,244.12	July 17, 2018	Citibank	(67,790)
USD	34,339*	EUR	29,400.00	July 17, 2018	Citibank	70
EUR	232,929*	USD	289,322.70	July 18, 2018	Citibank	(17,802)
USD	20,795*	EUR	17,700.00	July 18, 2018	Citibank	162
USD	7,806*	EUR	6,700.00	July 18, 2018	Citibank	(4)
						<b>(83,166)</b>

\* The purpose of these forward foreign exchange contracts is to hedge the currency exposure of the Class R (EUR) Hedge Dis and of the Class V (EUR) Hedge Acc.

Total commitment on open forward foreign exchange contracts at year-end before netting and hedging arrangements amounts to USD 1,463,082.

As at June 30, 2018, there is no collateral related to the forward foreign exchange contracts.

### 14. Dividend paid

No dividend was paid during the period ended June 30, 2018.

### 15. Other important information

On April 13, 2016, the shares of the company Sound Global Limited had been suspended on the Stock Exchange, due to discrepancies in balances of bank accounts of its subsidiaries. On February 1, 2018, Sound Global Limited announced that the shares would remain suspended until further notice, as the reviewer, engaged on January 19, 2017 to perform investigation services in respect of these discrepancies, was unable to identify the reason for and particulars of the discrepancies.

On February 13, 2018, the Board of Directors of the SICAV has approved the application of a discount of 100% on the valuation of the security Sound Global Limited held by the China New Balance Opportunity Fund, for the NAV valuation date from February 9 onwards. This discount represents a further 50% write down since the security was last written off as of November 23, 2016.

# China Southern Dragon Dynamic Fund

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

As at June 30, 2018

### China New Balance Opportunity Fund

Quantity	Description	Market Value	% NAV
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>			
<b>HKD Equities</b>			
600,000	AAC Acoustic Technologies Holdings Inc.	8,449,869	4.93
6,300,000	Anton Oilfield Services Group	907,309	0.53
3,200,000	Byd Electronic Company Limited	4,380,167	2.56
11,502,000	China 21st Century Education Group Limited	2,580,016	1.51
3,000,000	China Animal Healthcare Limited*	—	—
1,000,000	China Education Group Holdings Limited	1,682,327	0.98
420,000	China Gas Holdings Limited	1,688,827	0.99
1,200,000	China Mengniu Dairy Company Limited	4,068,172	2.37
250,000	China New Higher Education Group Limited	231,001	0.13
6,800,000	China Power International Development Limited	1,568,642	0.92
2,000,000	China Taiping Insurance Holdings Company Limited	6,257,746	3.65
4,600,000	China Yongda Automobiles	4,520,106	2.64
10,000,000	China ZhengTong Auto Services Holdings Limited	6,665,583	3.89
1,300,000	Country Garden Services Holdings	1,666,778	0.97
2,000,000	CSPC Pharmaceutical Group Limited	6,041,083	3.53
5,800,000	Datang International Power Generation Company Limited - H	1,774,091	1.03
620,000	Enn Energy Holdings Limited	6,096,268	3.55
500,576	Hong Kong Exchanges and Clearing Limited	15,056,307	8.78
23,000,000	Honghua Group Limited	2,139,869	1.25
4,300,000	Huadian Power International Company	1,698,895	0.99
1,650,000	Kingdee International Software Group Company Limited	1,688,636	0.99
1,200,000	Kingsoft Corp. Limited	3,639,943	2.12
3,100,000	Lee's Pharmaceutical Holdings Limited	4,045,741	2.36
1,800,000	Luk Fook Holdings International Limited	7,444,296	4.34
1,300,000	Melco International Development Limited	4,001,261	2.34
12,000,000	Petrochina Company Limited	9,130,446	5.33
730,000	Sands China Limited	3,902,934	2.28
6,720,000	Sino Biopharmaceutical	10,311,746	6.02
2,600,000	Sound Global Limited**	—	—
9,934,000	SPT Energy Group Inc .	1,126,810	0.66
390,000	Sunny Optical Technology Group Company Limited	7,256,946	4.24
340,000	Tencent Holdings Limited	17,064,402	9.97
10,688,000	Value Convergence Holdings Limited	1,825,314	1.07
330,000	Yichang Changjiang Pharmaceutical Company	1,678,121	0.98
<b>Total HKD Equities</b>		<b>150,589,652</b>	<b>87.90</b>
<b>USD Equities</b>			
170,000	21vianet Group Inc. - ADR	1,509,600	0.88
20,000	Beigene Limited - ADR	3,092,800	1.81
36,954	Beyondspring Inc.	997,019	0.58
65,000	Bright Scholar Education	1,036,100	0.60

\* Illiquid security

\*\* Please see note 15

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, 2018

### China New Balance Opportunity Fund (continued)

Quantity	Description	Market Value	% NAV
<b>Transferable securities and money market instruments admitted to an official exchange listing (continued)</b>			
<b>USD Equities (continued)</b>			
150,000	GreenTree Hospitality Group Limited	2,715,000	1.58
360,000	Phoenix New Media Limited - ADR	1,519,200	0.89
140,000	Sorrento Therapeutics Inc.	1,008,000	0.59
250,000	Uxin Limited	2,442,500	1.43
<b>Total USD Equities</b>		<b>14,320,219</b>	<b>8.36</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing</b>		<b>164,909,871</b>	<b>96.26</b>
<b>Total Investments in Securities</b>		<b>164,909,871</b>	<b>96.26</b>
<b>Other Net Assets</b>		<b>6,404,856</b>	<b>3.74</b>
<b>Total Net Assets</b>		<b>171,314,727</b>	<b>100.00</b>

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, 2018

### CSOP RMB High Yield Bond Fund

Nominal Value	Description	Market Value	% NAV
<b>Transferable securities and money market instruments admitted to an official exchange listing</b>			
<b>CNY Bonds</b>			
2,000,000	Bank of China Limited 4.650% 5/Mar/2021	303,119	2.83
3,000,000	Beijing Capital Polaris Investment Company Limited 5.200% 26/Mar/2020 *	456,732	4.27
1,000,000	BP Capital Markets 3.950% 8/Oct/2018	150,575	1.41
3,000,000	BSH Hausgerate GmbH 4.000% 28/Sep/2018 *	452,085	4.23
3,000,000	Car Inc. 6.500% 4/Apr/2021	443,402	4.14
3,000,000	China Development Bank Corp. 4.350% 6/Aug/2024 *	453,217	4.24
2,000,000	CNI Capital Limited 4.300% 11/Nov/2019	299,769	2.80
2,000,000	Far East Horizon Limited 4.900% 27/Feb/2021 *	300,869	2.81
2,500,000	Franshion Brilliant Limited 5.200% 8/Mar/2021	376,385	3.52
3,000,000	Greenland Global Investment Limited 7.125% 20/Mar/2021	440,975	4.12
3,000,000	Shimao Property Holdings Limited 5.750% 15/Mar/2021	450,224	4.21
2,000,000	Shui on Development Holding 6.875% 2/Mar/2021	297,806	2.78
<b>Total CNY Bonds</b>		<b>4,425,158</b>	<b>41.36</b>
<b>USD Bonds</b>			
300,000	Anton Oilfield Services Group 9.750% 5/Dec/2020	303,187	2.83
500,000	China Evergrande Group 8.750% 28/Jun/2025	439,005	4.10
200,000	China Evergrande Group 7.500% 28/Jun/2023	178,778	1.67
600,000	CIFI Holdings Group Company 6.875% 23/Apr/2021	595,222	5.56
400,000	Envision Energy Overseas Capital 7.500% 26/Apr/2021	377,499	3.53
400,000	Hilong Holding Limited 7.250% 22/Jun/2020	386,427	3.61
600,000	Logan Property Holdings Company 6.375% 7/Mar/2021	580,640	5.43
1,000,000	Sunac China Holdings Limited 7.350% 19/Jul/2021	946,685	8.86
400,000	Xin Jiang Guang Hui Industry Investment Group Company Limited 7.875% 30/Mar/2020	355,200	3.32
300,000	Yuzhou Properties Company Limited 6.375% 6/Mar/2021	292,716	2.74
<b>Total USD Bonds</b>		<b>4,455,359</b>	<b>41.65</b>
<b>CNY Supranationals, Governments and Local Public Authorities, Debt Instruments</b>			
2,000,000	Export-Import Bank of Korea 4.100% 6/Aug/2018	301,484	2.82
<b>Total CNY Supranationals, Governments and Local Public Authorities, Debt Instruments</b>		<b>301,484</b>	<b>2.82</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing</b>		<b>9,182,001</b>	<b>85.83</b>

\* 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, 2018

### CSOP RMB High Yield Bond Fund (continued)

Nominal Value	Description	Market Value	% NAV
<b>Other transferable securities and money market instruments</b>			
<b>CNY Bonds</b>			
2,000,000	Cooperatieve Rabobank 5.780% 28/Dec/2018	303,913	2.84
4,000,000	Export-Import Bank of China 4.150% 18/Jun/2027	595,927	5.57
<b>Total CNY Bonds</b>		<b>899,840</b>	<b>8.41</b>
<b>Total Other transferable securities and money market instruments</b>		<b>899,840</b>	<b>8.41</b>
<b>Total Investments in Securities</b>		<b>10,081,841</b>	<b>94.24</b>
<b>Other Net Assets</b>		<b>616,151</b>	<b>5.76</b>
<b>Total Net Assets</b>		<b>10,697,992</b>	<b>100.00</b>

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

# China Southern Dragon Dynamic Fund

## Economic and Geographical Classification (unaudited)

As at June 30, 2018

### China New Balance Opportunity Fund

Economic Classification as at June 30, 2018

<b>Sector</b>	<b>% NAV</b>
Pharmaceuticals	15.28
Internet software and services	12.28
Retail	10.87
Financial services	9.85
Oil and gas services	6.98
Oil and gas producers	5.33
Electronic equipment	4.93
Miscellaneous machinery	4.24
Insurance	3.65
Software	3.11
Electrical utilities	2.94
Telecommunication equipment	2.56
Public services	2.49
Food	2.37
Diversified companies	2.34
Leisure and entertainment	2.28
Lodging	1.58
Commercial services	0.97
Broadcasting, radio and television	0.89
Real estate	0.60
Biotechnology	0.59
Consumer goods	0.13
<b>Total Investments in Securities</b>	<b>96.26</b>
<b>Other Net Assets</b>	<b>3.74</b>
<b>Total Net Assets</b>	<b>100.00</b>

### Geographical Classification as at June 30, 2018

<b>Country</b>	<b>% NAV</b>
Cayman Islands	55.83
Hong Kong	26.99
China	11.86
Bermuda	0.99
United States	0.59
<b>Total Investments in Securities</b>	<b>96.26</b>
<b>Other Net Assets</b>	<b>3.74</b>
<b>Total Net Assets</b>	<b>100.00</b>

# China Southern Dragon Dynamic Fund

## Economic and Geographical Classification (unaudited)

As at June 30, 2018

### CSOP RMB High Yield Bond Fund

#### Economic Classification as at June 30, 2018

<b>Sector</b>	<b>% NAV</b>
Real estate investment trust	24.93
Real estate	18.06
Banks	15.48
Financial services	7.08
Oil and gas services	4.24
Home furnishings	4.23
Commercial services	4.14
Oil and gas producers	3.61
Energy - alternate sources	3.53
Retail	3.32
Governments	2.82
Industrials	2.80
<b>Total Investments in Securities</b>	<b>94.24</b>
<b>Other Net Assets</b>	<b>5.76</b>
<b>Total Net Assets</b>	<b>100.00</b>

#### Geographical Classification as at June 30, 2018

<b>Country</b>	<b>% NAV</b>
Cayman Islands	48.73
China	15.96
Virgin Islands (British)	15.44
Germany	4.23
Netherlands	2.84
Republic of Korea (South)	2.82
Hong Kong	2.81
United Kingdom	1.41
<b>Total Investments in Securities</b>	<b>94.24</b>
<b>Other Net Assets</b>	<b>5.76</b>
<b>Total Net Assets</b>	<b>100.00</b>

# 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 both Sub-Funds.

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)

During the period ended 30 June 2018, the SICAV did not enter into securities financing transactions and total return swaps.

### 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 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 represents 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.

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 2017 for the Identified Staff (22 persons), who is fully or partly involved in the activities of all the funds managed by the Management Company.

# China Southern Dragon Dynamic Fund

## Unaudited Supplementary Information (continued)

### Remuneration policies and practices (continued)

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	1,597,571.31	735,266.46	2,332,837.77
R	440,736.59	25,245.37	465,981.96
C	561,874.25	7,000.00	568,874.25
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 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.

No material changes have been made to the remuneration policy.



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