

E FUND (HK) GREATER CHINA LEADERS FUND

(A sub-fund of Selection Investment Series, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

SEMI-ANNUAL REPORT (UNAUDITED)

For the six months ended 30 June 2020

E FUND (HK) GREATER CHINA LEADERS FUND
(a sub-fund of Selection Investment Series)

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E FUND (HK) GREATER CHINA LEADERS FUND

(a sub-fund of Selection Investment Series)

ADMINISTRATION AND MANAGEMENT

MANAGER AND RQFII HOLDER

E Fund Management (Hong Kong) Co., Limited
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Two International Finance Centre
8 Finance Street
Central, Hong Kong

TRUSTEE

ICBC (Asia) Trustee Company Limited
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3 Garden Road
Central, Hong Kong

DIRECTORS OF THE MANAGER

LIU Xiaoyan
MA Jun
HUANG Gaohui
CHEN Rong
CHEN Liyuan

CUSTODIAN

Industrial and Commercial Bank of China
(Asia) Limited
33/F, ICBC Tower
3 Garden Road
Central, Hong Kong

RQFII CUSTODIAN

China Construction Bank Corporation
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Xicheng District
Beijing, China

REGISTRAR AND TRANSFER AGENT

ICBC (Asia) Trustee Company Limited
33/F, ICBC Tower
3 Garden Road
Central, Hong Kong

LEGAL COUNSEL TO THE MANAGER

Simmons & Simmons
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AUDITORS

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

E FUND (HK) GREATER CHINA LEADERS FUND

(a sub-fund of Selection Investment Series)

REPORT OF THE MANAGER TO THE UNITHOLDERS

E Fund (HK) Greater China Leaders Fund

(A Sub-Fund of E Fund Selection Investment Series)

Introduction

E Fund (HK) Greater China Leaders Fund is a sub-fund of Selection Investment Series. The inception day of the Fund was on 16 November 2016. The manager of E Fund (HK) Greater China Leaders Fund is E Fund Management (Hong Kong) Co., Ltd. and the trustee is ICBC (Asia) Trustee Company Limited.

Fund Performance

E Fund (HK) Greater China Leaders Fund seeks to achieve medium to long-term capital appreciation primarily through equity-based investments in equity and equity-related securities of “leading” companies which are incorporated in, have their area of primary activity in or are related to the growth of the PRC economy. As of 30 June 2020, the Net Asset Value per unit of E Fund (HK) Greater China Leaders Fund for USD Class A (distribution) was USD 164.61, USD Class A (accumulation) was USD 169.33, and USD Class I (accumulation) was USD 188.20. The total size of the fund was approximately USD 14.57 million.

As of 30 June 2020, a summary of the performance in USD[#] of E Fund (HK) Greater China Leaders Fund is given below.

	YTD	2020	2020	2020	2020	2020	2020	2019	2018	2017	Since
		Jun.	May	Apr.	Mar.	Feb.	Jan.	Annual	Annual	Annual	Launch1
								Cumulative	Cumulative	Cumulative	
Class A (Acc)	31.5%	18.8%	4.5%	10.2%	-6.2%	5.2%	-2.7%	22.7%	-21.5%	33.1%	68.5%
Class A (Dis)	31.5%	18.8%	4.5%	10.2%	-6.2%	5.2%	-2.7%	22.7%	-21.5%	28.9%	63.2%
Class I (Acc)	31.9%	18.9%	4.6%	10.3%	-6.1%	5.2	-2.6%	23.3%	-21.1%	49.8%	88.2%
Class I (Dis)*	-	-	-	-	-	-	-	-	-	-	-

Source: Bloomberg

NAV-to-NAV return, total return with dividend (if any) reinvested

1 Launch date: Class A (Acc): 6 Mar 2017; Class A (Dis): 19 Apr 2017; Class I (Acc): 16 Nov 2016; Class I (Dis): 14 Nov. 2017

* Class I (Dis) was fully redeemed on 11 June 2018, the performance data is not available

Note:

E FUND (HK) GREATER CHINA LEADERS FUND**(a sub-fund of Selection Investment Series)**

Past performance information is not indicative of future performance. Investors may not get back the full amount invested. The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.

Performance data has been calculated in USD, including ongoing charges and excluding subscription fee and redemption fee you might have to pay.

Where no past performance is shown there was insufficient data available in that year to provide performance.

This report is exempted from pre-vetting and authorization by the Securities and Futures Commission of Hong Kong (“SFC”) and has not been reviewed by the SFC. SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance.

The top 5 holdings are as below.

Top 5 Holdings(% of Total NAV) % NAV

TencentHoldings Ltd	10.02%
TAL Education Group	9.24%
Alibaba Group Holding Ltd	9.06%
Bilibili Inc	6.10%
Meituan Dianping	5.80%

E FUND (HK) GREATER CHINA LEADERS FUND

(a sub-fund of Selection Investment Series)

STATEMENT OF FINANCIAL POSITION (UNAUDITED)**As at 30 June 2020**

	30 June 2020 HKD	31 December 2019 HKD
ASSETS		
Financial assets at fair value through profit or loss	14,597,701	11,212,405
Subscription receivable	15,000	7,581
Dividend receivable	10,918	4,505
Prepayments	90	375
Cash at banks	147,936	66,668
	<hr/>	<hr/>
TOTAL ASSETS	14,771,645	11,291,534
LIABILITIES		
Management fees payable	13,081	10,342
Trustee fees payable	3,821	2,323
Amount due to brokers	137,890	-
Redemption payable	84,356	22,890
Other payables	34,043	36,668
	<hr/>	<hr/>
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	273,191	72,223
	<hr/>	<hr/>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	14,498,454	11,219,311
NUMBER OF UNITS IN ISSUE		
- Class A (distribution)	1,009.24	1,865.73
- Class A (accumulation)	13,754.79	14,578.84
- Class I (accumulation)	63,729.81	63,729.81
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NET ASSETS VALUE PER UNIT		
- Class A (distribution)	164.72	125.30
- Class A (accumulation)	169.44	128.89
- Class I (accumulation)	188.32	142.89
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E FUND (HK) GREATER CHINA LEADERS FUND

(a sub-fund of Selection Investment Series)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED)****For the period ended 30 June 2020**

	30 June 2020 HKD	30 June 2019 HKD
INCOME		
Dividend income	30,340	54,898
Interest income on bank deposits	100	234
Net gains on financial assets at fair value through profit or loss	3,687,307	638,255
	<u>3,717,747</u>	<u>693,387</u>
EXPENSES		
Management fees	(64,650)	(54,684)
Trustee and custodian fees	(22,492)	(17,062)
Auditor's remuneration	(14,577)	(13,061)
Brokerage fees and other transaction costs	(47,119)	(76,875)
Reversal of over-provision of establishment cost	-	(44,886)
Foreign exchange differences	(1,799)	(479)
Other expenses	(24,319)	(16,228)
	<u>(174,956)</u>	<u>(223,275)</u>
PROFIT BEFORE TAX	<u>3,542,791</u>	<u>470,112</u>
Withholding taxes	(621)	(1,230)
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>3,542,170</u>	<u>468,882</u>

E FUND (HK) GREATER CHINA LEADERS FUND

(a sub-fund of Selection Investment Series)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
(UNAUDITED)****For the period ended 30 June 2020**

	Class A (distribution) HKD	Class A (accumulation) HKD	Class I (distribution) HKD	Total HKD
At 1 January 2020	233,770	1,879,060	9,106,481	11,219,311
Subscription of units	-	185,270	-	185,270
Redemption of units	(120,529)	(327,768)	-	(448,297)
	<u>113,241</u>	<u>1,736,562</u>	<u>9,106,481</u>	<u>10,956,284</u>
Increase in net assets attributable to unitholders during the year	<u>53,001</u>	<u>594,104</u>	<u>2,895,065</u>	<u>3,542,170</u>
At 30 June 2020	<u>166,242</u>	<u>2,330,666</u>	<u>12,001,546</u>	<u>14,498,454</u>
	Unit	Unit	Unit	
At 1 January 2020	1,865.73	14,578.84	63,729.81	
Subscription of units	-	1,317.74	-	
Redemption of units	(856.49)	(2,141.79)	-	
At 30 June 2020	<u>1,009.24</u>	<u>13,754.79</u>	<u>63,729.81</u>	
	Class A (distribution) HKD	Class A (accumulation) HKD	Class I (distribution) HKD	Total HKD
At 1 January 2019	583,383	1,537,829	7,372,240	9,493,452
Subscription of units	-	3,709	-	3,709
Redemption of units	-	(9,129)	-	(9,129)
	<u>583,383</u>	<u>1,532,409</u>	<u>7,372,240</u>	<u>9,488,032</u>
Increase in net assets attributable to unitholders during the year	<u>28,830</u>	<u>75,729</u>	<u>364,323</u>	<u>468,882</u>
At 30 June 2019	<u>612,213</u>	<u>1,608,138</u>	<u>7,736,563</u>	<u>9,956,914</u>
	Unit	Unit	Unit	
At 1 January 2019	5,772.58	14,664.54	251,388.01	
Subscription of units	-	32.34	-	
Redemption of units	-	(80.33)	-	
At 30 June 2019	<u>5,772.58</u>	<u>14,616.55</u>	<u>251,388.01</u>	

E FUND (HK) GREATER CHINA LEADERS FUND

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STATEMENT OF CASH FLOWS (UNAUDITED)**For the period ended 30 June 2020**

	30 June 2020 HKD	30 June 2019 HKD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,542,791	470,112
Adjustments for:		
Dividend income	(30,340)	(54,898)
Interest income on bank deposits	(100)	(234)
Working capital adjustments:		
Increase in financial assets at fair value through profit or loss	(3,385,296)	(1,044,745)
Increase in other receivables	-	(130)
Decrease in prepayments	286	-
Increase in due to brokers	-	52,939
Increase/(decrease) in management fees payable	2,739	(916)
Increase in trustee fees payable	1,498	1,686
Increase in accrual of establishment costs	-	10,661
Increase/(decrease) in other payables	135,265	(8,952)
Cash flows generated from/(used in) operations	<u>266,843</u>	<u>(574,477)</u>
Dividend, net of tax	23,926	40,175
Interest received	100	234
Withholding tax paid	(621)	(1,230)
Net cash flows generated from/(used in) operating activities	<u>290,248</u>	<u>(535,298)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	177,851	3,709
Payments from redemption of units	(386,831)	(9,129)
Net cash flows (used in)/generated from financing activities	<u>(208,980)</u>	<u>(5,420)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	81,268	(540,718)
Cash and cash equivalents at beginning of the year	<u>66,668</u>	<u>938,179</u>
CASH AND CASH EQUIVALENTS AT YEAR END	<u>147,936</u>	<u>397,461</u>
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash at banks	<u>147,936</u>	<u>397,461</u>

E FUND (HK) GREATER CHINA LEADERS FUND

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NOTES TO THE FINANCIAL REPORTS (UNAUDITED)

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

(a) Basis of preparation

These unaudited condensed interim financial statements for the six months ended 30 June 2020 have been prepared in accordance with Hong Kong Accounting Standard 34, "Interim financial reporting". The unaudited condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

New and amended standards and interpretations issued but not yet effective

There are no new standards and amendments to existing standards that are issued, but not yet effective that would be expected to have a significant impact on the Sub-Fund's financial statements.

2. Net asset value per unit

A reconciliation of the net assets attributable to unitholders as reported in the statement of financial position to the net assets attributable to unitholders determined for the purposes of processing unit subscriptions and redemptions is provided below:

	30 June 2020	31 December 2019
	HKD	HKD
Published net assets attributable to unitholders (calculated in accordance with Sub-Fund's Trust Deed)	14,567,231	11,199,274
(Redemption)/Subscription after 31 December 2019 published NAV	(78,132)	7,581
Adjustment for establishment costs	9,355	12,456
Net asset attributable to unitholders (calculated in accordance with financial statements)	<u>14,498,454</u>	<u>11,219,311</u>

Note:

(a) The explanatory memorandum provides for the amortisation of preliminary expense over the first 5 years of operation of the Sub-Fund, instead of those amounts being expensed as incurred during the current period, as required under HKFRSs. The published net asset value per unit issued is calculated in accordance with the explanatory memorandum of the Sub-Fund while the net asset value per unit as reported in the statement of financial position included audit adjustment for recognition of all establishment costs incurred in profit or loss for the period ended 30 June 2020.

E FUND (HK) GREATER CHINA LEADERS FUND

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NOTES TO THE FINANCIAL REPORTS (UNAUDITED)

2. Net asset value per unit (Continued)

	30 June 2020	
	Unit price (per financial statements) USD	Published unit price USD
Class A (distribution) units		
Net assets attributable to unitholders per unit	164.72	164.61
Class A (accumulation) units		
Net assets attributable to unitholders per unit	169.44	169.33
Class I (accumulation) units		
Net assets attributable to unitholders per unit	188.32	188.20
	31 December 2019	
	Unit price (per financial statements) USD	Published unit price USD
Class A (distribution) units		
Net assets attributable to unitholders per unit	125.30	125.16
Class A (accumulation) units		
Net assets attributable to unitholders per unit	128.89	128.75
Class I (accumulation) units		
Net assets attributable to unitholders per unit	142.89	142.73

E FUND (HK) GREATER CHINA LEADERS FUND

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INVESTMENT PORTFOLIO (UNAUDITED)**As at 30 June 2020**

LISTED EQUITY SECURITIES	Holdings/ Nominal value	Fair Value USD	% of net assets on fair value
ALIBABA GROUP HOLDING LTD	48,800	1,319,678	9.10%
BILIBILI INC - ADR	19,174	888,140	6.13%
BOE TECHNOLOGY GROUP CO LTD - A	407,300	269,129	1.86%
CHINA MEIDONG AUTO HOLDINGS LTD	122,000	299,068	2.06%
COUNTRY GARDEN SERVICES HOLDINGS CO LTD	105,000	487,696	3.36%
CSPC PHARMACEUTICAL GROUP LTD	196,000	370,215	2.55%
EVER SUNSHINE LIFESTYLE SERVICES GROUP LTD	528,000	816,108	5.63%
GDS HOLDINGS LTD	7,618	606,850	4.19%
GREENTOWN SERVICE GROUP CO LTD	286,000	336,894	2.32%
GSX TECHEDU INC	12,862	771,591	5.32%
JD.COM INC - ADR	12,184	733,233	5.06%
JINXIN FERTILITY GROUP LTD	170,000	257,498	1.78%
LONGI GREEN ENERGY TECHNOLOGY CO LTD	85,400	492,154	3.39%
MEITUAN DIANPING - CLASS B	38,100	845,002	5.83%
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP INC	4,232	551,133	3.80%
POLY PROPERTY DEVELOPMENT CO LTD	62,400	627,966	4.33%
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	27,100	433,559	2.99%
TAL EDUCATION GROUP	19,674	1,345,308	9.28%
TENCENT HOLDINGS LTD	22,700	1,460,277	10.07%
WUXI BIOLOGICS CAYMAN INC	29,000	530,556	3.66%
XINYI SOLAR HOLDINGS LTD	571,460	541,177	3.73%
YUNNAN ENERGY NEW MATERIAL CO LTD	66,000	614,467	4.24%
Total Investments		<u>14,597,701</u>	<u>100.68%</u>
Other Net Liabilities		<u>(99,247)</u>	
Net Assets as at 30 June 2020		<u>14,498,454</u>	
Total Investments, At Cost		<u>10,302,443</u>	

E FUND (HK) GREATER CHINA LEADERS FUND

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STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS (UNAUDITED)**For the period ended 30 June 2020**

	At 1 January 2020	Movement of holdings		At 30 June 2020
		Additions	Disposals	
LISTED EQUITY SECURITIES				
ALIBABA GROUP HOLDING LTD	37,300	14,000	(2,500)	48,800
ANTA SPORTS PRODUCTS LTD	36,000	12,000	(48,000)	-
ASM PACIFIC TECHNOLOGY LTD	24,300	7,600	(31,900)	-
BILIBILI INC - ADR	18,517	9,408	(8,751)	19,174
BOE TECHNOLOGY GROUP CO LTD - A	-	407,300	-	407,300
CHINA MEIDONG AUTO HOLDINGS LTD	-	122,000	-	122,000
CHINA NATIONAL BUILDING MATERIAL CO LTD - H	-	196,000	(196,000)	-
CHINA OVERSEAS LAND & INVESTMENT LTD	86,000	-	(86,000)	-
CHINA RESOURCES BEER HOLDINGS CO LTD	64,000	-	(64,000)	-
CHINA RESOURCES GAS GROUP LTD	46,000	-	(46,000)	-
CHINA RESOURCES LAND LTD	90,000	-	(90,000)	-
COUNTRY GARDEN SERVICES HOLDINGS CO LTD	-	134,000	(29,000)	105,000
CSPC PHARMACEUTICAL GROUP LTD	-	196,000	-	196,000
DOUYU INTERNATIONAL HOLDINGS LTD	-	28,387	(28,387)	-
EVER SUNSHINE LIFESTYLE SERVICES GROUP LTD	-	7,618	-	7,618
GDS HOLDINGS LTD	-	420,000	(134,000)	286,000
GREENTOWN SERVICE GROUP CO LTD	-	32,152	(19,290)	12,862
GSX TECHEDU INC	9,263	-	(9,263)	-
HUAZHU GROUP LTD-ADR	-	14,200	(14,200)	-
HUYA INC	-	-	-	-
IND & COMM BK OF CHINA - H	7,620	6,381	(14,001)	-
IQIYI INC - ADR	-	12,184	-	12,184
JD.COM INC - ADR	-	170,000	-	170,000
JINXIN FERTILITY GROUP LTD	37,300	14,000	(2,500)	48,800

E FUND (HK) GREATER CHINA LEADERS FUND

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STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS (UNAUDITED) (CONTINUED)**For the period ended 30 June 2020**

	At 1 January 2020	Movement of holdings		At 30 June 2020
		Additions	Disposals	
LISTED EQUITY SECURITIES (CONTINUED)				
JIUMAOJIU INTERNATIONAL HOLDINGS LTD	-	178,000	(178,000)	-
JS GLOBAL LIFESTYLE CO LTD				
	483,000	-	(483,000)	-
KINGSOFT CORP LTD	-	67,000	(67,000)	-
KOOLEARN TECHNOLOGY HOLDING LTD	-	84,500	(84,500)	-
LI NING CO LTD	83,500	73,500	(157,000)	-
LONGFOR GROUP HOLDINGS LTD	87,500	-	(87,500)	-
LONGI GREEN ENERGY TECHNOLOGY CO LTD	107,800	16,800	(39,200)	85,400
MAOYAN ENTERTAINMENT	202,800	-	(202,800)	-
MEITUAN DIANPING - CLASS B MOMO INC.	74,600	8,600	(45,100)	38,100
	5,617	796	(6,413)	-
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP INC				
	3,598	2,403	(1,769)	4,232
POLY PROPERTY DEVELOPMENT CO LTD	49,200	19,000	(5,800)	62,400
Q TECHNOLOGY GROUP CO LTD	-	171,000	(171,000)	-
SANY HEAVY INDUSTRY CO LTD - A	116,200	-	(116,200)	-
SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORP	-	151,000	(151,000)	-
SINOTRUK HONG KONG LTD	140,000	97,500	(237,500)	-
SUN ART RETAIL GROUP LTD	-	224,500	(224,500)	-
SUNAC CHINA HOLDINGS LTD	-	58,000	(58,000)	-
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	22,800	37,400	(33,100)	27,100

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STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS (UNAUDITED) (CONTINUED)**For the period ended 30 June 2020**

	At 1 January 2020	Movement of holdings		At 30 June 2020
		Additions	Disposals	
LISTED EQUITY SECURITIES (CONTINUED)				
TENCENT HOLDINGS LTD	22,300	1,700	(1,300)	22,700
WEICHAI POWER CO LTD - H	169,000	-	(169,000)	-
WUXI BIOLOGICS CAYMAN INC	-	29,000	-	29,000
XD INC	156,800	-	(156,800)	-
XINYI SOLAR HOLDINGS LTD	720,000	11,460	(160,000)	571,460
YUNNAN ENERGY NEW MATERIAL CO LTD	42,000	24,200	(200)	66,000