



China Southern Dragon Dynamic Fund

Société d'Investissement à Capital Variable

Unaudited Semi-Annual Report
for the period from January 1, 2019 to June 30, 2019

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, 2019 to June 30, 2019

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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
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, 2019

(Expressed in United States dollars)

	China New Balance Opportunity Fund
Assets	
Investment portfolio at cost	76,103,965
Net unrealised appreciation	3,728,987
Investment portfolio at market value (note 2b)	79,832,952
Cash at bank and at broker	3,968,922
Interest and dividend receivables, net (notes 2e,2f)	242,203
Receivable on securities sold	1,042,236
Receivable on shares purchased	100,000
Unrealised appreciation on forward foreign exchange contracts (notes 2i,13)	1,145
Other receivables	32
Total Assets	85,187,490
Liabilities	
Management fees payable (note 3)	334,167
Other payables	91,483
Total Liabilities	425,650
Net Assets	84,761,840

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, 2019

(Expressed in United States dollars)

	China New Balance Opportunity Fund
Net Asset Value per share (expressed in share class currency)	
Class A (USD) Acc	171.98
Class A (USD) Dis	129.00
Class A (HKD) Acc	179.54
Class A (HKD) Dis	140.66
Class I (USD) Acc	207.61
Class I (USD) Dis	62.72
Class I (HKD) Dis	133.15
Class V (EUR) Hedged Acc	119.80
Number of outstanding shares	
Class A (USD) Acc	144,976.517
Class A (USD) Dis	1,221.982
Class A (HKD) Acc	1,000,525.744
Class A (HKD) Dis	976,255.494
Class I (USD) Acc	68,285.010
Class I (USD) Dis	69,894.137
Class I (HKD) Dis	24,875.000
Class V (EUR) Hedged Acc	720.000

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, 2019 to June 30, 2019

(Expressed in United States dollars)

	China New Balance Opportunity Fund	CSOP RMB High Yield Bond Fund*	Combined
Net Assets at the beginning of the period	94,080,421	10,875,948	104,956,369
Income			
Dividends (net of withholding tax) (note 2f)	774,914	–	774,914
Interest Income (note 2e)	18,930	129,604	148,534
Total income	793,844	129,604	923,448
Expenses			
Management fees (note 3)	897,298	18,009	915,307
Depository fees (note 7)	33,757	9,537	43,294
Audit and Legal fees	71,355	40,192	111,547
Administration and Accounting fees (note 7)	42,319	14,400	56,719
Registrar and Transfer Agent fees (note 7)	32,584	4,341	36,925
Management Company fees (note 4)	28,992	1,223	30,215
Taxe d'Abonnement (note 6)	20,344	246	20,590
Publication / Printing fees	2,960	1,237	4,197
Compliance fees	8,437	3,525	11,962
Directors fees (note 8)	7,089	1,557	8,646
Transaction fees (note 12)	607,583	–	607,583
Sub-fund closing fees	–	22,243	22,243
Other expenses	28,081	719	28,800
Total expenses	1,780,799	117,229	1,898,028
Net gain / (loss) from investments	(986,955)	12,375	(974,580)
Net realised gain / (loss)			
- on investments (note 2g)	5,652,304	(114,163)	5,538,141
- on foreign exchange (notes 2c, 2g)	4,995	(16,241)	(11,246)
- on forward foreign exchange contracts (note 2i)	(4,255)	(22,953)	(27,208)
Net change in unrealised appreciation			
- on investments	11,786,963	639,334	12,426,297
- on forward foreign exchange contracts (note 2i)	1,787	16,732	18,519
Net change in net assets for the period as a result of operations	16,454,839	515,084	16,969,923
Proceeds from subscriptions	15,372,370	1,650	15,374,020
Payments for redemptions	(41,145,790)	(11,392,682)	(52,538,472)
Net proceeds from shares transactions	(25,773,420)	(11,391,032)	(37,164,452)
Net Assets at the end of the period	84,761,840	–	84,761,840

* Please refer to note 15.

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

China Southern Dragon Dynamic Fund

Net Asset Information as at June 30, 2019 (unaudited)

	China New Balance Opportunity Fund	CSOP RMB High Yield Bond Fund*
Total Net Assets (expressed in United States dollars)		
June 30, 2019	84,761,840	—
December 31, 2018	94,080,421	10,875,948
December 31, 2017	198,732,620	11,002,922
Net Asset Value per Share (expressed in share class currency)		
Class A (USD) Acc		
June 30, 2019	171.98	—
December 31, 2018	145.32	101.05
December 31, 2017	218.63	—
Class A (USD) Dis		
June 30, 2019	129.00	—
December 31, 2018	109.00	126.61
December 31, 2017	163.98	132.81
Class A (EUR) Dis		
June 30, 2019	—	—
December 31, 2018	—	147.35
December 31, 2017	—	147.49
Class A (HKD) Acc		
June 30, 2019	179.54	—
December 31, 2018	152.15	—
December 31, 2017	228.42	—
Class A (HKD) Dis		
June 30, 2019	140.66	—
December 31, 2018	119.20	—
December 31, 2017	178.96	—
Class I (USD) Acc		
June 30, 2019	207.61	—
December 31, 2018	174.53	—
December 31, 2017	260.39	—
Class I (USD) Dis		
June 30, 2019	62.72	—
December 31, 2018	52.73	123.09
December 31, 2017	78.39	128.72

* Please refer to note 15.

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

China Southern Dragon Dynamic Fund

Net Asset Information as at June 30, 2019 (unaudited) (continued)

	China New Balance Opportunity Fund	CSOP RMB High Yield Bond Fund*
Class I (EUR) Dis		
June 30, 2019	—	—
December 31, 2018	—	149.34
December 31, 2017	—	149.18
Class I (HKD) Acc		
June 30, 2019	—	—
December 31, 2018	—	—
December 31, 2017	223.11	—
Class I (HKD) Dis		
June 30, 2019	133.15	—
December 31, 2018	112.27	—
December 31, 2017	166.52	—
Class I (RMB) Dis		
June 30, 2019	—	—
December 31, 2018	—	129.01
December 31, 2017	—	127.87
Class R (EUR) Hedged Dis		
June 30, 2019	—	—
December 31, 2018	—	106.50
December 31, 2017	—	116.30
Class V (EUR) Hedged Acc		
June 30, 2019	119.80	—
December 31, 2018	102.53	98.80
December 31, 2017	157.43	107.28

* Please refer to note 15.

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, 2019

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, 2019, 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, 2019 (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, 2019 are:

1 USD = 6.876113 CNH*

1 USD = 0.878542 EUR

1 USD = 7.809023 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 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.

h) Combined Figures

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

i) Forward foreign exchange contracts

The forward foreign exchange contracts are valued on the basis of forward foreign exchange rates prevailing on June 30, 2019. 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, 2019 (continued)

2. Significant Accounting policies (continued)

j) 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 R	Class V
China New Balance Opportunity Fund	2.00% p.a.	1.00% p.a.	2.00% 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.

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, 2019 (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.

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	Total Commission Paid
China International Capital Corporation Hong Kong Securities Limited	HKD 283,893 USD 9,540
China Merchants Securities (HK) Co., Limited	HKD 231,562
Citigroup Global Markets Limited	HKD 158,465
Credit Suisse (Hong Kong) Limited	HKD 265,972 USD 21,093
UBS Securities Asia Limited	HKD 69,000 USD 3,000

12. Transaction costs

For the period ended June 30, 2019, the SICAV incurred transaction costs related to purchase or sale of financial instruments (securities and derivatives) as follows:

China New Balance Opportunity Fund: USD: 607,583

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, 2019 (continued)

13. Outstanding forward foreign exchange contracts

As at June 30, 2019, 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	1,576*	EUR	1,400	August 8, 2019	Citibank	(23)
USD	3,483*	EUR	3,100	August 8, 2019	Citibank	(58)
USD	2,376*	EUR	2,100	August 8, 2019	Citibank	(22)
USD	1,802*	EUR	1,600	August 8, 2019	Citibank	(25)
USD	2,042*	EUR	1,800	August 8, 2019	Citibank	(13)
USD	2,037*	EUR	1,800	August 8, 2019	Citibank	(19)
EUR	900*	USD	1,008	August 8, 2019	Citibank	20
EUR	91,000*	USD	102,651	August 8, 2019	Citibank	1,286
EUR	4,900*	USD	5,573	August 8, 2019	Citibank	24
USD	4,511*	EUR	4,000	August 8, 2019	Citibank	(58)
EUR	4,200*	USD	4,764	August 8, 2019	Citibank	33
						1,145

* 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 year-end before netting and hedging arrangements amounts to USD 132,791.

As at June 30, 2019, there is no collateral related to the forward foreign exchange contracts.

14. Dividend paid

No dividend was paid during the period ended June 30, 2019.

15. Other important information

On March 15, 2019, the Board resolved to liquidate the CSOP RMB High Yield Bond Fund with effect on March 29, 2019.

China Southern Dragon Dynamic Fund

Schedule of Investments (expressed in United States dollars)

(unaudited)

As at June 30, 2019

China New Balance Opportunity Fund

Quantity	Description	Market Value	% NAV
Transferable securities and money market instruments admitted to an official exchange listing			
HKD Equities			
6,300,000	Anton Oilfield Services Group	830,962	0.98
1,100,000	Byd Electronic Company Limited	1,572,028	1.85
3,000,000	China Animal Healthcare Limited*	—	—
3,700,000	China Jinmao Holdings Group Limited	2,250,602	2.66
1,580,000	China Life Insurance Company Limited - H	3,892,830	4.59
2,400,000	China Yongda Automobiles	2,197,458	2.59
2,200,000	China ZhengTong Auto Services Holdings Limited	912,790	1.08
1,800,000	Cifi Holdings Group Company Limited	1,187,088	1.40
1,700,000	CITIC Securities Company Limited - H	3,544,106	4.18
210,076	Hong Kong Exchanges and Clearing Limited	7,419,489	8.75
15,000,000	Honghua Group Limited	1,325,390	1.56
4,550,000	Kingdee International Software Group Company Limited	4,923,472	5.81
900,000	Melco International Development Limited	1,996,153	2.36
800,000	New China Life Insurance Company - H	3,892,933	4.60
730,000	Sands China Limited	3,491,538	4.12
3,000,000	Semiconductor Manufacturing International Corp.	3,342,287	3.95
510,000	Shanghai Fudan Microelectronics Company Limited - H	588,435	0.69
2,600,000	Sound Global Limited*	—	—
9,934,000	SPT Energy Group Inc .	1,030,416	1.22
650,000	Sunac China Holdings Limited	3,196,303	3.77
350,000	Sunny Optical Technology Group Company Limited	3,616,970	4.27
173,000	Tencent Holdings Limited	7,811,451	9.22
10,000,000	Tongda Group Holdings Limited	768,342	0.91
2,600,000	Tsaker Chemical Group Limited 0.000%	1,122,035	1.32
1,300,000	Wynn Macau Limited	2,913,297	3.44
1,440,000	ZTE Corp. - H	4,158,267	4.91
Total HKD Equities		67,984,642	80.23
USD Equities			
45,900	Alibaba Group Holding Limited	7,844,310	9.24
100,000	Sea Limited	3,377,000	3.98
300,000	Uxin Limited	627,000	0.74
Total USD Equities		11,848,310	13.96
Total Transferable securities and money market instruments admitted to an official exchange listing		79,832,952	94.19
Total Investments in Securities		79,832,952	94.19
Other Net Assets		4,928,888	5.81
Total Net Assets		84,761,840	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, 2019

China New Balance Opportunity Fund

Economic Classification as at June 30, 2019

Sector	% NAV
Internet software and services	19.20
Financial services	12.93
Insurance	9.19
Leisure and entertainment	7.56
Telecommunication equipment	6.76
Software	5.81
Semiconductors	4.64
Miscellaneous machinery	4.27
Real estate	4.06
IT Consulting and services	3.98
Real estate investment trust	3.77
Oil and gas services	3.76
Retail	3.67
Diversified companies	2.36
Chemicals	1.32
Electronic equipment	0.91
Total Investments in Securities	94.19
Other Net Assets	5.81
Total Net Assets	100.00

Geographical Classification as at June 30, 2019

Country	% NAV
Cayman Islands	55.25
China	20.82
Hong Kong	14.68
Macau	3.44
Total Investments in Securities	94.19
Other Net Assets	5.81
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 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 2019, 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 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.

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 2018 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.

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	1,637,510.59	753,648.12	2,391,158.71
R	451,755.00	25,876.50	477,631.50
C	575,921.11	7,175.00	583,096.11
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.

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 Lemanik Asset Management S.A.'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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