

CSI ALPHA FUND SERIES
- CSI RMB INCOME 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 1 January 2015 to 30 June 2015
(Unaudited accounts)

**CSI ALPHA FUND SERIES
- CSI RMB INCOME FUND**

CONTENTS

	Pages
ADMINISTRATION AND MANAGEMENT	1
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF CHANGES IN EQUITY	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6
STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS	7
PERFORMANCE TABLE	8
INVESTMENT PORTFOLIO	9

**CSI ALPHA FUND SERIES
- CSI RMB INCOME FUND**

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

Clifford Chance
27th Floor, Jardine House
1 Connaught Place, 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
- CSI RMB INCOME FUND**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

	For the period from 1 January 2015 to 30 June 2015 RMB	For the period from 1 January 2014 to 30 June 2014 RMB
INCOME		
Bank interest income	6,660	7,599
Interest income on debt securities held for trading	5,687,949	9,026,494
Other interest income	31,930	52,429
Net realized gains/(losses) on financial assets at fair value through profit or loss	3,480,387	(1,242,425)
Net change in unrealized (losses)/gains on financial assets at fair value through profit or loss	(1,514,804)	12,901,854
	<hr/> 7,692,122	<hr/> 20,745,951
EXPENSES		
Management fee	(1,072,910)	(1,652,139)
Trustee and registrar fee	(240,000)	(283,465)
Custodian fee	(86,329)	(115,222)
Auditors' remuneration	(90,183)	(87,058)
Legal and professional fees	(22,650)	-
Publishing charges	(8,450)	(3,973)
Commission expenses	(13,712)	(22,525)
Handling and transaction fees	(65,576)	(67,981)
Other general expenses	(16,773)	(33,269)
	<hr/> (1,616,583)	<hr/> (2,265,632)
PROFIT BEFORE TAX	6,075,539	18,480,319
Withholding tax	5,294	(609,242)
PROFIT AFTER TAX AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<hr/> <hr/> 6,080,833	<hr/> <hr/> 17,871,077

**CSI ALPHA FUND SERIES
- CSI RMB INCOME FUND**

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	(Unaudited) 30 June 2015 RMB	(Audited) 31 December 2014 RMB
CURRENT ASSETS		
Deposits	44,036	63,496
Interest receivables	4,199,482	5,934,817
Subscription receivable	390,244	79,365
Financial assets at fair value through profit or loss	214,224,822	186,497,158
Cash at banks	6,750,095	19,883,490
TOTAL ASSETS	<u>225,608,679</u>	<u>212,458,326</u>
CURRENT LIABILITIES		
Redemptions payable	2,389,331	-
Distributions payable to unitholders	-	9,991,726
Management fee payable	196,748	191,420
Trustee and registrar fee payable	42,581	42,667
Withholding tax payable	956,953	964,412
Other payables	119,467	210,770
TOTAL CURRENT LIABILITIES	<u>3,705,080</u>	<u>11,400,995</u>
EQUITY		
Units in issue	200,769,095	186,003,660
Reserves	21,134,504	15,053,671
TOTAL EQUITY	<u>221,903,599</u>	<u>201,057,331</u>
TOTAL LIABILITIES AND EQUITY	<u>225,608,679</u>	<u>212,458,326</u>
NET ASSETS VALUE	221,903,599	201,057,331
Adjustment for distribution payable to unitholders	-	9,991,726
NET ASSET VALUE (calculated in accordance with Trust Prospectus - Fund Specific Prospectus)	<u>221,903,599</u>	<u>211,049,057</u>
NUMBER OF UNITS IN ISSUE		
Distribution unit class	<u>20,176,889</u>	<u>18,166,774</u>
Accumulation unit class	<u>811,614</u>	<u>1,371,614</u>
NET ASSET VALUE PER UNIT (calculated in accordance with IFRSs)		
Distribution unit class	<u>10.55</u>	<u>10.25</u>
Accumulation unit class	<u>11.12</u>	<u>10.80</u>

CSI ALPHA FUND SERIES
- CSI RMB INCOME FUND

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

	Accumulation unit class		Distribution unit class		Total
	Number of units outstanding	RMB	Number of units outstanding	RMB	RMB
At 1 January 2014	-	-	34,074,650	334,755,833	334,755,833
Subscription of units	-	-	4,911,453	48,797,201	48,797,201
Redemption of units	-	-	(13,253,864)	(134,686,586)	(134,686,586)
Total comprehensive income for the period	-	-	-	17,871,077	17,871,077
At 30 June 2014	-	-	25,732,239	266,737,525	266,737,525
At 1 January 2015	1,371,614	14,815,602	18,166,774	186,241,729	201,057,331
Subscription of units	-	-	6,627,282	69,041,144	69,041,144
Redemption of units	(560,000)	(6,194,800)	(4,617,167)	(48,080,909)	(54,275,709)
Total comprehensive income for the period	-	401,153	-	5,679,680	6,080,833
At 30 June 2015	811,614	9,021,955	20,176,889	212,881,644	221,903,599

CSI ALPHA FUND SERIES
- CSI RMB INCOME FUND

STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

	For the period from 1 January 2015 to 30 June 2015 RMB	For the period from 1 January 2014 to 30 June 2014 RMB
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,075,539	18,480,319
Adjustments for:		
Interest income	(5,726,539)	(9,086,522)
	<u>349,000</u>	<u>9,393,797</u>
Decrease in deposits	19,460	139,997
(Increase)/Decrease in financial asset at fair value through profit or loss	(27,727,664)	34,110,100
Increase/(Decrease) in management fee payable	5,328	(58,272)
Decrease in trustee and registrar fee payable	(86)	(10,494)
Decrease in other payables	(91,303)	(65,871)
Net cash (used in) / generated from operations	<u>(27,445,265)</u>	<u>43,509,257</u>
Interest received	7,461,874	11,365,511
Withholding tax paid	<u>(2,165)</u>	<u>(3,703)</u>
Net cash flows (used in) / generated from operating activities	<u>(19,985,556)</u>	<u>54,871,065</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issue of units	68,730,265	48,797,201
Payments on redemption of units	(51,886,378)	(134,686,586)
Distribution paid to unitholders	<u>(9,991,726)</u>	<u>(12,948,367)</u>
Net cash flows generated from / (used in) financing activities	<u>6,852,161</u>	<u>(98,837,752)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,133,395)	(43,966,687)
Cash and cash equivalents at beginning of the period	<u>19,883,490</u>	<u>49,189,041</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>6,750,095</u></u>	<u><u>5,222,354</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at banks	<u><u>6,750,095</u></u>	<u><u>5,222,354</u></u>

**CSI ALPHA FUND SERIES
- CSI RMB INCOME 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 Income Fund (the "Sub-Fund") was constituted as a separate sub-fund on 20 February 2012. 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 RMB denominated and settled debt instruments and RMB denominated and settled equities or equity related securities, 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 classified at fair value through profit or loss that have been measured at fair value. The financial statements are presented in Renminbi ("RMB"). The accounting policies and methods of computation used in the preparation of these interim financial statements are consistent with those used in the annual financial statement for the year ended 31 December 2014.

CSI ALPHA FUND SERIES
- CSI RMB INCOME FUND

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

	1 January 2015	Additions	Disposals	30 June 2015
<i>Quoted debt securities</i>				
<i>China</i>				
AGRICULTURAL DEVELOPMENT BANK OF CHINA CO LTD 4.72% A 16 JUL 2017	200,000	-	(200,000)	-
ANSHAN IRON & STEEL GROUP CORP 4.43% A 12APR2016	10,000	-	-	10,000
BEIJING ENERGY INVESTMENT HLDG CO LTD 4.39% A 23OCT2015	200,000	-	(200,000)	-
BEIJING GUCAI STATE-OWNED ASSETS OPERATION CO 8.28% A 15DEC2018	160,000	-	-	160,000
CHINA DEVELOPMENT BANK CORP 3.64% A 05FEB2016	-	200,000	(200,000)	-
CHINA DEVELOPMENT BANK CORP 3.97% A 08APR2016	-	500,000	(500,000)	-
CHINA DEVELOPMENT BANK CORP 4.13% A 13APR2020	-	100,000	(100,000)	-
CHINA DEVELOPMENT BANK CORP 4.21% A 13APR2025	-	100,000	(100,000)	-
CHINA DEVELOPMENT BANK CORP 5.02% A 21AUG2024	-	100,000	(100,000)	-
CHINA DEVELOPMENT BANK CORP 5.6957% A 14JAN2017	100,000	-	(100,000)	-
CHINA JIANTOU LEASING CO LTD 5.27% A 23APR2018	-	200,000	-	200,000
CHINA RAILWAY CORP 4.88% A 17OCT2024	-	100,000	(100,000)	-
CHINA RESOURCES SANJIU MEDICAL & PHARMACEUTICAL CO LTD 4.6% A 09MAY2018	100,000	100,000	(100,000)	100,000
CHINA SHIPBUILDING INDUSTRY CORP 5.35% A 12MAY2017	10,000	-	(10,000)	-
GANSU PROVINCIAL HIGHWAY AVIATION TOURISM INVESTMENT GROUP CO LTD 5.85% A 01DEC2021	-	100,000	-	100,000
GUANGXI RAILWAY INVESTMENT GROUP CO LTD 5.75% A 12MAY2022	-	100,000	-	100,000
GUANGZHOU PANYU TRANSPORTATION CONSTRUCTION INVESTMENT CO LTD 6.3% A 12APR2019	100,000	-	-	100,000
HEBEI TV BROADCAST INFORMATION NETWORK GROUP CO LTD 5.3% A 12JUN2023	-	200,000	-	200,000
KARAMAY URBAN CONSTRUCTION INVESTMENT DEVELOPMENT CO LTD 7.15% A 04SEP2019	200,000	-	(10,000)	190,000
NANJING ZIJIN INVESTMENT GROUP CO LTD 6% A 15MAY2017	-	200,000	(100,000)	100,000
NINGXIA COMMUNICATIONS INVESTMENT CORP 6.1% A 27APR2021	140,000	140,000	(140,000)	140,000
QINGDAO JIAOZHOU CITY DEVELOPMENT INVESTMENT CO LTD 6.59% A 25JAN2020	170,000	170,000	(170,000)	170,000
QINGHAI STATE-OWNED ASSETS INVESTMENT MANAGEMENT 5.4% A 29DEC2015	10,000	-	-	10,000
SHOUGANG CORP 5.26% A 23NOV2016	60,000	-	-	60,000
URUMQI STATE-OWNED ASSET MANAGEMENT CO LTD 6.48% A 28APR2018	100,000	100,000	(100,000)	100,000
WUHAN URBAN CONSTRUCTION INVESTMENT & DEVELOPMENT 5.68% A 29MAR2016	100,000	-	(100,000)	-
XINING CITY INVESTMENT MANAGEMENT CO LTD 7.7% A 27APR2019	170,000	170,000	(170,000)	170,000
YUNNAN HIGHWAY DEVELOPMENT AND INVESTMENT CO LTD 5.45% A 31MAR2016	-	100,000	-	100,000
ZIBO CITY PROPERTY CO LTD 5.45% A 27APR2019	-	600,000	(300,000)	300,000

**CSI ALPHA FUND SERIES
- CSI RMB INCOME FUND**

PERFORMANCE TABLE

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 (Unaudited)		
Distribution unit class	10.55	212,881,644
Accumulation unit class	11.12	9,021,955
As at 31 December 2014 (Audited)		
Distribution unit class	10.80	196,233,455
Accumulation unit class	10.80	14,815,602

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 1 January 2015 to 30 June 2015 (Unaudited)		
Distribution unit class	10.57	10.26
Accumulation unit class	11.14	10.81
Year ended 31 December 2014 (Audited)		
Distribution unit class	10.80	9.82
Accumulation unit class	10.80	10.49

CSI ALPHA FUND SERIES
- CSI RMB INCOME FUND

INVESTMENT PORTFOLIO (UNAUDITED)

30 June 2015

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Holdings	Fair Value RMB	% of NAV
<i>Quoted debt securities</i>			
<i>PRC</i>			
ANSHAN IRON & STEEL GROUP CORP 4.43% A 12APR2016	10,000	1,001,902	0.45%
BEIJING GUCAI STATE-OWNED ASSETS OPERATION CO 8.28% A 15DEC2018	160,000	17,196,016	7.75%
CHINA JIANTOU LEASING CO LTD 5.27% A 23APR2018	200,000	20,133,540	9.07%
CHINA RESOURCES SANJIU MEDICAL & PHARMACEUTICAL CO LTD 4.6% A 09MAY2018	100,000	10,145,000	4.57%
GANSU PROVINCIAL HIGHWAY AVIATION TOURISM INVESTMENT GROUP CO LTD 5.85% A 01DEC2021	100,000	10,155,530	4.58%
GUANGXI RAILWAY INVESTMENT GROUP CO LTD 5.75% A 12MAY2022	100,000	10,066,550	4.54%
GUANGZHOU PANYU TRANSPORTATION CONSTRUCTION INVESTMENT CO LTD 6.3% A 12APR2019	100,000	10,251,230	4.62%
HEBEI TV BROADCAST INFORMATION NETWORK GROUP CO LTD 5.3% A 12JUN2023	200,000	19,865,680	8.95%
KARAMAY URBAN CONSTRUCTION INVESTMENT DEVELOPMENT CO LTD 7.15% A 04SEP2019	190,000	19,761,140	8.91%
NANJING ZIJIN INVESTMENT GROUP CO LTD 6% A 15MAY2017	100,000	10,254,730	4.62%
NINGXIA COMMUNICATIONS INVESTMENT CORP 6.1% A 27APR2021	140,000	14,138,600	6.37%
QINGDAO JIAOZHOU CITY DEVELOPMENT INVESTMENT CO LTD 6.59% A 25JAN2020	170,000	17,492,643	7.88%
QINGHAI STATE-OWNED ASSETS INVESTMENT MANAGEMENT 5.4% A 29DEC2015	10,000	1,011,300	0.46%
SHOUGANG CORP 5.26% A 23NOV2016	60,000	6,081,714	2.74%
URUMQI STATE-OWNED ASSET MANAGEMENT CO LTD 6.48% A 28APR2018	100,000	7,660,000	3.45%
XINING CITY INVESTMENT MANAGEMENT CO LTD 7.7% A 27APR2019	170,000	14,348,697	6.47%
YUNNAN HIGHWAY DEVELOPMENT AND INVESTMENT CO LTD 5.45% A 31MAR2016	100,000	10,073,560	4.54%
ZIBO CITY PROPERTY CO LTD 5.45% A 27APR2019	300,000	14,586,990	6.57%
TOTAL QUOTED DEBT SECURITIES, AT FAIR VALUE		<u>214,224,822</u>	<u>96.54%</u>
OTHER NET ASSETS		<u>7,678,777</u>	<u>3.46%</u>
TOTAL NET ASSETS		<u>221,903,599</u>	<u>100.00%</u>
TOTAL INVESTMENTS, AT COST		<u>213,083,057</u>	