

**Unaudited Semi-Annual Report 2019**

HAITONG INVESTMENT FUND SERIES  
(An umbrella unit trust established in Hong Kong)

**HAITONG US EQUITY INVESTMENT FUND**  
**(A Sub-Fund of Haitong Investment Fund Series)**

For the period from 1 January 2019 to 30 June 2019

**HAITONG US EQUITY INVESTMENT FUND  
(A SUB-FUND OF HAITONG INVESTMENT FUND SERIES)**

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**HAITONG US EQUITY INVESTMENT FUND  
(A SUB-FUND OF HAITONG INVESTMENT FUND SERIES)**

**MANAGEMENT AND ADMINISTRATION**

**Manager**

Haitong International Asset Management (HK) Limited  
22/F., Li Po Chun Chambers  
189 Des Voeux Road Central  
Hong Kong

**Trustee and Registrar**

HSBC Institutional Trust Services (Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Directors of the Manager**

Yang Jianxin  
Lo Wai Ho  
Sun Tong  
Chen Xuan  
Poon Mo Yiu

**Auditors**

PricewaterhouseCoopers  
21/F Edinburgh Tower  
15 Queen's Road  
Central  
Hong Kong

**Solicitors**

Deacons  
5/F, Alexandra Houses  
18 Chater Road  
Central  
Hong Kong

**HAITONG US EQUITY INVESTMENT FUND  
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**REPORT OF THE MANAGER TO THE UNITHOLDERS**

U.S. stock market had a generally upward journey in the first half of 2019 and finished with a solid gain. This was driven by improving risk appetite in global capital markets, especially on renewed loosening expectation from central banks, which offset continuous noise from global trade conflicts and Brexit.

Coming from a modest decline of 6.24% (as measured by S&P 500 index in U.S. Dollar terms) in 2018, U.S. stock market was supported by multiple factors. First, though U.S. and China were very close to a trade deal in the first quarter, which drove global market upward, the near-collapse of trade talk in second quarter provided headwinds, until some hope emerged during the G20 meeting in Japan later in June, where President Trump surprised market again by meeting with Chinese President Xi and resume trade talks, essentially kicking the risk can down the road. Second, though U.S. Fed Chairman Jerome Powell still held a rather hawkish stance in the first quarter of 2019, the Federal Open Market Committee minutes turned dovish in second quarter and implied potential rate cut, which helped risk asset. Third, central banks across South Korea and Japan released the intention to either continue to hold or to further ease the existing monetary policy, which comforted investors and was in-line with the global trend of loose monetary policy. On the macro front, the third reading of the U.S. first quarter GDP increased at a 3.1% annualized rate, driven by strong defense spending said by the government. The ISM manufacturing Index went down to 51.7 in June, from the 52.1 in previous month. In spite of a month to month slowdown, the figure indicated that the U.S. manufacturing sector kept its momentum of expansion.

Looking forward, we are cautiously optimistic on U.S. equity market. While the market could remain volatile given uncertainties on macro economy concerns, especially on global growth after a multi-year uptrend and among geopolitical events, the fundamentals of our investment targets are healthy, as strong financials, improving earnings, continuous buyback, supportive monetary policy, competitive advantage in the global market, and reasonable equity valuations are all supportive.

Haitong International Asset Management (HK) Limited

**HAITONG US EQUITY INVESTMENT FUND**  
**(A SUB-FUND OF HAITONG INVESTMENT FUND SERIES)**

**STATEMENT OF FINANCIAL POSITION (unaudited)**

*As at 30 June 2019*

	(Unaudited) <i>At 30 June</i> 2019 USD	(Audited) <i>At 31 December</i> 2018 USD
<b>Assets</b>		
<b>Current assets</b>		
Financial assets at fair value through profit or loss	20,464,668	15,773,817
Dividends receivable	5,635	6,499
Interest receivable	22	40
Prepayment	360	-
Cash and cash equivalents	409,821	1,671,581
<b>Total assets</b>	<u>20,880,506</u>	<u>17,451,937</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Other payables	93,564	73,020
<b>Liabilities (excluding net assets attributable to unitholders)</b>	<u>93,564</u>	<u>73,020</u>
<b>Net assets attributable to unitholders (after adjustment for different basis adopted by the Sub-Fund)</b>	20,786,942	17,378,917
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	37,099	42,208
<b>Net assets attributable to unitholders (in accordance with the Sub-Fund's Explanatory Memorandum)</b>	<u>20,824,041</u>	<u>17,421,125</u>
<b>Number of units in issue</b>		
– Class A (USD) Accumulation unit	15,000	15,000
– Class A (HKD) Accumulation unit	106,979	106,979
– Class I (USD) Accumulation unit	20,000	20,000
– Class I (HKD) Accumulation unit	300,000	300,000
– Class S (USD) Accumulation unit	115,000	115,000

**HAITONG US EQUITY INVESTMENT FUND**  
**(A SUB-FUND OF HAITONG INVESTMENT FUND SERIES)**

**STATEMENT OF FINANCIAL POSITION (unaudited) (Continued)**

*As at 30 June 2019*

	(Unaudited) <i>At 30 June</i> 2019 USD	(Audited) <i>At 31 December</i> 2018 USD
<b>Net asset value per unit (in accordance with the Sub-Fund's Explanatory Memorandum)</b>		
– Class A (USD) Accumulation unit	102.63	86.20
– Class A (HKD) Accumulation unit	13.08	10.98
– Class I (USD) Accumulation unit	102.89	86.32
– Class I (HKD) Accumulation unit	13.11	10.99
– Class S (USD) Accumulation unit	103.40	86.32

**HAITONG US EQUITY INVESTMENT FUND**  
**(A SUB-FUND OF HAITONG INVESTMENT FUND SERIES)**

**INVESTMENT PORTFOLIO (unaudited)**  
*30 June 2019*

	Holdings	Fair value USD	% of Net Assets
<b><u>Listed equities (98.27)%</u></b>			
<b><u>Switzerland (4.44%)</u></b>			
Mettler-Toledo International Inc	1,100	924,000	4.44
		<hr/>	<hr/>
		924,000	4.44
		<hr/>	<hr/>
<b><u>United States (93.83%)</u></b>			
Adobe Inc	3,300	972,345	4.67
Ameren Corporation	9,000	675,990	3.25
American Water Works Co Inc	6,000	696,000	3.34
Atmos Energy Corp	6,000	633,360	3.04
Automatic Data Processing Inc	5,500	909,315	4.37
Autozone Inc	800	879,576	4.22
Cadence Design Systems Inc	10,000	708,100	3.40
Church and Dwight Co Inc	9,500	694,070	3.33
Comcast Corp A Shares	15,000	634,200	3.05
Firstenergy Corp	19,000	813,390	3.91
Mastercard Inc	4,000	1,058,120	5.08
Microsoft Corp	8,000	1,071,680	5.15
Motorola Solutions Inc	6,500	1,083,745	5.20
MSCI Inc A Shares	3,000	716,370	3.44
Nextera Energy Inc	4,000	819,440	3.93
Norfolk Southern Corp	5,000	996,650	4.79
Paycom Software Inc	2,200	498,784	2.39
Procter & Gamble Co	5,000	548,250	2.63
Progressive Corp/The	11,000	879,230	4.22
Starbucks Corp	10,000	838,300	4.03
The Hershey Company	5,000	670,150	3.22
Transdigm Group Inc	1,500	725,700	3.48
Veeva Systems Inc A Shares	3,000	486,330	2.33
Visa Inc A Shares	5,900	1,023,945	4.92
Waste Management Inc	4,400	507,628	2.44
		<hr/>	<hr/>
		19,540,668	93.83
		<hr/>	<hr/>
Total investments ( <i>Total cost of investments USD18,469,856</i> )		20,464,668	98.27
		<hr/>	<hr/>
Other net assets		359,373	1.73
		<hr/>	<hr/>
Total net assets as at 30 June 2019		20,824,041	100.00
		=====	=====

**HAITONG US EQUITY INVESTMENT FUND  
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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited)**

*For the period from 1 January 2019 to 30 June 2019*

	Percentage holdings of net assets as at 30 June 2019	Percentage holdings of net assets as at 31 December 2018
<u>Listed equities</u>		
Communication Discretionary	8.25	-
Consumer Discretionary	21.80	5.32
Energy	17.47	4.29
Financials	14.22	3.81
Health Care	-	13.74
Industrials	15.15	13.31
Information Technology	21.38	50.07
	<hr/>	<hr/>
Total	98.27	90.54
	<hr/> <hr/>	<hr/> <hr/>

**HAITONG US EQUITY INVESTMENT FUND  
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**PERFORMANCE RECORD (unaudited)**

30 June 2019

	30 June 2019 <i>USD</i>	31 December 2018 <i>USD</i>
<b>Net assets</b>		
– Class A (USD) Accumulation unit	1,539,531	1,293,006
– Class A (HKD) Accumulation unit	1,399,991	1,174,906
– Class I (USD) Accumulation unit	2,057,801	1,726,476
– Class I (HKD) Accumulation unit	3,935,714	3,299,502
– Class S (USD) Accumulation unit	11,891,004	9,927,235
<b>Net asset value per unit</b>		
– Class A (USD) Accumulation unit	102.63	86.20
– Class A (HKD) Accumulation unit	13.08	10.98
– Class I (USD) Accumulation unit	102.89	86.32
– Class I (HKD) Accumulation unit	13.11	10.99
– Class S (USD) Accumulation unit	103.40	86.32
	Highest issue price	Lowest redemption price
<b><u>Financial period</u></b>		
<b><u>1 January 2019 to 30 June 2019</u></b>		
– Class A (USD) Accumulation unit	USD 103.99	USD 83.11
– Class A (HKD) Accumulation unit	HKD 103.59	HKD 82.96
– Class I (USD) Accumulation unit	USD 104.24	USD 83.23
– Class I (HKD) Accumulation unit	HKD 103.84	HKD 83.08
– Class S (USD) Accumulation unit	USD 104.99	USD 83.23

**HAITONG US EQUITY INVESTMENT FUND**  
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**PERFORMANCE RECORD (unaudited) (continued)**

*30 June 2019*

	Highest issue price	Lowest redemption price
<u>Period from 11 July 2018 (date of inception) to 31 December 2018</u>		
– Class A (USD) Accumulation unit	USD 103.70	USD 80.37
– Class A (HKD) Accumulation unit	HKD 103.57	HKD 80.21
– Class I (USD) Accumulation unit	USD 103.76	USD 80.48
– Class I (HKD) Accumulation unit	HKD 103.63	HKD 80.32
– Class S (USD) Accumulation unit	USD 104.43	USD 80.48