

**Unaudited Semi-Annual Report 2020**

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 2020 to 30 June 2020

**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

**Directors of the Manager**

Yang Jianxin  
Sun Tong  
Poon Mo Yiu  
Luk Wai Yin

**Solicitors**

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

**Trustee and Registrar**

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

**Auditors**

PricewaterhouseCoopers  
21/F Edinburgh Tower  
15 Queen's 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 volatile journey in the first half of 2020, and finished with a loss of -4.04% (as measured by S&P 500 index in U.S. Dollar terms). The negative impact mainly came from the COVID-19's global outbreak and its damage to the economy, which was partly offset by the effort of central banks and governments around the globe with their supportive monetary and fiscal policies, and early attempt to reopen the economy.

Coming from a solid appreciation of 28.88% in 2019, the S&P 500 index started 2020 with continuous uptrend driven by optimism about U.S. – China trade friction, relatively loose monetary policy from U.S. Fed and some other central banks, a gradually controlled COVID-19 situation in China, and ignored tension between U.S. and Iran. The index made a historical high in February, only to quickly decline due to escalating global epidemic and fear of high valuation. The process was accelerated by temporary lack of liquidity in the money market and record level of unemployment in the U.S. The -33.92% decline in S&P 500 index was later stopped by a set of aggressively supportive policies from the U.S. Fed, the resulting massive liquidity, and fiscal policy to aid the economy. The index quickly rebounded from its trough in late March and once turned positive for year-to-date return in 2020. The second quarter was rendered with satisfaction from policy support, progress in COVID-19 related vaccine development, and stabilization of the crude oil market. Fluctuation in U.S. – China relationship, national chaos caused by racism concern and upcoming Presidential election were mostly ignored by the U.S. stock market. On the macro front, many indicators have returned to expansion. Change in Non-farm Payrolls returned to positive territory in May, increased 4800K in June and topped expectation of 3230K. ISM Manufacturing PMI also increased to 52.6 in June from 43.1 in May, and exceeded the estimated 49.8. Durable Goods Orders showed a positive 15.8% for May, which was the second month in a row to beat market consensus.

Looking forward, we are cautiously optimistic on U.S. equity market. On one hand, the market could continue to be volatile given uncertainties on economy reopening, geopolitical tension especially before the Presidential election, and potential monetary and fiscal policy changes in light of economic recover. On the other hand, the fundamentals of our investment targets are healthy, as strong financials, solid earnings and cash flow, continuous buyback, and competitive advantage in the global market 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 2020*

	(Unaudited) At 30 June 2020 USD	(Audited) At 31 December 2019 USD
<b>Assets</b>		
<b>Current assets</b>		
Financial assets at fair value through profit or loss	18,724,127	19,432,719
Dividends receivable	4,157	40,540
Interest receivable	-	7
Prepayment	34	-
Cash and cash equivalents	1,089,190	678,593
<b>Total assets</b>	<u>19,817,508</u>	<u>20,151,859</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Other payables	63,625	159,356
<b>Liabilities (excluding net assets attributable to unitholders)</b>	<u>63,625</u>	<u>159,356</u>
<b>Net assets attributable to unitholders (after adjustment for different basis adopted by the Sub-Fund)</b>	19,753,883	19,992,503
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	26,688	31,860
<b>Net assets attributable to unitholders (in accordance with the Sub-Fund's Explanatory Memorandum)</b>	<u>19,780,571</u>	<u>20,024,363</u>
<b>Number of units in issue</b>		
– Class A (USD) Accumulation units	15,000	15,000
– Class A (HKD) Accumulation units	102,179	102,179
– Class I (USD) Accumulation units	20,000	20,000
– Class I (HKD) Accumulation units	300,000	300,000
– Class S (USD) Accumulation units	100,541	100,541

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

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

*As at 30 June 2020*

	(Unaudited) At 30 June 2020 <i>USD</i>	(Audited) At 31 December 2019 <i>USD</i>
<b>Net asset value per unit (in accordance with the Sub-Fund's Explanatory Memorandum)</b>		
– Class A (USD) Accumulation units	104.78	106.20
– Class A (HKD) Accumulation units	13.35	13.54
– Class I (USD) Accumulation units	105.33	106.60
– Class I (HKD) Accumulation units	13.43	13.59
– Class S (USD) Accumulation units	106.48	107.77

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

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

**STATEMENT OF COMPREHENSIVE INCOME (unaudited)**  
*For the period from 1 January 2020 to 30 June 2020*

	(Unaudited) For the period from 1 January 2020 to 30 June 2020 USD	(Unaudited) For the period from 1 January 2019 to 30 June 2019 USD
<b>Income</b>		
Interest income on bank deposits	559	10,290
Dividend income	137,615	126,082
Realised gains/(losses) on disposal of financial assets at fair value through profit or loss	93,837	(201,375)
Change in unrealised gains/losses in value of financial assets at fair value through profit or loss	(226,240)	3,753,398
Net foreign currency (losses)/gains	(35)	157
<b>Total net income</b>	<u>5,736</u>	<u>3,688,552</u>
<b>Expenses</b>		
Management fee <sup>Note 2</sup>	118,852	120,138
Performance fee <sup>Note 2</sup>	-	38,920
Trustee fee <sup>Note 1</sup>	18,000	17,609
Safe custody and bank charges <sup>Note 1</sup>	1,801	1,756
Auditor's remuneration	7,957	8,202
Accounting fee <sup>Note 1</sup>	5,625	4,994
Handling fee <sup>Note 1</sup>	1,960	1,232
Transaction fee	6,853	7,400
Other operating expenses <sup>Note 1</sup>	43,859	42,452
<b>Total operating expenses</b>	<u>204,907</u>	<u>242,703</u>
Net (loss)/income before tax	(199,171)	3,445,849
Withholding tax	(39,449)	(37,824)
<b>(Loss)/income after tax</b>	<u>(238,620)</u>	<u>3,408,025</u>
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	(5,172)	(5,109)
<b>(Decrease)/increase in net assets attributable to unitholders</b>	<u><u>(243,792)</u></u>	<u><u>3,402,916</u></u>

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

**STATEMENT OF COMPREHENSIVE INCOME (unaudited) (Continued)**

*For the period from 1 January 2020 to 30 June 2020*

<sup>Note 1</sup> During the period ended 30 June 2020 and 2019, other than Trustee fee, Safe custody and bank charges and Handling fees were paid to the Trustee or its Connected Persons, other respective amounts paid to the Trustee or its Connected Persons were as follows:

	(Unaudited) For the period from 1 January 2020 to 30 June 2020 <i>USD</i>	(Unaudited) For the period from 1 January 2019 to 30 June 2019 <i>USD</i>
Accounting fee	2,983	2,976
Other operating expenses	43,503	42,100

<sup>Note 2</sup> During the period ended 30 June 2020 and 2019, other than the Management fee and Performance fee that paid to the Manager, no other amounts paid to the Manager or its Connected Persons.

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (unaudited)**  
*For the period from 1 January 2020 to 30 June 2020*

	(Unaudited) For the period from 1 January 2020 to 30 June 2020 <i>USD</i>	(Unaudited) For the period from 1 January 2019 to 30 June 2019 <i>USD</i>
<b>Net assets attributable to unitholders at 1 January</b>	20,024,363	17,421,125
(Decrease)/increase in net assets attributable to unitholders	(243,792)	3,402,916
<b>Net assets attributable to unitholders at 30 June (in accordance with the Sub-Fund's Explanatory Memorandum)</b>	<u>19,780,571</u>	<u>20,824,041</u>
<b>Number of units in issue</b>	<b>Units</b>	<b>Units</b>
<b>Class A (USD) Accumulation units</b>		
Units in issue at the beginning of the period	15,000	15,000
Units in issue at the end of the period	<u>15,000</u>	<u>15,000</u>
<b>Class A (HKD) Accumulation units</b>		
Units in issue at the beginning of the period	102,179	106,979
Units in issue at the end of the period	<u>102,179</u>	<u>106,979</u>
<b>Class I (USD) Accumulation units</b>		
Units in issue at the beginning of the period	20,000	20,000
Units in issue at the end of the period	<u>20,000</u>	<u>20,000</u>
<b>Class I (HKD) Accumulation units</b>		
Units in issue at the beginning of the period	300,000	300,000
Units in issue at the end of the period	<u>300,000</u>	<u>300,000</u>
<b>Class S (USD) Accumulation units</b>		
Units in issue at the beginning of the period	100,541	115,000
Units in issue at the end of the period	<u>100,541</u>	<u>115,000</u>

**HAITONG US EQUITY INVESTMENT FUND**  
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**STATEMENT OF CASH FLOWS (unaudited)**

*For the period from 1 January 2020 to 30 June 2020*

	(Unaudited) For the period from 1 January 2020 to 30 June 2020 USD	(Unaudited) For the period from 1 January 2019 to 30 June 2019 USD
<b>Cash flows from operating activities</b>		
(Decrease)/increase in net assets attributable to unitholders	(243,792)	3,402,916
Adjustments for:		
Different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	5,172	5,109
Interest income on bank deposits	(559)	(10,290)
Dividend income	(137,615)	(126,082)
Withholding tax	39,449	37,824
	<hr/>	<hr/>
	(337,345)	3,309,477
Net change in prepayment	(34)	(360)
Net change in financial assets at fair value through profit or loss	708,592	(4,690,851)
Net change in other payables	(95,731)	20,544
	<hr/>	<hr/>
<b>Cash from/(used in) operations</b>	275,482	(1,361,190)
Interest received	566	10,308
Dividend received, net of withholding tax	134,549	89,122
	<hr/>	<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>	410,597	(1,261,760)
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	410,597	(1,261,760)
Cash and cash equivalents at the beginning of the period	678,593	1,671,581
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	1,089,190	409,821
	<hr/> <hr/>	<hr/> <hr/>
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at bank	1,089,190	409,821
	<hr/> <hr/>	<hr/> <hr/>

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

**Investment Portfolio (unaudited)**  
30 June 2020

	Holdings	Fair value USD	% of Net Assets
<b><u>Listed equities (94.66%)</u></b>			
<b><u>Canada (1.58%)</u></b>			
Lululemon Athletica Inc	1,000	312,010	1.58
		<hr/>	<hr/>
		312,010	1.58
		<hr/>	<hr/>
<b><u>United States (93.08%)</u></b>			
Adobe Inc	1,500	652,965	3.30
Advanced Micro Devices Inc	15,000	789,150	3.99
Akamai Technologies Inc	5,000	535,450	2.71
Allstate Corp	3,000	290,970	1.47
American Electric Power Co Inc	9,000	716,760	3.62
Apple Inc	2,500	912,000	4.61
Applied Materials Inc	13,000	785,850	3.97
Bristol-Myers Squibb Co	10,000	588,000	2.97
Cadence Design Systems Inc	10,000	959,600	4.85
Cintas Corp	3,000	799,080	4.04
Citrix Systems Inc	5,000	739,550	3.74
Coca-Cola Co	7,000	312,760	1.58
Copart Inc	9,000	749,430	3.79
Dr Horton Inc	15,000	831,750	4.21
Fastenal Co	9,500	406,980	2.06
Lam Research Corp	1,260	407,560	2.06
Leidos Holdings Inc	5,200	487,084	2.46
Lockheed Martin Corp	800	291,936	1.48
Microsoft Corp	7,400	1,505,974	7.61
Moody'S Corporation	1,600	439,568	2.22
MSCI Inc A Shares	3,000	1,001,460	5.06
Nextera Energy Inc	3,600	864,612	4.37
Nvidia Corp	2,000	759,820	3.84
Southern Co	13,000	674,050	3.41
Synopsys Inc	3,600	702,000	3.55
Vertex Pharmaceuticals Inc	1,800	522,558	2.64
Zoetis Inc	5,000	685,200	3.47
		<hr/>	<hr/>
		18,412,117	93.08
		<hr/>	<hr/>
Total investments ( <i>Total cost of investments USD16,539,249</i> )		18,724,127	94.66
		<hr/>	<hr/>
Other net assets		1,056,444	5.34
		<hr/>	<hr/>
Total net assets as at 30 June 2020		19,780,571	100.00
		<hr/> <hr/>	<hr/> <hr/>

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

**Statement of Movements in Investment Portfolio (unaudited)**

*For the period from 1 January 2020 to 30 June 2020*

	Percentage holdings of net assets as at 30 June 2020	Percentage holdings of net assets as at 31 December 2019
<u>Listed equities (by industry)</u>		
Communications	-	3.37
Consumer Discretionary	13.61	12.43
Consumer Staples	1.58	7.72
Financials	1.47	5.97
Health Care	9.08	-
Industrials	3.54	6.70
Technology	53.98	35.99
Utilities	11.40	24.87
	<hr/> 94.66 <hr/> <hr/>	<hr/> 97.05 <hr/> <hr/>

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

**Performance Record (unaudited)**

30 June 2020

	30 June 2020 <i>USD</i>	31 December 2019 <i>USD</i>	31 December 2018 <i>USD</i>
<b>Net assets</b>			
Class A (USD) Accumulation units	1,571,751	1,593,068	1,293,006
Class A (HKD) Accumulation units	1,364,836	1,383,815	1,174,906
Class I (USD) Accumulation units	2,106,796	2,132,179	1,726,476
Class I (HKD) Accumulation units	4,030,983	4,079,572	3,299,502
Class S (USD) Accumulation units	10,706,205	10,835,729	9,927,235
<b>Net asset value per unit</b>			
Class A (USD) Accumulation units	104.78	106.20	86.20
Class A (HKD) Accumulation units	13.35	13.54	10.98
Class I (USD) Accumulation units	105.33	106.60	86.32
Class I (HKD) Accumulation units	13.43	13.59	10.99
Class S (USD) Accumulation units	106.48	107.77	86.32

Highest issue price	Lowest redemption price
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**Financial period**

**1 January 2020 to 30 June 2020**

Class A (USD) Accumulation units	USD115.33	USD76.97
Class A (HKD) Accumulation units	HKD114.27	HKD76.13
Class I (USD) Accumulation units	USD115.81	USD77.32
Class I (HKD) Accumulation units	HKD114.81	HKD76.52
Class S (USD) Accumulation units	USD118.72	USD78.16

**HAITONG US EQUITY INVESTMENT FUND  
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**Performance Record (unaudited) (Continued)**

30 June 2020

	Highest issue price	Lowest redemption price
<u>Financial period (continued)</u>		
<u>Year ended 31 December 2019</u>		
Class A (USD) Accumulation units	USD106.49	USD83.11
Class A (HKD) Accumulation units	HKD106.03	HKD82.96
Class I (USD) Accumulation units	USD106.89	USD83.23
Class I (HKD) Accumulation units	HKD106.34	HKD83.08
Class S (USD) Accumulation units	USD108.11	USD83.23
<u>Period from 11 July 2018 (date of inception) to 31 December 2018</u>		
Class A (USD) Accumulation units	USD103.70	USD80.37
Class A (HKD) Accumulation units	HKD103.57	HKD80.21
Class I (USD) Accumulation units	USD103.76	USD80.48
Class I (HKD) Accumulation units	HKD103.63	HKD80.32
Class S (USD) Accumulation units	USD104.43	USD80.48