

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 2022

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

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ADMINISTRATION AND MANAGEMENT

MANAGER AND RQFII HOLDER

E Fund Management (Hong Kong) Co., Limited
Suites 3501-02, 35/F
Two International Finance Centre
8 Finance Street
Central, Hong Kong

TRUSTEE

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

DIRECTORS OF THE MANAGER

CHEN Liyuan
CHEN Rong
HUANG Gaohui
LOU Lizhou
MA Jun
WU Xinrong
YANG Dongmei
FAN Yue (appointed on 5 May 2022)

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
No. 25, Financial Street
Xicheng District
Beijing, China

AUDITORS

Ernst & Young
27/F, One Taikoo Place,
979 King's Road,
Quarry Bay, Hong Kong

LEGAL COUNSEL TO THE MANAGER

Simmons & Simmons
30/F One Taikoo Place
979 King's Road Queensway
Hong Kong

REGISTRAR AND TRANSFER AGENT

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

E FUND (HK) GREATER CHINA LEADERS FUND

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REPORT OF THE MANAGER TO THE UNITHOLDERS**Introduction**

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

Fund Performance

The Sub-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 2022, the Net Asset Value per unit of the E Fund (HK) Greater China Leaders Fund for USD Class A (accumulation) was USD 131.86, for USD Class A (distribution) was USD 128.18, for HKD Class A (accumulation) was HKD67.39, for USD Class I (accumulation) was USD 148.01 and for USD Class I (distribution) was USD 46.87. The total size of the fund was approximately USD 19.15 million.

As of 30 June 2022, a summary of the performance of the E Fund (HK) Greater China Leaders Fund is given below.

Cumulative Performance*

	Since Launch ¹	YTD	1 Month	3 Months	6 Months	1 Year
USD Class A (Acc)	31.9%	-18.4%	8.8%	4.3%	-18.4%	-41.7%
USD Class A (Dis)	28.2%	-18.4%	8.8%	4.3%	-18.4%	-41.7%
HKD Class A (Acc)	-32.6%	-17.9%	8.8%	4.5%	-17.9%	-41.1%
USD Class I (Acc)	48.0%	-18.2%	8.8%	4.4%	-18.2%	-41.4%
USD Class I (Dis) **	-53.1%	-18.2%	8.8%	4.4%	-18.2%	-41.4%

Source: Bloomberg

Note:

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

¹ the total return for the period from its inception date. Launch date: USD Class A (Acc): 6 Mar 2017; USD Class A (Dis): 19 Apr 2017; USD Class I (Acc): 16 Nov 2016; USD Class I (Dis): 21 Nov. 2017; HKD Class A (Acc): 3 Aug 2020

**USD Class I (Dis) was fully redeemed on 11 June 2018, and was subscribed again on 10 Feb 2021.

No performance data can be displayed until 6 months from inception date.

Past performance information is not indicative of future performance. Investors may not get back the full amount invested. Performance data has been calculated in USD, including ongoing charges and excluding subscription fee and redemption fee you might have to pay.

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

E FUND (HK) GREATER CHINA LEADERS FUND

(a sub-fund of Selection Investment Series)

STATEMENT OF FINANCIAL POSITION (UNAUDITED)**As at 30 June 2022**

	(Unaudited) 30 June 2022 USD	(Audited) 31 December 2021 USD
ASSETS		
Financial assets at fair value through profit or loss	18,719,910	23,533,454
Subscription receivable	5,872	68,905
Dividend receivable	82,292	-
Prepayments	71	835
Amount due from brokers	794,298	-
Cash at bank	315,166	1,785,345
TOTAL ASSETS	19,917,609	25,388,539
LIABILITIES		
Management fees payable	17,660	27,044
Trustee fees payable	3,333	5,800
Redemption payable	381	42,859
Amounts due to brokers	694,327	-
Withholding tax payable	4,309	-
Other payables	37,941	42,860
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	757,951	118,563
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	19,159,658	25,269,976
TOTAL LIABILITIES	19,917,609	25,388,539
	30 June 2022 Number of units	31 December 2021 Number of units
NUMBER OF UNITS IN ISSUE		
Class A (distribution) - USD	473.86	715.94
Class A (accumulation) - USD	34,304.18	35,620.15
Class A (accumulation) - HKD	223,756.04	198,935.35
Class I (distribution) - USD	5,207.54	5,207.54
Class I (accumulation) - USD	83,843.67	94,051.88
NET ASSETS VALUE PER UNIT		
Class A (distribution) - USD	USD128.18	USD157.16
Class A (accumulation) - USD	USD131.86	USD161.67
Class A (accumulation) - HKD	HKD67.39	HKD82.08
Class I (distribution) - USD	USD46.87	USD57.33
Class I (accumulation) - USD	USD148.01	USD181.03

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 2022**

	30 June 2022 USD	30 June 2021 USD
INCOME		
Dividend income	180,221	136,002
Interest income on bank deposits	492	131
Net losses on financial assets at fair value through profit or loss	(5,026,436)	(4,462,881)
	<u>(4,845,723)</u>	<u>(4,326,748)</u>
EXPENSES		
Management fees	(120,941)	(303,089)
Trustee and custodian fees	(14,563)	(37,948)
Auditor's remuneration	(18,787)	(17,859)
Foreign exchange differences	(69,402)	(13,792)
Administration fees	(6,000)	-
Transaction costs	(95,744)	(171,279)
Bank charges	(2,223)	(1,739)
Legal fees	(23,613)	(7,438)
Other expenses	(24,759)	(24,763)
	<u>(376,032)</u>	<u>(577,907)</u>
LOSS BEFORE TAX	(5,221,755)	(4,904,655)
Withholding taxes	(9,462)	(1,617)
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>(5,231,217)</u>	<u>(4,906,272)</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 2022**

	Class A (distribution) USD USD	Class A (accumulation) USD USD	Class A (accumulation) HKD USD	Class I (distribution) USD USD	Class I (accumulation) USD USD	Total USD
At 1 January 2022	112,519	5,758,695	2,073,632	298,538	17,026,592	25,269,976
Subscription of units	-	176,509	367,643	-	4,500,000	5,044,152
Redemption of units	(29,798)	(359,511)	(119,027)	-	(5,414,917)	(5,923,253)
	82,721	5,575,693	2,322,248	298,538	16,111,675	24,390,875
Decrease in net assets attributable to unitholders during the year	(21,982)	(1,052,515)	(400,706)	(54,451)	(3,701,563)	(5,231,217)
At 30 June 2022	60,739	4,523,178	1,921,542	244,087	12,410,112	19,159,658
	Units	Units	Units	Units	Units	
At 1 January 2022	715.94	35,620.15	196,935.35	5,207.54	94,051.88	
Subscription of units	-	1,224.52	41,450.13	-	26,098.62	
Redemption of units	(242.08)	(2,540.49)	(14,629.44)	-	(36,306.83)	
At 30 June 2022	473.86	34,304.18	223,756.04	5,207.54	83,843.67	

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 2021**

	Class A (distribution)	Class A (accumulation)	Class A (accumulation)	Class I (distribution)	Class I (accumulation)	Total
	USD	USD	HKD	USD	USD	USD
	USD	USD	USD	USD	USD	USD
At 1 January 2021	110,268	3,215,115	1,140,077	-	42,669,919	47,135,379
Subscription of units	81,608	8,768,828	2,719,927	536,638	10,488,973	22,595,974
Redemption of units	(14,415)	(2,816,747)	(488,704)	-	(6,932,145)	(10,252,011)
	177,461	9,167,196	3,371,300	536,638	46,226,747	59,479,342
Decrease in net assets attributable to unitholders during the year	(20,039)	(1,101,450)	(468,530)	(120,015)	(3,196,238)	(4,906,272)
At 30 June 2021	157,422	8,065,746	2,902,770	416,623	43,030,509	54,573,070

	Unit	Unit	Unit	Unit	Unit	
At 1 January 2021	468.93	13,291.61	72,353.72	-	158,322.22	
Subscription of units	310.26	33,383.41	155,081.22	5,207.54	37,520.63	
Redemption of units	(63.25)	(11,015.29)	(30,397.79)	-	(25,520.03)	
At 30 June 2021	715.94	35,659.73	197,037.15	5,207.54	170,322.82	

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STATEMENT OF CASH FLOWS (UNAUDITED)**For the period ended 30 June 2022**

	30 June 2022 USD	30 June 2021 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(5,221,755)	(4,904,655)
Adjustments for:		
Dividend income	(180,221)	(136,002)
Interest income on bank deposits	(492)	(131)
Working capital adjustments:		
Decrease/(increase) in financial assets at fair value through profit or loss	4,813,544	(4,388,958)
Decrease in prepayments	764	1,807
Increase in amounts due from brokers	(794,298)	(18,038)
Increase/(decrease) in amounts due to brokers	694,327	(2,114,033)
(Decrease)/increase in management fees payable	(9,384)	13,060
(Decrease)/increase in trustee fees payable	(2,467)	2,884
Decrease in other payables	(4,919)	(17,694)
Cash flows used in operations	<u>(704,901)</u>	<u>(11,561,760)</u>
Dividend received	97,929	74,429
Interest received	492	131
Tax paid	<u>(5,153)</u>	<u>(1,617)</u>
Net cash flows used in operations	(611,633)	(11,488,817)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from subscription of units	5,107,185	24,957,092
Payments on redemption of units	<u>(5,965,731)</u>	<u>(10,246,866)</u>
Net cash flows (used in)/generated from financing activities	(858,546)	14,710,226
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,470,179)	3,221,409
Cash and cash equivalents at beginning of the period	<u>1,785,345</u>	<u>1,159,989</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>315,166</u>	<u>4,381,398</u>
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash at bank	<u>315,166</u>	<u>4,381,398</u>

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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

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") which comprise standards and interpretations approved by the International Accounting Standard Board ("IASB"), and interpretations issued by the International Accounting Standards Committee of the IASB.

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 2022 USD	31 December 2021 USD
Published net assets attributable to unitholders (calculated in accordance with Sub-Fund's Trust Deed)	19,154,039	25,283,827
Subscription after 30 June 2022 published NAV	5,619	179
Redemption after 30 June 2022 published NAV	-	(14,030)
Net asset attributable to unitholders (calculated in accordance with financial statements)	<u>19,159,658</u>	<u>25,269,976</u>

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 2022	
	Unit price (per financial statements)	Published unit price
Class A (distribution) – USD units		
Net assets attributable to unitholders per unit	USD128.18	USD128.18
Class A (accumulation) – USD units		
Net assets attributable to unitholders per unit	USD131.86	USD131.86
Class A (accumulation) – HKD units		
Net assets attributable to unitholders per unit	HKD67.39	HKD67.39
Class I (distribution) – USD units		
Net assets attributable to unitholders per unit	USD46.87	USD46.87
Class I (accumulation) – USD units		
Net assets attributable to unitholders per unit	USD148.01	USD148.01
	31 December 2021	
	Unit price (per financial statements)	Published unit price
Class A (distribution) – USD units		
Net assets attributable to unitholders per unit	USD157.16	USD157.16
Class A (accumulation) – USD units		
Net assets attributable to unitholders per unit	USD161.67	USD161.67
Class A (accumulation) – HKD units		
Net assets attributable to unitholders per unit	HKD82.08	HKD82.08
Class I (distribution) – USD units		
Net assets attributable to unitholders per unit	USD57.33	USD57.33
Class I (accumulation) – USD units		
Net assets attributable to unitholders per unit	USD181.03	USD181.03

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INVESTMENT PORTFOLIO (UNAUDITED)**As at 30 June 2022**

<u>Listed equity securities</u>	Holding/ Nominal value	Fair Value USD	% of net asset on fair value
<i>Hong Kong</i>			
Alibaba Group Holding Ltd	39,200	559,013	2.92
C&D International Investment Group Ltd	191,000	516,030	2.69
China Merchants Bank Co Ltd - H	55,500	371,328	1.94
China Overseas Property Holdings Ltd	390,000	419,978	2.19
China Power International Development Ltd	935,000	593,399	3.10
China Resources Beer Holdings Co Ltd	58,000	432,404	2.26
China Resources Mixc Lifestyle Services Ltd	111,800	554,239	2.89
China Shenhua Energy Co Ltd - H	108,000	309,679	1.62
Chow Tai Fook Jewellery Group Ltd	439,000	825,765	4.31
Cowell e Holdings Inc	146,000	189,784	0.99
Geely Automobile Holdings Ltd	292,000	663,871	3.46
Great Wall Motor Co Ltd - H	269,000	553,301	2.89
Gushengtang Holdings Ltd	85,800	426,440	2.23
Hong Kong Exchanges & Clearing Ltd	15,400	757,554	3.95
JD.com Inc - Class A	28,357	913,573	4.77
Kuaishou Technology	51,700	575,848	3.01
Li Ning Co Ltd	101,000	935,754	4.88
Meituan - Class B	33,400	826,611	4.31
NetEase Inc	18,500	339,736	1.77
Pop Mart International Group Ltd	87,800	424,072	2.21
Sunny Optical Technology Group Co Ltd	53,200	867,137	4.53
Tencent Holdings Ltd	20,000	903,295	4.71
Wuxi Biologics Cayman Inc	50,000	457,510	2.39
<i>People's Republic of China</i>			
Aier Eye Hospital Group Co Ltd	62,100	414,913	2.17
East Money Information Co Ltd - A	180,020	682,390	3.56
Focus Media Information Technology Co Ltd - A	287,600	288,857	1.51
Jiangsu GoodWe Power Supply Technology Co Ltd	6,640	310,173	1.62
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	13,800	377,194	1.97
Kweichow Moutai Co Ltd - A	2,100	640,901	3.35
LONGi Green Energy Technology Co Ltd	54,488	541,813	2.83
Luoyang Xinqianglian Slewing Bearing Co Ltd	37,570	499,179	2.61
Luzhou Laojiao Co Ltd - A	16,900	621,802	3.25
Wuliangye Yibin Co Ltd - A	11,000	331,491	1.73
<i>United States of America</i>			
Full Truck Alliance Co Ltd	45,387	411,206	2.15
Pinduoduo Inc	2,972	183,670	0.96
Total Investments (Cost: USD18,141,451)		18,719,910	97.73%
Other net assets		439,748	2.27%
Total net assets		19,159,658	100.00%

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STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS (UNAUDITED)**For the period ended 30 June 2022**

	At 1 January 2022	<u>Movement in holdings</u>		At 30 June 2022
		Additions	Disposals	
<u>LISTED EQUITY SECURITIES</u>				
Aier Eye Hospital Group Co Ltd	-	62,100	-	62,100
Alibaba Group Holding Ltd	-	39,200	-	39,200
Bilibili Inc0ADR	15,193	-	(15,193)	-
BYD Co Ltd - H	23,000	6,000	(29,000)	-
C&D International Investment Group Ltd	-	191,000	-	191,000
China Mengniu Dairy Co Ltd	138,000	63,000	(201,000)	-
China Merchants Bank Co Ltd - H	-	113,500	(58,000)	55,500
China Mobile Ltd	-	54,500	(54,500)	-
China Overseas Property Holdings Ltd	-	390,000	-	390,000
China Power International Development Ltd	828,000	813,000	(706,000)	935,000
China Resources Beer Holdings Co Ltd	164,000	26,000	(132,000)	58,000
China Resources Land Ltd	-	84,000	(84,000)	-
China Resources Mixc Lifestyle Services Ltd	-	208,000	(96,200)	111,800
China Shenhua Energy Co Ltd - H	-	108,000	-	108,000
Chow Tai Fook Jewellery Group Ltd	892,800	-	(453,800)	439,000
CIFI EVER SUNSHINE SERVICES	556,000	-	(556,000)	-
CNOOC Ltd	-	187,000	(187,000)	-
Contemporary Amperex Technology Co Ltd - A	6,200	-	(6,200)	-
Country Garden Services Holdings Co Ltd	130,000	-	(130,000)	-
Cowell e Holdings Inc	-	146,000	-	146,000
East Money Information Co Ltd - A	-	180,020	-	180,020
Eve Energy Co Ltd	30,100	-	(30,100)	-
Flat Glass Group Co Ltd	143,000	172,000	(315,000)	-
Focus Media Information Technology Co Ltd - A	-	287,600	-	287,600
Full Truck Alliance Co Ltd	-	45,387	-	45,387
Fuyao Glass Industry Group Co Ltd	115,600	38,400	(154,000)	-
GDS Holdings Ltd	15,255	-	(15,255)	-
Geely Automobile Holdings Ltd	294,000	292,000	(294,000)	292,000
GoerTek Inc	-	65,500	(65,500)	-
Great Wall Motor Co Ltd - H	388,000	314,000	(433,000)	269,000
Gushengtang Holdings Ltd	-	171,900	(86,100)	85,800
Hong Kong Exchanges & Clearing Ltd	-	15,400	-	15,400
Huazhu Group Ltd	-	67,700	(67,700)	-
JD.com Inc - Class A	-	28,357	-	28,357
Jiangsu GoodWe Power Supply Technology Co Ltd	-	28,033	(21,393)	6,640
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	-	13,800	-	13,800

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 2022**

	At 1 January 2022	<u>Movement in holdings</u>		At 30 June 2022
		Additions	Disposals	
<u>LISTED EQUITY SECURITIES</u> (continued)				
Jiumaojiu International Holdings Ltd	-	80,000	(80,000)	-
Kuaishou Technology	-	51,700	-	51,700
Kweichow Moutai Co Ltd - A	-	2,100	-	2,100
Li Ning Co Ltd	86,500	26,000	(11,500)	101,000
LONGi Green Energy Technology Co Ltd	98,320	30,868	(74,700)	54,488
Luoyang Xinqianglian Slewing Bearing Co Ltd	-	64,970	(27,400)	37,570
Luzhou Laojiao Co Ltd - A	-	16,900	-	16,900
Meituan Dianping - Class B	20,700	33,400	(20,700)	33,400
NetEase Inc	70,900	-	(52,400)	18,500
Ningbo Deye Technology Co Ltd - A	-	10,320	(10,320)	-
Ningbo Orient Wires & Cables Co Ltd - A	-	41,500	(41,500)	-
Pinduoduo Inc	-	2,972	-	2,972
Poly Property Services Co Ltd - H	-	58,200	(58,200)	-
Pop Mart International Group Ltd	106,600	65,800	(84,600)	87,800
Smoores International Holdings Ltd	80,000	108,000	(188,000)	-
Sungrow Power Supply Co Ltd - A	29,700	25,600	(55,300)	-
Sunny Optical Technology Group Co Ltd	38,300	46,800	(31,900)	53,200
Tencent Holdings Ltd	32,700	4,200	(16,900)	20,000
Wuliangye Yibin Co Ltd - A	-	11,000	-	11,000
Wuxi Biologics Cayman Inc	-	110,500	(60,500)	50,000
Wuxi Lead Intelligent Equipment Co Ltd	47,000	-	(47,000)	-
Xinyi Solar Holdings Ltd	299,460	338,000	(637,460)	-
Zhou Hei Ya International Holdings Co Ltd	795,000	100,500	(895,500)	-