

**CSI ALPHA FUND SERIES**

**- CSI RMB CHINA A-SHARES DIVERSIFICATION FUND**

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

**Interim Report**

**For the period from 23 March 2015 (Date of Inception) to 30 June 2015**

**(Unaudited accounts)**

**CSI ALPHA FUND SERIES  
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**CSI ALPHA FUND SERIES  
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**ADMINISTRATION AND MANAGEMENT**

**MANAGER**

CITIC Securities International  
Investment Management (HK) Limited  
26/F CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

**TRUSTEE AND REGISTRAR**

BOCI-Prudential Trustee Limited  
12th Floor & 25th Floor, Citicorp Centre  
18 Whitfield Road  
Causeway Bay  
Hong Kong

**LEGAL ADVISERS**

Deacons  
5th Floor, Alexandra House  
18 Chater Road, Central  
Hong Kong

**AUDITORS**

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

**CUSTODIAN**

Bank of China (Hong Kong) Limited  
14/F, Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

**RQFII LOCAL CUSTODIAN**

Bank of China Limited  
No. 1 Fuxingmen Nei Dajie  
Beijing, 100818  
China

**CSI ALPHA FUND SERIES**  
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**

**FOR THE PERIOD FROM 23 MARCH 2015 (DATE OF INCEPTION) TO 30 JUNE 2015**

	<b>RMB</b>
<b>INCOME</b>	
Interest income	2,025
Dividend income	48,188
Net realized gains on financial assets at fair value through profit or loss	1,795,103
Net unrealized gains on financial assets at fair value through profit or loss	680,472
	<u>2,525,788</u>
<b>EXPENSES</b>	
Management fee	(61,370)
Trustee and registrar fee	(65,161)
Custodian fee	(12,938)
Preliminary expenses	(97,950)
Auditors' remuneration	(69,965)
Commission expenses	(29,827)
Handling and transaction fees	(23,099)
Publishing charges	(3,337)
Legal & professional fee	(22,611)
Other general expenses	(1,003)
	<u>(387,261)</u>
<b>PROFIT BEFORE TAX</b>	2,138,527
Withholding tax expenses	(5,597)
<b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><u>2,132,930</u></u>

**CSI ALPHA FUND SERIES**  
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**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

**AS AT 30 JUNE 2015**

	<b>RMB</b>
<b>ASSETS</b>	
Deposit	3,376
Interest receivables	265
Other receivables	182,050
Financial assets at fair value through profit or loss	13,869,164
Cash at banks	2,426,134
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<b>TOTAL ASSETS</b>	<b>16,480,989</b>
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<b>LIABILITIES</b>	
Amount due to a broker	1,513,037
Management fee payable	21,349
Trustee and registrar fee payable	21,290
Withholding tax payable	18
Other payables	144,690
	<hr/>
<b>TOTAL LIABILITIES</b>	<b>1,700,384</b>
	<hr/> <hr/>
<b>EQUITY</b>	
Units in issue	12,647,675
Reserves	2,132,930
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<b>TOTAL EQUITY</b>	<b>14,780,605</b>
	<hr/> <hr/>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>16,480,989</b>
	<hr/> <hr/>
<b>NET ASSET VALUE</b>	<b>14,780,605</b>
	<hr/> <hr/>
<b>NUMBER OF UNITS IN ISSUE</b>	<b>126,328.85</b>
	<hr/> <hr/>
<b>NET ASSET VALUE PER UNIT</b>	<b>117.00</b>
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CSI ALPHA FUND SERIES  
- CSI RMB CHINA A-SHARES DIVERSIFICATION FUND

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD FROM 23 MARCH 2015 (DATE OF INCEPTION) TO 30 JUNE 2015

	Number of units outstanding	Total equity RMB
As at 23 March 2015 (Date of inception)	-	-
Subscription of units	126,329	12,647,675
Total comprehensive income for the period	-	2,132,930
As at 30 June 2015	<u>126,329</u>	<u>14,780,605</u>

**CSI ALPHA FUND SERIES**  
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**STATEMENT OF CASH FLOWS (UNAUDITED)**

**FOR THE PERIOD FROM 23 MARCH 2015 (DATE OF INCEPTION) TO 30 JUNE 2015**

	<b>RMB</b>
<b>Cash flows from operating activities</b>	
Profit before tax	2,138,527
Adjustments for:	
Interest income	(2,025)
Dividend income	(48,188)
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	2,088,314
Increase in deposit	(3,376)
Increase in other receivables	(182,050)
Increase of financial assets at fair value through profit and loss	(13,869,164)
Increase in amount due to a broker	1,513,037
Increase in management fee payable	21,349
Increase in trustee and registrar fee payable	21,290
Increase in other payables	144,690
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Net cash flows used in operations	(10,265,910)
Dividend received	48,188
Interest received	1,760
Withholding tax paid	(5,579)
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<b>Net cash flows used in operating activities</b>	<b>(10,221,541)</b>
	<hr/>
<b>Cash flows from a financing activity</b>	
Proceeds on issue of units and net cash flows generated from a financing activity	12,647,675
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<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,426,134</b>
Cash and cash equivalents at beginning of the period	-
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<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>2,426,134</b>
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<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	
Cash at banks	2,426,134
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**CSI ALPHA FUND SERIES**  
**- CSI RMB CHINA A-SHARES DIVERSIFICATION FUND**

**30 JUNE 2015**

**NOTES TO FINANCIAL STATEMENTS**

**1. THE SUB-FUND**

CSI Alpha Fund Series (the "Trust") was constituted as an umbrella unit trust established under the laws of Hong Kong pursuant to a trust deed dated 25 June 2009, supplemented by a supplemental trust deed dated 9 April 2010, supplemented by a second supplemental trust deed dated 4 January 2012, supplemented by a third supplemental trust deed dated 24 April 2014, and supplemented by a fourth supplemental trust deed dated 19 December 2014 (the "Trust Deed") entered into between CITIC Securities International Investment Management (HK) Limited (the "Manager") and BOCI-Prudential Trustee Limited (the "Trustee").

The Trust consists of four sub-funds, namely CSI China-Hong Kong Leaders Fund, CSI RMB Income Fund, CSI RMB Short Maturity Bond Fund and CSI RMB China A-Shares Diversification Fund as at 30 June 2015.

CSI RMB China A-Shares Diversification Fund (the "Sub-Fund") was constituted as a separate sub-fund on 23 March 2015. The Sub-Fund is an open-ended unit trust and is authorized by the Securities and Futures Commission of Hong Kong under Section 104(1) of the Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong.

The investment objective of the Sub-Fund is to achieve long-term appreciation of the unit price through capital growth and income appreciation by investing primarily in a diversified portfolio of China A-shares, subject to the investment policy and restrictions applicable to the Fund, as set out in the trust prospectus of the Trust, the fund specific prospectus of the Sub-Fund and related amendments or supplements from time to time.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities classified at fair value through profit or loss that have been measured at fair value. The preparation of the financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilised in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates. The financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest RMB except where otherwise indicated.



CSI ALPHA FUND SERIES  
- CSI RMB CHINA A-SHARES DIVERSIFICATION FUND

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

FOR THE PERIOD FROM 23 MARCH 2015 (DATE OF INCEPTION) TO 30 JUNE 2015

	23 March 2015 (Date of inception)	Additions	Disposals	30 June 2015
<i>Listed equity securities - PRC</i>				
AVIC AIRCRAFT CO LTD-A	-	23,200	(11,900)	11,300
AVIC AVIATION ENGINE CORP PLC-A	-	26,500	(14,100)	12,400
BANK OF COMMUNICATIONS CO LTD-A	-	71,000	(15,000)	56,000
BEIJING CAPITAL CO LTD-A	-	43,400	(9,000)	34,400
BEIJING ORIGINWATER TECHNOLOGY CO LTD-A	-	18,900	(8,900)	10,000
BEIJING TONGRENTANG CO LTD-A	-	8,000	-	8,000
BOE TECHNOLOGY GROUP CO LTD-A	-	142,900	(68,000)	74,900
CHINA AVIC ELECTRONICS CO LTD-A	-	20,800	-	20,800
CHINA COMMUNICATIONS CONSTRUCTION CO LTD-A	-	57,500	(26,500)	31,000
CHINA LIFE INSURANCE CO LTD-A	-	29,300	(7,400)	21,900
CHINA PACIFIC INSURANCE (GROUP) CO LTD-A	-	22,000	(5,000)	17,000
CHINA RAILWAY CONSTRUCTION CORP LTD-A	-	72,600	(44,100)	28,500
CHINA SPACESAT CO LTD-A	-	38,600	(25,900)	12,700
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HLDGS CO LTD-A	-	5,900	-	5,900
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD-A	-	161,000	(25,000)	136,000
JIANGSU HENGRUI MEDICINE CO LTD-A	-	9,230	-	9,230
JOINTOWN PHARMACEUTICAL GROUP CO LTD-A	-	11,800	-	11,800
KANGMEI PHARMACEUTICAL CO LTD-A	-	20,400	-	20,400
LUXIN VENTURE CAPITAL GROUP CO LTD-A	-	4,400	(4,400)	-
METALLURGICAL CORP OF CHINA LTD-A	-	195,700	(175,700)	20,000
NEW CHINA LIFE INSURANCE CO LTD-A	-	15,549	(5,000)	10,549
NINGBO SHANSHAN CO LTD-A	-	11,000	(5,000)	6,000
PING AN INSURANCE GROUP CO OF CHINA LTD-A	-	14,700	(4,000)	10,700
POWER CONSTRUCTION CORP OF CHINA LTD-A	-	37,800	-	37,800
SAIC MOTOR CORP LTD-A	-	19,900	-	19,900
SHANDONG HI-SPEED CO LTD-A	-	38,300	-	38,300
SHANGHAI FOSUN PHARMACEUTICAL GROUP CO LTD-A	-	27,000	(15,000)	12,000
SHANGHAI PHARMACEUTICALS HLDG CO LTD-A	-	16,354	-	16,354
SHANGHAI RAAS BLOOD PRODUCTS CO LTD-A	-	5,900	-	5,900
TASLY PHARMACEUTICAL GROUP CO LTD-A	-	4,100	-	4,100
YUNNAN BAIYAO GROUP CO LTD-A	-	4,800	-	4,800
ZHEJIANG CONBA PHARMACEUTICAL CO LTD-A	-	10,700	-	10,700

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PERFORMANCE TABLE (UNAUDITED)

30 JUNE 2015

Net Asset Value

(calculated in accordance with Trust Prospectus - Fund Specific Prospectus)

	Net asset value per unit RMB	Total net asset value RMB
As at 30 June 2015	<u>117.00</u>	<u>14,780,605</u>

Highest issue price and lowest redemption price per unit

(calculated in accordance with Trust Prospectus - Fund Specific Prospectus)

	Highest issue price per unit RMB	Lowest redemption price per unit RMB
Period from 23 March 2015 (date of inception) to 30 June 2015	<u>137.44</u>	<u>99.36</u>

**CSI ALPHA FUND SERIES**  
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**INVESTMENT PORTFOLIO (UNAUDITED)**

**30 JUNE 2015**

**FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>Holdings</b>	<b>Fair Value</b>	<b>% of</b>
<b>Listed securities - PRC</b>		<b>RMB</b>	<b>NAV</b>
<b>Equities</b>			
AVIC AIRCRAFT CO LTD-A	11,300	492,454	3.33%
AVIC AVIATION ENGINE CORP PLC-A	12,400	659,060	4.46%
BANK OF COMMUNICATIONS CO LTD-A	56,000	461,440	3.12%
BEIJING CAPITAL CO LTD-A	34,400	493,640	3.34%
BEIJING ORIGINWATER TECHNOLOGY CO LTD-A	10,000	487,900	3.30%
BEIJING TONGRENTANG CO LTD-A	8,000	287,280	1.94%
BOE TECHNOLOGY GROUP CO LTD-A	74,900	388,731	2.63%
CHINA AVIC ELECTRONICS CO LTD-A	20,800	726,544	4.92%
CHINA COMMUNICATIONS CONSTRUCTION CO LTD-A	31,000	544,360	3.68%
CHINA LIFE INSURANCE CO LTD-A	21,900	685,908	4.64%
CHINA PACIFIC INSURANCE (GROUP) CO LTD-A	17,000	513,060	3.47%
CHINA RAILWAY CONSTRUCTION CORP LTD-A	28,500	445,455	3.01%
CHINA SPACESAT CO LTD-A	12,700	723,392	4.89%
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HLDGS CO LTD-A	5,900	203,314	1.38%
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD-A	136,000	718,080	4.86%
JIANGSU HENGRUI MEDICINE CO LTD-A	9,230	411,104	2.78%
JOINTOWN PHARMACEUTICAL GROUP CO LTD-A	11,800	263,848	1.79%
KANGMEI PHARMACEUTICAL CO LTD-A	20,400	361,692	2.45%
METALLURGICAL CORP OF CHINA LTD-A	20,000	144,600	0.98%
NEW CHINA LIFE INSURANCE CO LTD-A	10,549	644,122	4.36%
NINGBO SHANSHAN CO LTD-A	6,000	171,600	1.16%
PING AN INSURANCE GROUP CO OF CHINA LTD-A	10,700	876,758	5.93%
POWER CONSTRUCTION CORP OF CHINA LTD-A	37,800	428,652	2.90%
SAIC MOTOR CORP LTD-A	19,900	449,740	3.04%
SHANDONG HI-SPEED CO LTD-A	38,300	327,848	2.22%
SHANGHAI FOSUN PHARMACEUTICAL GROUP CO LTD-A	12,000	347,280	2.35%
SHANGHAI PHARMACEUTICALS HLDG CO LTD-A	16,354	364,204	2.46%
SHANGHAI RAAS BLOOD PRODUCTS CO LTD-A	5,900	386,096	2.61%
TASLY PHARMACEUTICAL GROUP CO LTD-A	4,100	204,016	1.38%
YUNNAN BAIYAO GROUP CO LTD-A	4,800	414,096	2.80%
ZHEJIANG CONBA PHARMACEUTICAL CO LTD-A	10,700	242,890	1.64%
<b>TOTAL INVESTMENTS, AT FAIR VALUE</b>		<u>13,869,164</u>	<u>93.83%</u>
<b>OTHER NET ASSETS</b>		<u>911,441</u>	<u>6.17%</u>
<b>TOTAL NET ASSETS</b>		<u>14,780,605</u>	<u>100.00%</u>
<b>TOTAL INVESTMENTS, AT COST</b>		<u>13,188,691</u>	