

E Fund CSI 100 A-Share Index ETF
E Fund CES China 120 Index ETF
E Fund FTSE Chinese Government Bond 5-10 Years Index ETF
(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

For the year ended 31st December 2018

Sub-Funds of E Fund ETFs Trust

Annual Report 2018

E Fund ETFs Trust

• **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

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CONTENTS

	Page
Report of the Manager to the Unitholders	1 – 5
Report of the Trustee to the Unitholders	6
Statement of Responsibilities of the Manager and the Trustee	7
Independent Auditor’s Report	8 – 12
Statement of Financial Position	13
Statement of Comprehensive Income	14
Statement of Changes in Net Assets Attributable to Unitholders	15
Statement of Cash Flows	16
Notes to the Financial Statements	17 – 60
Investment Portfolio (unaudited)	61 – 66
Statement of Movements in Investment Portfolio (unaudited)	67 – 83
Performance Record (unaudited)	84 – 86
Management and Administration	87

E Fund ETFs Trust

• E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

REPORT OF THE MANAGER TO THE UNITHOLDERS

E Fund CSI 100 A-Share Index ETF

(a Sub-Fund of E Fund ETFs Trust)

Introduction

E Fund CSI 100 A-Share Index ETF (the “CSI 100 ETF”), a sub-fund of the E Fund ETFs Trust, was launched and commenced trading under the stock code 83100 (RMB Counter) and 3100 (HKD Counter) on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 27 August 2012 and 9 November 2012 respectively. The CSI 100 ETF is benchmarked against the CSI 100 Index. The manager of the CSI 100 ETF is E Fund Management (Hong Kong) Co., Ltd. and the trustee is HSBC Institutional Trust Services (Asia) Limited.

Fund Performance

E Fund CSI 100 A-Share Index ETF seeks to provide investment returns that, before deduction of fees and expenses, closely correspond to the performance of the CSI 100 Index. As of 31 December 2018, the Net Asset Value per unit of the CSI 100 ETF was RMB 31.93, and there were 2,600,000 units outstanding. The total size of the fund was approximately RMB 83.01 million.

A summary of the performance of the CSI 100 ETF is given below.

Cumulative Performance*						
	Since Launch	YTD	1 Month	3 Months	6 Months	1 Year
Fund (RMB)	49.3%	-21.3%	-4.8%	-11.6%	-10.1%	-21.3%
Fund (HKD)	35.2%	-25.3%	-3.8%	-11.5%	-13.6%	-25.3%
Index (Price Return) ¹	49.1%	-21.9%	-5.2%	-12.5%	-11.5%	-21.9%

Calendar Year Cumulative Performance*						
	2018	2017	2016	2015	2014	2013
Fund (RMB)	-21.3%	29.3%	-8.0%	2.4%	54.1%	-11.4%
Fund (HKD)	-25.3%	39.5%	-13.0%	-3.4%	50.2%	-9.0%
Index (Price Return)	-21.9%	30.2%	-7.5%	-1.5%	59.6%	-13.1%
Index (Total Return)	-19.9%	33.4%	-4.8%	0.5%	65.2%	-10.4%

Source: Bloomberg

*Fund: NAV-to-NAV return, net return with dividend (if any) NOT reinvested

1. The net return of index since launch is calculated from 27 August 2012

Note:
Past performance information is not indicative of future performance. Investors may not get back the full amount invested. The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend not reinvested. These figures show by how much E Fund CSI 100 A-Share Index ETF increased or decreased in value during the calendar year being shown. Performance data has been calculated in RMB/HKD, including ongoing charges and excluding subscription fee and redemption fee you might have to pay.

Where no past performance is shown there was insufficient data available in that year to provide performance.

The benchmark of the fund is CSI 100 A-Shares Index.

RMB Counter -Fund launch date: 2012

HKD Counter -Fund launch date: 2012

E Fund ETFs Trust

• **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

E Fund CSI 100 A-Share Index ETF (continued)

(a Sub-Fund of E Fund ETFs Trust)

Fund Performance (continued)

CSI 100 Index was launched by China Securities Index Company Limited on 26 May 2006. It made up of 100 largest A-share issuers in terms of market capitalization listed in the Shanghai and Shenzhen stock exchanges. The difference in performance between CSI 100 Index and the CSI 100 ETF is mainly attributed to fees and expenses, and security misweights.

Fund Activities

The average daily trading volume for the CSI 100 ETF during the Year was reported by Bloomberg to be approximately RMB 197,950. As of 31 December 2018, the CSI 100 ETF comprised of 2,600,000 outstanding units.

Index Activities

The CSI 100 Index underwent 2 regular reviews during the Year. As of 31 December 2018, the CSI 100 ETF held 100 constituents as CSI 100 Index.

E Fund ETFs Trust

• E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

E Fund CES China 120 Index ETF

(a Sub-Fund of E Fund ETFs Trust)

Introduction

E Fund CES China 120 Index ETF (the “CES 120 ETF”), a sub-fund of the E Fund ETFs Trust, was launched and commenced trading under the stock code 83120 (RMB Counter) and 3120 (HKD Counter) on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 21 October 2013. The CES 120 ETF is benchmarked against the CES China 120 Index. The manager of the CES 120 ETF is E Fund Management (Hong Kong) Co., Ltd. and the trustee is HSBC Institutional Trust Services (Asia) Limited.

Fund Performance

E Fund CES China 120 Index ETF aims to provide investment results that, before fees and expenses, closely correspond to the performance of the CES China 120 Index. As of 30 April 2018, the Net Asset Value per unit of the CES 120 ETF was RMB 12.04.

A summary of the performance of the CES 120 ETF is given below.

Cumulative Performance*						
	Since Launch ¹	YTD	1 Month	3 Months	6 Months	1 Year
Fund (RMB)	19.4%	-16.5%	-9.3%	-22.7%	-15.8%	0.6%
Fund (HKD)	16.5%	-13.6%	-9.8%	-22.6%	-11.2%	10.8%
Index (Price Return)	61.9%	-3.4%	-1.6%	-12.0%	-0.4%	20.2%

Source: Bloomberg

*Fund: NAV-to-NAV return, net return with dividend (if any) NOT reinvested

1. Since launch of the Fund, calculated from 21 October 2013.

Note:

Past performance information is not indicative of future performance. Investors may not get back the full amount invested.

The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend not reinvested.

These figures show by how much the fund increased or decreased in value during the calendar year being shown.

Performance data has been calculated in RMB/HKD, including ongoing charges and excluding subscription fee and redemption fee you might have to pay.

Where no past performance is shown there was insufficient data available in that year to provide performance.

The benchmark of the fund is CES China 120 Index.

Fund launch date: 2013

CES China 120 Index was launched by China Exchange Services Company Limited on 10 December 2012. It is comprised of the 80 most liquid and largest stocks in terms of market value trading on the Shanghai and Shenzhen Exchanges as well as the 40 most liquid and largest Mainland companies in terms of market value listed on Hong Kong Exchange. The difference in performance between CES China 120 Index and the CES 120 ETF is mainly attributed to fees and expenses, and security misweights.

Fund Activities

As of 30 April 2018, the CES 120 ETF comprised of 220,000 outstanding units.

Index Activities

The CES China 120 Index underwent 2 regular reviews during the Year.

E Fund ETFs Trust

• E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(a Sub-Fund of E Fund ETFs Trust)

Introduction

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF (the “CGB ETF”), a sub-fund of the E Fund ETFs Trust, was launched and commenced trading under the stock code 82808 (RMB Counter) and 2808 (HKD Counter) on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 14th March 2014. The CGB ETF is benchmarked against the FTSE Chinese Government Bond 5-10 Years Index. The manager of the CGB ETF is E Fund Management (Hong Kong) Co., Ltd. and the trustee is HSBC Institutional Trust Services (Asia) Limited.

Fund Performance

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF seeks to provide investment returns that, before deduction of fees and expenses, closely correspond to the performance of the FTSE Chinese Government Bond 5-10 Years Index. As of 31st December 2018, the Net Asset Value per unit of the CGB ETF was RMB 113.66, and there were 300,000 units outstanding. The total size of the fund was approximately RMB 34.10 million.

A summary of the performance of the CGB ETF is given below.

Cumulative Performance*						
	Since Launch¹	YTD	1 Month	3 Months	6 Months	1 Year
Fund (RMB)	13.1%	4.2%	-1.8%	0.0%	0.0%	4.2%
Fund (HKD)	1.8%	-1.3%	-1.0%	0.0%	-4.1%	-1.3%
Index	27.3%	8.5%	1.2%	3.6%	4.0%	8.5%

Source: Bloomberg

*Fund: NAV-to-NAV return, total return with dividend (if any) reinvested.

1. Performance calculated since the launch of the fund (14th March 2014) to 31st December 2018.

Note:

Past performance information is not indicative of future performance. Investors may not get back the full amount invested.

The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.

These figures show by how much the fund increased or decreased in value during the calendar year being shown.

Performance data has been calculated in RMB/HKD, including ongoing charges and excluding subscription fee and redemption fee you might have to pay.

Where no past performance is shown there was insufficient data available in that year to provide performance.

The benchmark of the fund is FTSE Chinese Government Bond 5-10 Years Index

Fund launch date: 2014

E Fund ETFs Trust

- **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF (continued)

(a Sub-Fund of E Fund ETFs Trust)

FTSE Chinese Government Bond 5-10 Years Index (Formerly known as Citi Chinese Government Bond 5-10 Years Index) was launched by Citigroup Index LLC on 23rd March 2011, and the service provider has changed from Citigroup Index LLC to FTSE Fixed Income LLC from 31st July 2018. The Index is currently designed to provide exposure to RMB-denominated PRC Treasury Bonds that are issued and settled within the PRC. The Index includes fixed-rate Securities issued by the PRC government that are issued or distributed within the PRC with a maturity of 5 to 10 years and a minimum size outstanding of RMB20 billion. The difference in performance between CGB ETF and the Index is mainly attributed to transaction costs, asset valuations, corporate actions (such as mergers and spinoffs), timing variances and differences between the CGB ETF's portfolio and the Index, as the CGB ETF adopts a representative sampling strategy.

Fund Activities

The average daily trading volume for the CGB ETF during the Year was reported by Bloomberg to be approximately RMB14,070. As of 31st December 2018, the CGB ETF comprised of 300,000 outstanding units.

Index Activities

The CGB ETF underwent rebalancing monthly or upon each creation or redemption during the Year. As of 31st December 2018, the CGB ETF held 5 out of the 31 constituents of FTSE Chinese Government Bond 5-10 Years Index.

E Fund ETFs Trust

▪ **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

(Formerly known as **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of the Sub-Funds has, in all material respects, managed the Sub-Funds in accordance with the provisions of the Trust Deed dated 25th July 2012, as amended by the first supplemental deed dated 25th July 2012, the second supplemental deed dated 13th September 2013, the third and fourth supplemental deed dated 15th January 2014 and the fifth supplemental deed dated 29th October 2014, for the year ended 31st December 2018.



HSBC Institutional Trust Services (Asia) Limited
26th April 2019

E Fund ETFs Trust

- **E Fund CSI 100 A-Share Index ETF**
- **E Fund CES China 120 Index ETF**
- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**
(Formerly known as **E Fund Citi Chinese Government Bond 5-10 Years Index ETF**)

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER’S RESPONSIBILITIES

The Manager of E Fund CSI 100 A-Share Index ETF, E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF, the Sub-Funds of E Fund ETFs Trust, is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the “SFC Code”) and the Trust Deed dated 25th July 2012, as amended, (the “Trust Deed”) to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Sub-Funds at the end of that year and of the transactions for the year then ended. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-Funds will continue in operation unless it is inappropriate to assume this.

The Manager is also required to manage the Sub-Funds in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

E Fund ETFs Trust (the “Trust”) is an umbrella unit trust governed by its Trust Deed. As at 31st December 2018, the Trust has established three Sub-Funds, namely, E Fund CSI 100 A-Share Index ETF, E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF.

TRUSTEE’S RESPONSIBILITIES

The Trustee of the Sub-Funds is required to:

- ensure that the Sub-Funds are managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Funds and rights attaching thereto; and
- report to the Unitholders for each annual accounting year on the conduct of the Manager in the management of the Sub-Funds.

E Fund Management (Hong Kong) Co., Limited
26th April 2019

HSBC Institutional Trust Services (Asia) Limited
26th April 2019

For and on behalf of
E FUND MANAGEMENT (HONG KONG) CO., LIMITED
易方達資產管理(香港)有限公司

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Authorized Signature(s)

E Fund ETFs Trust

- **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF E FUND CSI 100 A-SHARE INDEX ETF, E FUND CES CHINA 120 INDEX ETF AND E FUND FTSE CHINESE GOVERNMENT BOND 5-10 YEARS INDEX ETF (FORMERLY KNOWN AS E FUND CITI CHINESE GOVERNMENT BOND 5-10 YEARS INDEX ETF (THE "SUB-FUNDS"))

Opinion

What we have audited

The financial statements of E Fund CSI 100 A-Share Index ETF, E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF (The "Sub-Funds"), each a separate sub-fund of E Fund ETFs Trust (the "Trust"), set out on pages 13 to 60, which comprise:

- the statements of financial position as at 31st December 2018;
- the statements of comprehensive income for the year then ended;
- the statements of changes in net assets attributable to unitholders for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial positions of each of the Sub-Funds as at 31st December 2018, and each of their financial transactions and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Sub-Funds in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Emphasis of Matter

We draw your attention to Note 2 to the financial statements which states that the Manager has decided to terminate E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF. As a result, the financial statements of E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF have not been prepared on a going concern basis of accounting, and are prepared in accordance with the basis set out in Note 2. Our opinion is not modified in respect of this matter.

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF E FUND CSI 100 A-SHARE INDEX ETF, E FUND CES CHINA 120 INDEX ETF AND E FUND FTSE CHINESE GOVERNMENT BOND 5-10 YEARS INDEX ETF (FORMERLY KNOWN AS E FUND CITI CHINESE GOVERNMENT BOND 5-10 YEARS INDEX ETF (THE "SUB-FUNDS") (CONTINUED)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Existence and valuation of investments
- Withholding income tax provisions on capital gains tax for certain PRC debt securities

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Existence and valuation of investments</i></p> <p>The investments of E Fund CSI 100 A-Share Index ETF as at 31st December 2018 mainly comprised of listed equities valued at RMB81,698,332. These investments held by the Sub-Fund included listed equities of RMB1,980,511 which have been suspended for trading as at 31st December 2018.</p> <p>The investments of E Fund CES China 120 Index ETF as at 31st December 2018 mainly comprised of listed equities valued at RMB7,295. These investments held by the Sub-Fund included listed equities of RMB7,295 which have been suspended for trading as at 31st December 2018.</p> <p>The investments of E Fund FTSE Chinese Government Bond 5-10 Years Index ETF as at 31st December 2018 mainly comprised of debt securities and investment funds valued at RMB22,261,036.</p> <p>We focused on the existence and valuation of the investments because the investments represented the principal element of the Sub-Funds' net asset values. In addition, we also focused on the valuation of listed equities which have been suspended for trading as at 31st December 2018 because the judgment made by the Manager in determining their fair values involved a higher degree of subjectivity.</p> <p>Refer to note 8 to the financial statements.</p>	<p>We tested the existence of investments by obtaining direct confirmations from the custodians and agreeing the Sub-Funds' holdings of investments to the confirmations. Based on the procedures we performed, we found the Sub-Funds' holdings of investments to be in agreement with the confirmations received.</p> <p>We agreed the valuation of the Sub-Funds' investments by comparing the pricing used by the Sub-Funds to external pricing sources as at 31st December 2018. We found no material exceptions from our testing.</p> <p>In addition, for investments which have been suspended for trading as at year end, we assessed the appropriateness of the valuation methodology adopted by the Manager. We also assessed the judgments made in determining the valuation of these investments by considering factors which may impact their fair values, including the duration of suspension period, the relevant market information and news of the suspended listed equities, the price movement of comparable listed indices during the suspension period and, if applicable, the market prices of the suspended listed equities upon resumption of trading after year end. Based on the procedures we performed, we found the judgments made by the Manager in determining the valuation of the investments to be supportable by available evidence.</p>

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF E FUND CSI 100 A-SHARE INDEX ETF, E FUND CES CHINA 120 INDEX ETF AND E FUND FTSE CHINESE GOVERNMENT BOND 5-10 YEARS INDEX ETF (FORMERLY KNOWN AS E FUND CITI CHINESE GOVERNMENT BOND 5-10 YEARS INDEX ETF (THE "SUB-FUNDS") (CONTINUED)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Withholding income tax provisions on capital gains tax for certain PRC debt securities</i></p> <p>During the period from 15th January 2014 (date of inception) to 31st December 2018 (the "Period"), E Fund FTSE Chinese Government Bond 5-10 Years Index ETF invested in certain PRC debt securities.</p> <p>As at 31st December 2018, the Sub-Fund's withholding income tax ("WIT") provision amounted to RMB3,885,584 with respect to the gross realized gains for the Period and the gross unrealized gains as at 31st December 2018 (together, the "Capital Gains") for these PRC debt securities.</p> <p>In determining the WIT provision with respect to the Capital Gains, the Manager was required to make critical judgments based on their interpretation of the tax rules and regulations relevant to the Sub-Fund. Due to the level of judgment involved and the magnitude of the provision in the financial statements, we focused on this area in our audit.</p> <p>Refer to note 3 to the financial statements.</p>	<p>We discussed with the Manager of the Sub-Fund to understand their interpretation of the tax rules and regulations relevant to the Sub-Fund and the basis of determining the WIT provision with respect to the Capital Gains for the Sub-Fund's investments in those PRC debt securities.</p> <p>We also examined the filings and correspondences between the Sub-Fund and the relevant tax authorities and the correspondences between the Sub-Fund and its tax advisers.</p> <p>We evaluated the judgments made by the Manager based on our understanding of the relevant tax rules and regulations and the market practices. Based on the procedures performed, we found the Manager's judgments in respect of the Sub-Fund's provision for WIT on the Capital Gains are supportable based on the evidence available.</p>
<h3>Other Information</h3> <p>The Manager and the Trustee (the "Management") of the Sub-Funds are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.</p> <p>Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.</p>	

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INDEPENDENT AUDITOR'S REPORT

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Responsibilities of Management for the Financial Statements

The Management of the Sub-Funds is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management of the Sub-Funds is responsible for assessing the Sub-Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Funds is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 2th July 2012 as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Funds to cease to continue as a going concern.

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- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF E FUND CSI 100 A-SHARE INDEX ETF, E FUND CES CHINA 120 INDEX ETF AND E FUND FTSE CHINESE GOVERNMENT BOND 5-10 YEARS INDEX ETF (FORMERLY KNOWN AS E FUND CITI CHINESE GOVERNMENT BOND 5-10 YEARS INDEX ETF (THE "SUB-FUNDS") (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on matters under the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Josephine W.T. Kwan.



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26th April 2019

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF FINANCIAL POSITION

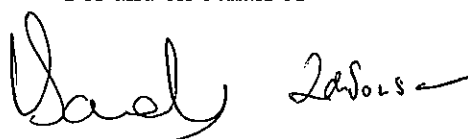
		E Fund CSI 100 A-Share Index ETF	E Fund CSI 100 A-Share Index ETF	E Fund CES China 120 Index ETF	E Fund CES China 120 Index ETF	E Fund FTSE Chinese Government Bond 5-10 Years Index ETF ¹	E Fund FTSE Chinese Government Bond 5-10 Years Index ETF ¹
	Notes	31st December 2018 RMB	31st December 2017 RMB	31st December 2018 RMB	31st December 2017 RMB	31st December 2018 RMB	31st December 2017 RMB
ASSETS							
NON CURRENT ASSETS							
Deposit reserve		252,000	252,000	-	8,400	-	252,000
CURRENT ASSETS							
Deposit reserve		-	-	8,400	-	252,000	-
Investments	8(a)	81,698,332	114,683,325	7,295	3,184,207	22,261,036	35,052,889
Dividend receivable		-	-	-	64	-	-
Interest receivable		10	9	-	-	386,301	474,210
Receivable from Manager	7(h)	-	-	130,784	726,671	-	623,279
Cash and cash equivalents	7(c)	3,052,081	984,667	13,896	88,915	16,310,426	1,072,303
		84,750,423	115,668,001	160,375	3,999,857	39,209,763	37,222,681
Total assets		85,002,423	115,920,001	160,375	4,008,257	39,209,763	37,474,681
LIABILITIES							
CURRENT LIABILITIES							
Amounts due to participating dealer		193,216	-	-	-	-	-
Amount due to broker		-	174,455	-	-	-	-
Management fee payable	7(a)	55,347	144,912	53,342	44,586	54,803	-
Provision for taxation	6	-	-	-	-	4,205,338	4,155,879
Other accounts payable		1,430,438	566,486	14,517	313,988	1,470	840
Establishment costs payable	7(d)	314,477	1,512,235	-	803,307	113,244	1,148,602
Termination fee payable		-	-	85,010	-	848,701	-
		1,993,478	2,398,088	152,869	1,161,881	5,223,556	5,305,321
Total liabilities		1,993,478	2,398,088	152,869	1,161,881	5,223,556	5,305,321
Equity							
Net assets attributable to unitholders	4, 14	83,008,945	113,521,913	7,506	2,846,376	33,986,207	32,169,360

The financial statements on pages 13 to 60 were approved by the Trustee and the Manager on 26th April 2019 and were signed on their behalf.

For and on behalf of

For and on behalf of
E FUND MANAGEMENT (HONG KONG) CO., LIMITED
易方達資產管理(香港)有限公司

For and on behalf of



.....
Authorized Signature(s)
E Fund Management (Hong Kong) Co., Limited
as the Manager

HSBC Institutional Trust Services (Asia) Limited
as the Trustee

¹Formerly known as "E Fund Citi Chinese Government Bond 5-10 Years Index ETF"

The notes on pages 17 to 60 form part of these financial statements.

E Fund ETFs Trust

± **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF COMPREHENSIVE INCOME

		E Fund CSI 100 A-Share Index ETF	E Fund CSI 100 A-Share Index ETF	E Fund CES China 120 Index ETF	E Fund CES China 120 Index ETF	E Fund FTSE Chinese Government Bond 5-10 Years Index ETF ¹	E Fund FTSE Chinese Government Bond 5-10 Years Index ETF ¹
	Notes	Year ended 31st December 2018 RMB	Year ended 31st December 2017 RMB	Year ended 31st December 2018 RMB	Year ended 31st December 2017 RMB	Year ended 31st December 2018 RMB	Year ended 31st December 2017 RMB
INCOME							
Dividend income		2,341,712	2,386,263	12,802	80,171	-	-
Bank Interest income	7(c)	11,855	10,605	523	315	8,799	13,214
Interest income on financial assets at fair value through profit and loss		-	-	-	-	1,065,759	1,178,145
Net (loss)/gain on investments	5	(22,874,796)	26,997,372	(145,701)	832,656	1,820,954	(2,719,119)
Net foreign exchange (losses)/ gains		(2,753)	(82)	(21,918)	(674)	-	3
Other income	2(n), 7(a)	1,280,276	15,924	852,973	1,041,886	-	5,537
Total net (loss)/ income		(19,243,706)	29,410,082	698,679	1,954,354	2,895,512	(1,522,220)
EXPENSES							
Management fee	7(a)	(738,059)	(783,415)	(8,756)	(25,012)	(149,724)	(180,058)
Trustee fee	7(b)	(480,000)	(480,000)	(196,129)	(480,000)	-	-
Transaction costs on investments		(56,714)	(49,383)	(5,767)	(1,283)	(26,112)	(2,684)
Audit fee		(139,670)	(193,580)	(44,388)	(184,016)	-	-
Bank charges		(3,451)	(167)	(1,021)	(190)	-	-
Termination fee		-	-	(109,336)	-	(848,701)	-
Other operating expenses		(1,046,626)	(598,659)	(277,339)	(275,235)	(4,669)	(5,184)
Total operating expenses		(2,464,520)	(2,105,204)	(642,736)	(965,736)	(1,029,206)	(187,926)
Operating (loss)/profit		(21,708,226)	27,304,878	55,943	988,618	1,866,306	(1,710,146)
TAXATION							
- Withholding tax on dividend	6	(234,622)	(243,992)	(1,132)	(7,409)	-	-
- Withholding tax on interest accrual	6	-	-	-	-	(13,864)	(27,155)
- Capital gains tax expense	6	-	-	-	-	(26,727)	-
- Value added tax credit/(expense)	6	-	-	-	-	(8,868)	(6,716)
		(234,622)	(243,992)	(1,132)	(7,409)	(49,459)	(33,871)
Total comprehensive (loss)/income for the year		(21,942,848)	27,060,886	54,811	981,209	1,816,847	(1,744,017)

¹ Formerly known as "E Fund Citi Chinese Government Bond 5-10 Years Index ETF"

The notes on pages 17 to 60 form part of these financial statements.

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

		E Fund CSI 100 E Fund CSI 100 A-Share Index ETF	E Fund CSI 100 A-Share Index ETF	E Fund CES China 120 Index ETF	E Fund CES China 120 Index ETF	E Fund FTSE Chinese Government Bond 5-10 Years Index ETF ¹	E Fund FTSE Chinese Government Bond 5-10 Years Index ETF ¹
	Notes	Year ended 31st December 2018 RMB	Year ended 31st December 2017 RMB	Year ended 31st December 2018 RMB	Year ended 31st December 2017 RMB	Year ended 31st December 2018 RMB	Year ended 31st December 2017 RMB
Net assets attributable to unitholders at the beginning of the year		113,521,913	99,966,107	2,846,376	1,865,167	32,169,360	44,987,857
Proceeds from subscription of units		8,147,280	-	-	-	-	-
Payments on redemption of units		(16,665,400)	(13,113,080)	-	-	-	(11,074,480)
Net decrease from unit transactions		(8,518,120)	(13,113,080)	-	-	-	(11,074,480)
Distribution to unitholders	12	(52,000)	(392,000)	(2,893,681)	-	-	-
Total comprehensive (loss)/income for the year		(21,942,848)	27,060,886	54,811	981,209	1,816,847	(1,744,017)
Net assets attributable to unitholders at the end of the year	4,14	83,008,945	113,521,913	7,506	2,846,376	33,986,207	32,169,360

¹Formerly known as "E Fund Citi Chinese Government Bond 5-10 Years Index ETF"

E Fund ETFs Trust

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STATEMENT OF CASH FLOWS

	E Fund CSI 100 A-Share Index ETF	E Fund CSI 100 A-Share Index ETF	E Fund CES China 120 Index ETF	E Fund CES China 120 Index ETF	E Fund FTSE Chinese Government Bond 5-10 Years Index ETF ¹	E Fund FTSE Chinese Government Bond 5-10 Years Index ETF ¹
	Year ended 31st December 2018	Year ended 31st December 2017	Year ended 31st December 2018	Year ended 31st December 2017	Year ended 31st December 2018	Year ended 31st December 2017
	RMB	RMB	RMB	RMB	RMB	RMB
OPERATING ACTIVITIES						
Payments for purchase of investments	(13,719,191)	(8,984,607)	-	(369,557)	(16,464,877)	(34,849,349)
Proceeds from sale of investments	23,654,933	21,856,038	3,031,211	473,410	31,077,684	42,027,846
Dividend received	2,341,712	2,386,263	12,866	80,107	-	-
Interest received	11,854	10,597	523	315	1,162,467	1,324,902
Other income received	1,280,276	15,924	(637,744)	483,481	-	5,537
Management fee rebates received/(paid)	(827,624)	(833,889)	-	-	528,358	(610,000)
Transaction costs paid	(56,714)	(49,383)	(5,767)	(1,283)	(26,112)	(2,684)
Trustee fee paid	(481,333)	(518,668)	(236,896)	(519,453)	-	-
Audit fee, bank charges, termination fee and other operating expenses paid	(327,215)	(1,033,720)	839,070	(308,496)	(4,039)	(116,271)
Taxation paid	(234,622)	(243,992)	(1,132)	(7,409)	-	(8)
Deposit reserve received	-	-	1	-	-	-
Establishment costs paid	(1,197,758)	-	(159,144)	-	(1,035,358)	(857,073)
Termination fee paid	-	-	(24,326)	-	-	-
Net cash generated from/(used in) operating activities	10,444,318	12,604,563	2,818,662	(168,885)	15,238,123	6,922,900
FINANCING ACTIVITIES						
Proceeds from subscription of units	8,147,280	-	-	-	-	-
Payments on redemption of units	(16,472,184)	(13,113,080)	-	-	-	(11,074,480)
Distribution paid to unitholders	(52,000)	(392,000)	(2,893,681)	-	-	-
Net cash generated (used in)/from financing activities	(8,376,904)	(13,505,080)	(2,893,681)	-	-	(11,074,480)
Increase/(decrease) in cash and cash equivalents	2,067,414	(900,517)	(75,019)	(168,885)	15,238,123	(4,151,580)
Cash and cash equivalents at the beginning of the year	984,667	1,885,184	88,915	257,800	1,072,303	5,223,883
Cash and cash equivalents at the end of the year	3,052,081	984,667	13,896	88,915	16,310,426	1,072,303
Analysis of balances of cash and cash equivalents						
Bank balances	3,052,081	984,667	13,896	88,915	16,310,426	1,072,303

¹Formerly known as "E Fund Citi Chinese Government Bond 5-10 Years Index ETF"
The notes on pages 17 to 60 form part of these financial statements.

E Fund ETFs Trust

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(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

E Fund ETFs Trust (the “Trust”) is an umbrella unit trust constituted by its trust deed dated 25th July 2012, as amended, (the “Trust Deed”) and authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to section 104(1) of the Securities and Futures Ordinance. The terms of the Trust Deed are governed by the laws of Hong Kong. As at 31st December 2018, the Trust has established three sub-funds, namely, E Fund CSI 100 A-Share Index ETF, E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF (the “Sub-Funds”) which are authorised by the Securities and Futures Commission of Hong Kong. The Sub-Funds are also listed on The Stock Exchange of Hong Kong Limited. The date of inception of E Fund CSI 100 A-Share Index ETF was 25th July 2012, of E Fund CES China 120 Index ETF was 13th September 2013 and of E Fund FTSE Chinese Government Bond 5-10 Years Index ETF was 15th January 2014.

With effect from 31st July 2018, E Fund Citi Chinese Government Bond 5-10 Years Index ETF has changed its name to E Fund FTSE Chinese Government Bond 5-10 Years Index ETF.

The manager and the trustee of the Sub-Funds are E Fund Management (Hong Kong) Co., Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (“the Trustee”) respectively.

On 26th April 2018 and 28th November 2018 the Manager made an announcement and notice of the proposed cessation of trading, termination, voluntary deauthorization and delisting of E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF, respectively. E Fund CES China 120 Index ETF ceased trading on 29th May 2018 and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF ceased trading on 28th December 2018. Please refer the Manager's announcement dated 26th April 2018 for E Fund CES China 120 Index ETF and Manager's announcement dated 28th November 2018 for E Fund FTSE Chinese Government Bond 5-10 Years Index ETF (and any subsequent relevant announcements) regarding the expected termination date.

The investment objective of the Sub-Funds is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the underlying indices, namely, CSI 100 Index for E Fund CSI 100 A-Share Index ETF, CES China 120 Index for E Fund CES China 120 Index ETF and FTSE Chinese Government Bond 5-10 Years Index for E Fund FTSE Chinese Government Bond 5-10 Years Index ETF. In order to achieve the investment objective of E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF, the Manager will adopt a full replication strategy through investing directly in the constituent of the underlying indices in substantially the same weightings in which they are included in the respective indices. The Manager will not adopt representative sampling strategy for E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF. In order to achieve the investment objective of E Fund FTSE Chinese Government Bond 5-10 Years Index ETF, the Manager will adopt a representative sampling strategy which involves investing in a representative sample of RMB denominated PRC bonds that collectively has an investment profile that reflects the profile of the Index.

Under current regulations in the People's Republic of China (“PRC”), foreign investors can invest only in the domestic securities market through certain qualified foreign institutional investors that have obtained status as a Renminbi Qualified Foreign Institutional Investor (“RQFII”) from the China Securities Regulatory Commission (“CSRC”) and have been granted quota by the State Administration of Foreign Exchange (“SAFE”) of the PRC to remit RMB into the PRC for the purpose of investing in the PRC's domestic securities markets.

The Sub-Funds obtain exposures to securities issued within the PRC through the RQFII quotas of the Manager.

The Manager has obtained RQFII status in the PRC and the RQFII quotas have been granted to the Manager on behalf of the Sub-Funds. To the extent that the Manager has, on behalf of the Sub-Funds, utilised its entire RQFII quota, the Manager may, subject to any applicable regulations, apply for an increase of the RQFII quota. On the other hand, the Manager actively manages the RQFII quota obtained and may impose limits on creation applications as it considers appropriate.

E Fund ETFs Trust

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- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

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NOTES TO THE FINANCIAL STATEMENTS (continued)

2. 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 all the periods presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Sub-Funds have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Trustee and Manager to exercise their judgment in the process of applying the Sub-Funds' accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

As referred to Note 1, the Manager has decided to terminate E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF. Accordingly the financial statements of E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF have not been prepared on a going concern basis of accounting.

The Trustee and the Manager (the "Management") have assessed that the fair values of all assets and liabilities of E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF at the reporting date approximate their net realizable value and therefore no changes in accounting policies or adjustments have been made in the financial statements to reflect the fact that E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF will be able to realize their assets or to extinguish their liabilities in an orderly manner.

(i) Standards and amendments to existing standards effective 1st January 2018

IFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39.

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

E Fund ETFs Trust

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- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

(i) Standards and amendments to existing standards effective 1st January 2018 (continued)

IFRS 9 has been applied retrospectively by the Sub-Funds and did not result in a change to the classification or measurement of financial instruments as outlined in note 2(b). The Sub-Funds' investment portfolio continues to be classified as fair value through profit or loss. There was no material impact on adoption from the application of the new impairment model.

There is no impact on the Sub-Funds' accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Sub-Funds do not have any such liabilities.

There is no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Sub-Funds.

(ii) New standards, amendments and interpretations effective after 1st January 2018 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1st January 2018, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Funds.

(b) Investments

(i) Classification

The Sub-Funds classify their investments based on both the Sub-Funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Funds are primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Sub-Funds have not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. All investments are measured at fair value through profit or loss.

(ii) Recognition/derecognition

Purchases and sales of investments are accounted for on the trade date basis. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Funds have transferred substantially all risks and rewards of ownership.

(iii) Measurement

Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all investments are measured at fair value. Realised and unrealised gains and losses on investments are recognised in the statement of comprehensive income in the period in which they arise.

E Fund ETFs Trust

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NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Investments (continued)

(iv) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Sub-Fund utilises the last traded market price for both listed financial assets and liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets that are not traded in an active market (for example, over-the-counter derivatives) is determined by using broker quotes or valuation techniques. Details of the fair value estimation of these securities are discussed in note 8(f).

(v) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

(c) Dividend income and interest income

Dividend income is recorded on the ex-dividend date with the corresponding foreign withholding taxes recorded as an expense.

Interest income is recognised on a time-proportionate basis using the effective interest method.

(d) Distribution to unitholders

For E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF, no distribution will be paid out of capital.

No distribution will be paid for E Fund FTSE Chinese Government Bond 5-10 Years Index ETF.

Distributions to unitholders are recognised in the statement of changes in net assets attributable to unitholders when they are approved by the Manager.

(e) Amounts due from/to participating dealers

Amounts due from/to participating dealers represent the subscription receivable and redemption payable to the participating dealer at the end of the reporting period. The amounts are non-interest bearing and repayable on demand.

E Fund ETFs Trust

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NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Other receivables and payables

Other receivables and payables are recognised initially at fair value, and subsequently stated at amortised costs using the effective interest method. At each reporting date, the Sub-Funds shall measure the loss allowance on other receivable at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparties, probability that the counterparties will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(g) Expenses

Expenses are accounted for on an accrual basis.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

(i) Deposit reserve

Deposit reserve is a balance deposited with China Securities Depository and Clearing Corporation Limited, and are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(j) Foreign currencies translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Funds operate (the “functional currency”). E Fund CSI 100 A-Share Index ETF invests in A-Shares in the PRC, E Fund CES China 120 Index ETF invests in A-Shares and Hong Kong Listed PRC Shares and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF invests in RMB denominated and settled PRC Treasury Bonds and listed money market funds, and the performance of the Sub-Funds is measured and reported to the unitholders in Chinese Renminbi (“RMB”). The Manager considers RMB as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in RMB, which is the Sub-Funds’ functional and presentation currency.

E Fund ETFs Trust

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NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Foreign currencies translation (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the period end date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within "net (loss)/gain on investments".

(k) Redeemable units

The Sub-Funds issue redeemable units which are redeemable at the holder's option represents puttable financial instruments of the Sub-Funds. The Sub-Funds classify their puttable financial instruments as equity in accordance with IAS 32 (Amendment), "Financial instruments: Presentation" as those puttable financial instruments meet all the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of the respective Sub-Fund.

Units are issued and redeemed at the holder's option at prices based on the Sub-Funds' net asset value per unit at the time of issue or redemption. The Sub-Funds' net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

In accordance with the prospectuses of the Sub-Funds, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for creations and redemptions of the Sub-Funds.

E Fund ETFs Trust

- **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Taxation

The Sub-Funds currently incur withholding taxes imposed by PRC on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included as taxation in the statement of comprehensive income.

The Sub-Funds also make tax provisions on the gains arising from PRC bonds which Management expects such amount may have to be paid to the tax authorities.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Establishment costs

Establishment costs are recognised as an expense in the period in which they are incurred.

(n) Other income

Other income includes the difference between the proceeds received from/paid to participating dealers and cost of investment purchased/sold.

(o) Transactions costs

Transactions costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transactions costs, when incurred, are immediately recognised in profit or loss as an expense.

E Fund ETFs Trust

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NOTES TO THE FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

People's Republic of China ("PRC") tax provision

In preparing these financial statements, the Manager has made certain assumptions and used various estimates concerning the tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

Under the general tax provision of PRC Corporate Income Tax Law ("PRC CIT Law"), the non-PRC residents with no place of effective management, establishment or place of business in the PRC may be subject to 10% PRC withholding income tax ("WIT") on the PRC-sourced income, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties.

In addition, the non-PRC residents with interest income derived from the debt securities will be subject to 10% WIT. Pursuant to the PRC CIT Law, debt securities issuers in the PRC are obligated to withhold the 10% PRC WIT on interest income for those foreign debt securities holders. However, interest income derived from government bonds issued by the State Council's finance departments and/or local government bonds approved by the State Council is exempt from PRC WIT under the PRC CIT Law.

Furthermore, according to the notice Caishui [2016] No.36 ("Circular 36"), Value-Added Tax ("VAT") at 6% shall be levied on the difference between the selling and buying prices of those marketable securities starting from 1 May 2016. The gains derived by RQFIIs and through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect from trading of marketable securities (including A-shares and other PRC listed securities) are exempted from VAT in the PRC under Circular 36 and other prevailing VAT regulations. In addition, deposit interest income and interest received from government bonds and local government bonds are also exempt from VAT. However, the prevailing VAT regulations do not specifically exempt VAT on interest received by RQFIIs. Hence, interest income derived by RQFIIs on non-government bonds (including corporate bonds) technically should be subject to 6% VAT. In addition, if VAT is applicable, local surtaxes including Urban Maintenance and Construction Tax (currently at the rate ranging from 1% to 7%), Education Surcharge (currently at the rate of 3%) and Local Education Surcharge (currently at the rate of 2%) are imposed based on the VAT liabilities (the "VAT related taxes").

Exemption of PRC WIT and VAT effective from 7 November 2018

On 7th November 2018, the Ministry of Finance and the PRC State Administration of Taxation ("SAT") jointly issued a notice Caishui [2018] No.108 ("Circular 108") which stipulates that foreign institutional investors are temporarily exempted from PRC WIT and VAT in respect of bond interest income received from 7th November 2018 to 6th November 2021.

Hence, the Manager decides to change the tax provisioning policy of E Fund FTSE Chinese Government Bond 5-10 Years Index ETF and cease to make provisions for PRC WIT and VAT (plus the VAT related taxes) on the interest income received from PRC non-government bonds from 7th November 2018 to 6th November 2021.

E Fund ETFs Trust

- **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

People's Republic of China ("PRC") tax provision) (continued)

(a) Capital gains on PRC debt securities ("PRC Investments")

During the years ended 31st December 2018 and 2017, E Fund FTSE Chinese Government Bond 5-10 Years Index ETF invests in PRC Investments in PRC through the RQFII program. The Manager considers that the enforcement of PRC tax on gains derived from the PRC Investments is uncertain as at the date of approval of these financial statements and has exercised its judgment when assessing whether E Fund FTSE Chinese Government Bond 5-10 Years Index ETF may be liable for PRC taxation on its gains, the amount of potential liability and the probability of such tax being levied up to the reporting date. However, significant uncertainties exist and estimation of the Manager may substantially differ from the actual events.

The Manager considers that its estimation may be impacted by any future clarification by the PRC State Administration of Taxation ("SAT") and the applicability of the arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "Arrangement"), which may be materially different from what the Manager envisioned.

The Manager considered that the WIT policy for RQFIIs' investment in debt securities has not been clarified in the "Notice on temporary exemption of Corporate Income Tax on capital gains derived from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII" (the "Notice"). The Manager has reassessed the WIT provisioning approach and considered the assessment on E Fund FTSE Chinese Government Bond 5-10 Years Index ETF's PRC taxation position for investment in PRC Investments remains unchanged as the Notice has not addressed the WIT policy for other investments except for equity investment. Based on the current verbal interpretation of the SAT and the local PRC tax authorities, the authorities are of the view that capital gains derived by foreign investors from investment in PRC debt securities would not be treated as PRC sourced income and thus would not be subject to PRC WIT. As a matter of practice, such 10% PRC WIT on capital gains realised by non-PRC tax resident enterprises from the trading of these securities has not been enforced by the PRC tax authorities. However, there are no written tax regulations issued by the PRC tax authorities to confirm this interpretation.

On 1st April 2015, the Third Branch of Shanghai Municipal Office, SAT and the Third Branch of Shanghai Bureau of Local Taxation jointly issued the Notice on Tax Issues to notify that the QFII/RQFII shall declare and handle with the tax-related issues concerning the gains from transfer of equity investment assets, including A-Shares, realised prior to 17th November 2014 to the PRC tax authority in charge before 30th September 2015 in accordance with the relevant PRC tax law and the Notice (the "Tax Reporting"). Those QFII/RQFII's eligible for treaty relief under an applicable tax treaty should follow the requirement of Circular 124 for tax treaty application.

E Fund ETFs Trust

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- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

People's Republic of China ("PRC") tax provision) (continued)

(a) Capital gains on PRC debt securities ("PRC Investments") (continued)

The Manager had made, on behalf of E Fund FTSE Chinese Government Bond 5-10 Years Index ETF, the Tax Reporting for the period from 15th January 2014 (date of inception) to 14th November 2014 inclusively, in 2015. As at the date of approval of the financial statements, the PRC tax authority in charge has not confirmed the review result of the tax filing in relation to gross capital gains derived from disposal of PRC Investments. In view of the above, the Manager has reassessed the WIT provisioning approach and considered the assessment on E Fund FTSE Chinese Government Bond 5-10 Years Index ETF's PRC taxation position for investment in debt securities remains unchanged as the Notice has not addressed the WIT policy for other investments except for equity investment. As such, E Fund FTSE Chinese Government Bond 5-10 Years Index ETF has continued to provide WIT provision on the gross realized gains for the period from 15th January 2014 (date of inception) to 31st December 2018 and unrealised gains as at 31st December 2018 derived from the PRC debt securities of E Fund FTSE Chinese Government Bond 5-10 Years Index ETF .

The Manager estimates the gross realised gains from 15th January 2014 (date of inception) to 31st December 2018 and gross unrealised gains of E Fund FTSE Chinese Government Bond 5-10 Years Index ETF as at 31st December 2018 which could be exposed to PRC taxation at the rate of 10% to be RMB38,855,843 (2017: RMB38,588,568) and RMBNil (2017: RMBNil) respectively. The estimated capital gain tax exposure arisen from realised capital gain and unrealised capital gain would be RMB3,885,584 (2017: RMB3,858,857) and RMBNil (2017: RMBNil) respectively which represents 11.43% (2017: 12%) of the net assets attributable to unitholders of E Fund FTSE Chinese Government Bond 5-10 Years Index ETF as at 31st December 2018.

The Manager considers that the WIT provision amount for gross realised capital gains derived by E Fund FTSE Chinese Government Bond 5-10 Years Index ETF from trading of PRC Investments may differ significantly from the amounts that may have to be ultimately borne by E Fund FTSE Chinese Government Bond 5-10 Years Index ETF. In the event a WIT is levied on gross capital gains derived from the disposal of PRC Investments at an amount that is different from what was provided by E Fund FTSE Chinese Government Bond 5-10 Years Index ETF, E Fund FTSE Chinese Government Bond 5-10 Years Index ETF may incur a liability that is different from the existing tax provision, which could be significantly impact the net assets attributable to unitholders of redeemable units and consequently, the price per unit of E Fund FTSE Chinese Government Bond 5-10 Years Index ETF based on the calculation of the net assets attributable to unitholders of redeemable units when distributing to the unitholders of redeemable units at such relevant time.

(b) Interest income on bonds issued by PRC tax residents ("PRC bonds")

The Management considers that the PRC WIT treatment on accrued interest arising from PRC non-government bonds from 14 November 2014 (date of inception) to 6th November 2018 and the enforcement of VAT and the VAT related taxes from 1st May 2016 to 6th November 2018 is uncertain as at the date of approval of these financial statements. The Manager has exercised significant judgment in their assessment of the PRC withholding tax expense and the related tax provision.

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

People's Republic of China ("PRC") tax provision) (continued)

(b) Interest income on bonds issued by PRC tax residents ("PRC bonds") (continued)

PRC WIT

For the PRC bonds disposed of during the year, Management has not made provision on the accrued interest income of PRC bonds during the year and as at reporting date as they consider that:

- (i) the issuers of PRC bonds are required to withhold 10% WIT at the coupon payment date before distributing the interest income to the bond holder; and
- (ii) the Manager has sold the PRC bonds before the coupon payment dates or the maturity dates of the PRC bonds.

PRC VAT and related taxes

As at 31st December 2018, the Manager estimated that E Fund FTSE Chinese Government Bond 5-10 Years Index ETF's accumulated interest income received from PRC non-government bonds from 1 May 2016 to 6 November 2018 of RMB780,648 (2017: RMB507,002) could be exposed to PRC VAT, Urban Maintenance and Construction Tax, Education Surcharge and Local Education Surcharge amounting to approximately RMB41,297 (2017: RMB32,429). This amount has been provided in the statement of financial position.

E Fund ETFs Trust

- **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. NUMBER OF UNITS IN ISSUE AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT

The Sub-Funds' capital is represented by the units in the Sub-Funds, and shown as "net assets attributable to unitholders" in the statement of financial position. Subscriptions and redemptions of units during the year are shown in the statement of changes in net assets attributable to unitholders. In order to achieve the investment objectives, the Sub-Funds endeavor to invest their capital in accordance with the investment policies, whilst maintaining sufficient liquidity to meet redemption requests. Such liquidity is augmented by the holding of liquid investments.

In accordance with the provisions of the Sub-Funds' Trust Deed dated 25th July 2012, as amended, and the Prospectus dated 20th August 2012 for E Fund CSI 100 A-Share Index ETF, the Prospectus dated 15th October 2013 for E Fund CES China 120 Index ETF and the Prospectus dated 11th March 2014 for E Fund FTSE Chinese Government Bond 5-10 Years Index ETF, investments are stated at the official closing price or the last traded price on the market on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations.

As stated in note 2(k), redeemable units of the Sub-Funds are classified as equity and they are carried at the redemption amount that would be payable at the reporting date if the unitholder exercised the right to redeem the units in the Sub-Funds.

The Sub-Funds' objectives and policies for managing their obligations to redeem units are included in note 8(g) on capital risk management.

The movements of the redeemable units for the year ended 31st December 2018 and 2017 for the Sub-Funds are as follows:

E Fund CSI 100 A-Share Index ETF

	Year ended 31st December 2018	Year ended 31st December 2017
Number of units in issue at the beginning of the year	2,800,000	3,200,000
Units issued	200,000	-
Units redeemed	(400,000)	(400,000)
	<u>2,600,000</u>	<u>2,800,000</u>
Number of units in issue at the end of the year	<u>2,600,000</u>	<u>2,800,000</u>
	2018	2017
	<i>RMB</i>	<i>RMB</i>
Net assets attributable to unitholders per unit (Dealing NAV) at the end of the year	<u>31.93</u>	<u>40.54</u>

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)**4. NUMBER OF UNITS IN ISSUE AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT (continued)****E Fund CES China 120 Index ETF**

	Year ended 31st December 2018	Year ended 31st December 2017
Number of units in issue at the beginning of the year	220,000	220,000
Number of units in issue at the end of the year	<u>220,000</u>	<u>220,000</u>
	2018 <i>RMB</i>	2017 <i>RMB</i>
Net assets attributable to unitholders per unit (Dealing NAV) at the end of the year	<u>0.03</u>	<u>14.42</u>

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

	Year ended 31st December 2018	Year ended 31st December 2017
Number of units in issue at the beginning of the year	300,000	400,000
Units redeemed	-	(100,000)
Number of units in issue at the end of the year	<u>300,000</u>	<u>300,000</u>
	2018 <i>RMB</i>	2017 <i>RMB</i>
Net assets attributable to unitholders per unit (Dealing NAV) at the end of the year	<u>113.66</u>	<u>108.83</u>

5. NET (LOSS)/GAIN ON INVESTMENTS**E Fund CSI 100 A-Share Index ETF**

	Year ended 31st December 2018 <i>RMB</i>	Year ended 31st December 2017 <i>RMB</i>
Net fair value change in unrealised (loss)/gain in value of investments	(26,209,728)	26,152,437
Net realised gain on sale of investments	<u>3,334,932</u>	<u>844,935</u>
	<u>(22,874,796)</u>	<u>26,997,372</u>

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)**5 NET GAIN/(LOSS) ON INVESTMENTS (continued)****E Fund CES China 120 Index ETF**

	Year ended 31st December 2018 <i>RMB</i>	Year ended 31st December 2017 <i>RMB</i>
Net fair value change in unrealised (loss)/gain in value of investments	(938,291)	733,873
Net realised gain on sale of investments	792,590	98,783
	<u>(145,701)</u>	<u>832,656</u>

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

	Year ended 31st December 2018 <i>RMB</i>	Year ended 31st December 2017 <i>RMB</i>
Net fair value change in unrealised gain/(loss) in value of investments	3,019,617	(2,136,205)
Net realised (loss)/gain on sale of investments	(1,198,663)	(582,914)
	<u>1,820,954</u>	<u>(2,719,119)</u>

6. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Funds as the Trust was authorised as collective investment schemes under Section 104 of the Hong Kong Securities and Futures Ordinance and are therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

E Fund CSI 100 A-Share Index ETF invests in A-Shares listed in the PRC and E Fund CES China 120 Index ETF invests in A-Shares and Hong Kong listed PRC Shares and are subjected to 10% (2017: 10%) withholding tax on dividend income derived from A-Shares and Hong Kong listed PRC Shares. Withholding tax was charged on dividend income received from A-Shares and Hong Kong listed PRC Shares during the year. E Fund FTSE Chinese Government Bond 5-10 Years Index ETF is subjected to 10% (2017: 10%) withholding tax on interest income derived from RMB denominated PRC treasury bonds and VAT, urban maintenance and construction tax and educational surcharge on the interest income received from PRC non-government bonds.

A 10% withholding tax may also be payable on the gains derived from the sale of PRC bonds by RQFIIs as described in note 3 above.

No tax provision has been made on the realised or unrealised gains derived from China A-shares for the year ended 31 December 2018 and 2017 as these gains are currently exempt from Corporate Income Tax pursuant to Caishui [2014] 79.

E Fund ETFs Trust- **E Fund CSI 100 A-Share Index ETF**- **E Fund CES China 120 Index ETF**- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF****(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)****NOTES TO THE FINANCIAL STATEMENTS (continued)****6. TAXATION (continued)**

The taxation of the Sub-Funds for the year ended represents:

E Fund CSI 100 A-Share Index ETF

	Year ended 31st December 2018 <i>RMB</i>	Year ended 31st December 2017 <i>RMB</i>
Withholding tax on dividend	234,622	243,992
	-----	-----
Taxation	<u>234,622</u>	<u>243,992</u>

E Fund CES China 120 Index ETF

	Year ended 31st December 2018 <i>RMB</i>	Year ended 31st December 2017 <i>RMB</i>
Withholding tax on dividend	1,132	7,409
	-----	-----
Taxation	<u>1,132</u>	<u>7,409</u>

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

	Year ended 31st December 2018 <i>RMB</i>	Year ended 31st December 2017 <i>RMB</i>
Capital gains tax on realised gains on investments	26,727	-
	-----	-----
	26,727	-
	-----	-----
Withholding tax on interest charged	13,864	27,155
Value added tax charged	8,868	6,716
	-----	-----
Taxation charged	<u>49,459</u>	<u>33,871</u>

E Fund ETFs Trust- **E Fund CSI 100 A-Share Index ETF**- **E Fund CES China 120 Index ETF**- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF****(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)****NOTES TO THE FINANCIAL STATEMENTS (continued)****6. TAXATION (continued)**

For the year ended 31st December 2018 and 2017, there is no movement in deferred tax liabilities arising from change in unrealised gains on investments for the Sub-Funds.

The movement in provision for taxation during the year is as follows:

E Fund CSI 100 A-Share Index ETF

	2018 <i>RMB</i>	2017 <i>RMB</i>
At the beginning of the year	-	-
Taxation charged to the statement of comprehensive income for the year	234,622	243,992
Tax paid	(234,622)	(243,992)
	<u> </u>	<u> </u>
At the end of the year	<u> </u>	<u> </u>

E Fund CES China 120 Index ETF

	2018 <i>RMB</i>	2017 <i>RMB</i>
At the beginning of the year	-	-
Taxation charged to the statement of comprehensive income for the year	1,132	7,409
Tax paid	(1,132)	(7,409)
	<u> </u>	<u> </u>
At the end of the year	<u> </u>	<u> </u>

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

	2018 <i>RMB</i>	2017 <i>RMB</i>
At the beginning of the year	4,155,879	4,122,016
Taxation charged to the statement of comprehensive income for the year	49,459	33,871
Tax paid	-	(8)
	<u> </u>	<u> </u>
At the end of the year	<u> </u>	<u> </u>

E Fund ETFs Trust

- **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND MANAGER'S CONNECTED PERSONS

The following is a summary of significant related party transactions entered into during the year between the Sub-Funds and the Trustee, the Manager and their Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the year between the Sub-Funds and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Funds do not have any other transactions with Connected Persons except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee equal to a percentage of the net asset value of each Sub-Fund, accrued daily and calculated as at each dealing day and payable monthly in arrears, as follows:

E Fund CSI 100 A-Share Index ETF	0.76% per annum
E Fund CES China 120 Index ETF	0.88% per annum
E Fund FTSE Chinese Government Bond 5-10 Years Index ETF	0.45% per annum

For the year ended 31st December 2018, the Manager was entitled to management fee of RMB738,059 (2017: RMB783,415) for E Fund CSI 100 A-Share Index ETF, RMB8,756 (2017: RMB25,012) for E Fund CES China 120 Index ETF and RMB149,724 (2017: RMB180,058) for E Fund FTSE Chinese Government Bond 5-10 Years Index ETF respectively. At 31st December 2018, a management fee of RMB55,347 (2017: RMB144,912) was payable to the Manager for E Fund CSI 100 A-Share Index ETF, RMB53,342 (2017: RMB44,586) for E Fund CES China 120 Index ETF and RMB54,803 (2017: RMBNil) for E Fund FTSE Chinese Government Bond 5-10 Years Index ETF respectively.

With effect from 1 May 2016, ongoing expenses were capped at a maximum of 3% of the average net asset value of E Fund CES China 120 Index ETF. The excess will be borne by the Manager and will not be charged to the Sub-Fund. The amounts were included as other income in the statement of comprehensive income amounting to RMB852,973 (2017: RMB1,041,886). The related receivable from the manager amounted to RMB130,784 (2017: RMB726,671).

E Fund ETFs Trust

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- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND MANAGER'S CONNECTED PERSONS (continued)

(b) Trustee fee and Registrar's fee

The Trustee is entitled to receive a trustee fee, which accrued daily and calculated as at each dealing day and payable monthly in arrears. The trustee fee is calculated as a percentage per annum of the net asset value of the Sub-Funds, E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF at the rate as follows, subject to a monthly minimum of RMB40,000:

	Trustee fee % per annum
For first RMB200 million	0.16%
For next RMB1,000 million	0.14%
For next RMB1,000 million	0.12%
For next RMB1,000 million	0.10%
Thereafter	0.08%

The Trustee's fee is inclusive of fees payable to The Hongkong and Shanghai Banking Corporation Limited (the "Custodian") and HSBC Bank (China) Company Limited (the "PRC Custodian").

The Trustee, acting as the Registrar, is also entitled to a fee of RMB120 per Participating Dealer per transaction.

For E Fund FTSE Chinese Government Bond 5-10 Years Index ETF all fees including the Trustee's fee and the Registrar's fee, related costs and expenses (and its due proportion of any costs and expenses of the Trust allocated to it) of the Sub-Fund are included in the management fee as a single flat fee and paid by the Manager, rather than being charged directly to the Sub-Fund.

For the year ended 31st December 2018, the Trustee was entitled to trustee fee and registrar's fee of RMB480,000 (2017: RMB480,000) for E Fund CSI 100 A-Share Index ETF and RMB196,129 (2017: RMB480,000) for E Fund CES China 120 Index ETF. At 31st December 2018, a trustee fee and registrar's fee of RMB40,000 (2017: RMB41,333) was payable to the Trustee for E Fund CSI 100 A-Share Index ETF and RMBNil (2017: RMB40,767) for E Fund CES China 120 Index.

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

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- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)**7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND MANAGER'S CONNECTED PERSONS (continued)****(c) Financial assets**

The investments and cash and cash equivalents of the Sub-Funds held with related parties of the Trustee are:

E Fund CSI 100 A-Share Index ETF

	2018 <i>RMB</i>	2017 <i>RMB</i>
Investments		
HSBC Bank (China) Company Limited	81,698,332	114,683,325
	<u>81,698,332</u>	<u>114,683,325</u>
Cash and cash equivalents		
The Hongkong and Shanghai Banking Corporation Limited	1,425,330	633,076
HSBC Bank (China) Company Limited	1,626,751	351,591
	<u>3,052,081</u>	<u>984,667</u>

E Fund CES China 120 Index ETF

	2018 <i>RMB</i>	2017 <i>RMB</i>
Investments		
HSBC Bank (China) Company Limited	7,295	3,184,207
	<u>7,295</u>	<u>3,184,207</u>
Cash and cash equivalents		
The Hongkong and Shanghai Banking Corporation Limited	244	61,078
HSBC Bank (China) Company Limited	13,652	27,837
	<u>13,896</u>	<u>88,915</u>

E Fund ETFs Trust* **E Fund CSI 100 A-Share Index ETF**- **E Fund CES China 120 Index ETF**- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF****(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)****NOTES TO THE FINANCIAL STATEMENTS (continued)****7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND MANAGER'S CONNECTED PERSONS (continued)****(f) Transactions with the Connected Persons of the Manager****E Fund CSI 100 A-Share Index ETF**

During the year ended 31st December 2018 and 2017, E Fund CSI 100 A-Share Index ETF has held shares in GF Securities Co., Ltd., which is a group company of the Manager. The movement of the Sub-Fund's investment in the unlisted collective investment scheme is as follows:

<u>GF Securities Co.,Ltd</u>	2018	2017
At the beginning of the year	43,068	51,318
Purchases	3,100	-
Sales	(6,900)	(8,250)
At the end of the year	<u>39,268</u>	<u>43,068</u>

E Fund CES China 120 Index ETF

During the year ended 31st December 2018 and 2017, E Fund CES China 120 Index ETF has held shares in GF Securities Co., Ltd., which is a group company of the Manager. The movement of the Sub-Fund's investment in the unlisted collective investment scheme is as follows:

	2018	2017
At the beginning of the year	693	693
Sales	(693)	-
At the end of the year	<u>-</u>	<u>693</u>

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

During the year ended 31st December 2018, E Fund FTSE Chinese Government Bond 5-10 Years Index ETF has held units of a listed money market fund which is managed by E Fund Management Co., Ltd, the parent company of the Manager. The movement of the Sub-Fund's investment in the listed money market fund is as follows:

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND MANAGER'S CONNECTED PERSONS (continued)

(f) Transactions with the Connected Persons of the Manager (continued)

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF (continued)

Listed money market fund managed by the parent company of the Manager

	2018	2017
At the beginning of the year	24,646	162
Purchases	17,000	24,000
Corporate action	371	484
Sales	(42,015)	-
	<u>2</u>	<u>24,646</u>

(g) Transaction handling fees

Pursuant to the prospectus, the Sub-Funds receive transaction handling fee per creation and redemption orders from the Participating Dealer on behalf of the Trustee. For the year ended 31st December 2018, the Trustee was entitled to transaction handling fees of RMB38,430 (2017: RMB25,350), RMB3,370 (2017: RMB8,010) and RMB3,990 (2017: RMB2,100) for E Fund CSI 100 A-Share Index ETF, E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF respectively. As at 31st December 2018, RMB Nil (2017: RMB6,720), RMB630 (2017: RMB3,290) and RMB1,470 (2017: RMB840) was outstanding to the Trustee for E Fund CSI 100 A-Share Index ETF, E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF respectively.

(h) Expenses borne by and receivable from the Manager

As mentioned in Note 7(b), for E Fund FTSE Chinese Government Bond 5-10 Years Index ETF, all fees of the Sub-Fund are included in the management fee as a flat fee and paid by the Manager. Payable of RMB54,803 represents fees to be paid to Manager (2017: Receivable of RMB623,279 represents fees to be reimbursed by the Manager). In addition, the Manager has borne certain charges, fees and expenses on behalf of E Fund FTSE Chinese Government Bond 5-10 Years Index ETF amounted to RMB3,750 (2017: RMB124,134).

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)**8. FINANCIAL RISK MANAGEMENT**

The objective of the Sub-Funds is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the CSI 100 Index for E Fund CSI 100 A-Share Index ETF, the CES China 120 Index for E Fund CES China 120 Index ETF and the FTSE Chinese Government Bond 5-10 Years Index for E Fund FTSE Chinese Government Bond 5-10 Years Index ETF. The Sub-Funds' activities may expose it a variety of risks including but not limited to: market price risk, credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Funds invest.

The following is a summary of the main risks and risk management policies.

(a) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

E Fund CSI 100 A-Share Index ETF is designated to track the performance of the CSI 100 Index, E Fund CES China 120 Index ETF is designated to track the performance of the CES China 120 Index and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF is designated to track the performance of the FTSE Chinese Government Bond 5-10 Years Index therefore the exposures to market risk in the Sub-Funds will be substantially the same as the tracked index. The Manager manages the Sub-Funds' exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned with the characteristics of the tracked index.

As at 31st December, the Sub-Funds' investments were concentrated in the following industries:

E Fund CSI 100 A-Share Index ETF

Listed equities – by industry	2018		2017	
	Fair value <i>RMB</i>	% of net asset value	Fair value <i>RMB</i>	% of net asset value
Communications	628,941	0.76%	4,377,639	3.86%
Consumer Discretionary	8,694,415	10.47%	16,105,782	14.19%
Consumer Staples	11,583,063	13.95%	12,888,274	11.35%
Energy	2,118,035	2.55%	2,863,235	2.52%
Financials	41,238,061	49.68%	57,326,473	50.50%
Industrials	7,043,626	8.49%	11,353,830	10.00%
Information Technology	4,698,135	5.66%	3,827,749	3.37%
Materials	2,883,523	3.47%	2,615,033	2.30%
Utilities	2,810,533	3.39%	3,325,310	2.93%
	81,698,332	98.42%	114,683,325	101.02%
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E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market price risk (continued)

E Fund CES China 120 Index ETF

Listed equities – by industry	2018		2017	
	Fair value <i>RMB</i>	% of net asset value	Fair value <i>RMB</i>	% of net asset value
Communications	-	-%	454,623	15.97%
Consumer Discretionary	-	-%	294,095	10.33%
Consumer Staples	-	-%	254,465	8.94%
Energy	-	-%	133,821	4.70%
Financials	-	-%	1,651,831	58.04%
Industrials	7,295	97.19%	246,118	8.65%
Information Technology	-	-%	44,513	1.56%
Materials	-	-%	26,604	0.93%
Utilities	-	-%	78,137	2.75%
	<u>7,295</u>	<u>97.19%</u>	<u>3,184,207</u>	<u>111.87%</u>

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

	2018		2017	
	Fair value <i>RMB</i>	% of net asset value	Fair value <i>RMB</i>	% of net asset value
PRC government bonds	22,259,736	65.50%	25,546,050	79.41%
Policy banks bonds	1,000	-%	7,041,914	21.89%
	<u>22,260,736</u>	<u>65.50%</u>	<u>32,587,964</u>	<u>101.30%</u>
Listed money market fund	300	-%	2,464,925	7.66%
	<u>22,261,036</u>	<u>65.50%</u>	<u>35,052,889</u>	<u>108.96%</u>

As at 31st December 2018, E Fund CSI 100 A-Share Index ETF held 96 (2017: 98) out of 100 (2017: 100) constituents comprising the CSI 100 Index in proportion to the constitution of the CSI 100 Index, E Fund CES China 120 Index ETF held Nil (2017: 113) out of 120 (2017: 120) constituents comprising the CES China 120 Index in proportion to the constitution of the CES China 120 Index and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF held 5 (2017: 3) out of 31 (2017: 10) constituents comprising the FTSE Chinese Government Bond 5-10 Years Index in proportion to the constitution of the FTSE Chinese Government Bond 5-10 Years Index. E Fund CSI 100 A-Share Index ETF is therefore exposed to similar market price risk as the CSI 100 Index.

E Fund ETFs Trust

- **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market price risk (continued)

As referred to Note 1, the Manager has decided to terminate E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF. The Sub-Funds would cease to track the underlying indexes and would not be able to meet their investment objectives of tracking the performance of the underlying indexes.

Sensitivity analysis in the event of a possible change in the index by 10% as estimated by the Manager

As at 31st December 2018, for E Fund CSI 100 A-Share Index ETF, if the CSI 100 Index were to increase by 10% with all other variables held constant, this would increase the pre-tax profit for the year by approximately RMB8,169,833 (2017: RMB11,468,333). Conversely, if the CSI 100 Index were to decrease by 10%, this would decrease the pre-tax profit for the year by approximately RMB8,169,833 (2017: RMB11,468,333).

As at 31st December 2018, for E Fund CES China 120 Index ETF, if the stock held by the Sub-Fund were to increase by 10% with all other variables held constant, this would increase the pre-tax profit for the year by approximately RMB730 (2017: RMB318,421). Conversely, if the stock held by the Sub-Fund were to decrease by 10%, this would decrease the pre-tax profit for the year by approximately RMB730 (2017: RMB318,421).

As at 31st December 2018, as E Fund FTSE Chinese Government Bond 5-10 Years Index ETF mainly invested in debt securities, the sensitivity analysis of market price risk is disclosed in the interest rate sensitivity analysis in Note 8(b) below.

The Manager has used their view of what would be a “reasonable shift” in each key market to estimate the change for use in the market sensitivity analysis above.

(b) Interest rate risk

For E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF

The majority of the Sub-Funds’ financial assets and liabilities are non-interest bearing. As a result, the Sub-Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

As at 31st December 2018 and 2017, interest rate risk arises from cash and cash equivalents. As interest from these interest bearing assets are immaterial, the Sub-Funds E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF, consider that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. Accordingly, no sensitivity analysis has been disclosed for these cash and cash equivalents.

For E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

As at 31st December 2018, E Fund FTSE Chinese Government Bond 5-10 Years Index ETF invests in fixed-income securities, the Sub-Fund is subject to interest rate risk. Interest rate risk is the risk that the value of the Sub-Fund’s portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term fixed income investments and higher for longer term fixed income investments.

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(b) Interest rate risk (continued)

For E Fund FTSE Chinese Government Bond 5-10 Years Index ETF (continued)

As E Fund FTSE Chinese Government Bond 5-10 Years Index ETF invests in PRC bonds including PRC treasury bonds, the Sub-Fund is additionally subject to policy risk as changes in macro-economic policies in the PRC (including monetary policy and fiscal policy) may have an influence over the PRC's capital markets and affect the pricing of the bonds in the Sub-Fund's portfolio, which may in turn adversely affect the return of the Sub-Fund. Falling market interest rates can lead to a decline in income for the Sub-Fund.

The table below summarises the E Fund FTSE Chinese Government Bond 5-10 Years Index ETF exposure to interest rate risks. It includes the Sub-Fund's assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

As at 31st December 2018

	Up to 1 year <i>RMB</i>	1-5 years <i>RMB</i>	Over 5 years <i>RMB</i>	Non- interest bearing <i>RMB</i>	Total <i>RMB</i>
Assets					
Investments	1,000	991,956	21,267,780	300	22,261,036
Deposit reserve	252,000	-	-	-	252,000
Interest receivables	-	-	-	386,301	386,301
Cash and cash equivalents	16,310,426	-	-	-	16,310,426
Total assets	16,563,426	991,956	21,267,780	386,601	39,209,763
Liabilities					
Management fee payable	-	-	-	54,803	54,803
Other liabilities	-	-	-	114,714	114,714
Termination fee payable	-	-	-	848,701	848,701
Total liabilities	-	-	-	1,018,218	1,018,218
Total interest sensitivity gap	16,563,426	991,956	21,267,780		

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

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NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(b) Interest rate risk (continued)

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

As at 31st December 2017

	Up to 1 year RMB	1-5 years RMB	Over 5 years RMB	Non- interest bearing RMB	Total RMB
Assets					
Investments	-	43,309	32,544,655	2,464,925	35,052,889
Deposit reserve	252,000	-	-	-	252,000
Interest receivables	-	-	-	474,210	474,210
Receivable from manager	-	-	-	623,279	623,279
Cash and cash equivalents	1,072,303	-	-	-	1,072,303
Total assets	1,324,303	43,309	32,544,655	3,562,414	37,474,681
Liabilities					
Other liabilities	-	-	-	1,149,442	1,149,442
Total liabilities	-	-	-	1,149,442	1,149,442
Total interest sensitivity gap	1,324,303	43,309	32,544,655		

The Manager and Trustee monitor the interest rate risks by quantifying (a) market exposure in percentage terms; and (b) exposure in duration terms by different countries. As at 31st December 2018, the Sub-Fund has invested in interest-bearing securities of RMB38,823,162 (2017: RMB33,912,267) and the portfolio weighted average modified duration of the Sub-Fund is 5.66 (2017: 6.49).

As at 31st December 2018, should the relevant interest rates have lowered/risen by 25 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the year would amount to approximately RMB549,348 (2017: RMB550,227), arising substantially from the increase/decrease in market values of debt securities.

(c) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The Sub-Funds limit their exposure to credit risk by transacting the majority of their securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the Sub-Funds consider to be well established.

E Fund ETFs Trust

E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The Sub-Funds' financial assets which are potentially subject to concentration of credit risk consist principally of bank deposits and assets held with the custodians.

As at 31st December 2018, E Fund CSI 100 A-Share Index ETF placed cash and cash equivalents of RMB1,425,330 (2017: RMB633,076), E Fund CES China 120 Index ETF placed cash and cash equivalents of RMB244 (2017: RMB61,078) and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF placed cash and cash equivalents of RMB2,389 (2017: RMB512,195) with The Hong Kong and Shanghai Banking Corporation Limited ("HSBC"), which is the custodian of the Sub-Funds. The Moody's credit rating of the custodian is A (2017: A).

As at 31st December 2018, E Fund CSI 100 A-Share Index ETF placed cash and cash equivalents of RMB 1,626,751 (2017: RMB351,591) and investments of RMB 81,698,332 (2017: RMB114,683,325), E Fund CES China 120 Index ETF placed cash and cash equivalents of RMB13,652 (2017: RMB27,837) and investments of RMB7,295 (2017: RMB3,184,207) and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF placed cash and cash equivalents of RMB16,308,037 (2017: RMB560,108) and investments of RMB22,261,036 (2017: RMB35,052,889) with HSBC Bank (China) Company Limited, which is the PRC custodian of the Sub-Funds. The Moody's credit rating of the PRC custodian is A1 (2017: A1).

For E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF

The maximum exposure to credit risk as at 31st December 2018 and 31st December 2017 for E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF is the carrying amount of the financial assets as shown on the statement of financial position.

None of these assets are impaired nor past due but not impaired (2017: Nil).

For E Fund FTSE Chinese Government Bond 5-10 years Index ETF

The main concentration to which the Sub-Fund is exposed arises from the Sub-Fund's investments in debt securities. The Sub-Fund does not explicit restrictions on the minimum credit ratings of securities it may hold. The Manager will actively manage the portfolio of the Sub-Fund. In case of credit rating downgrading, the Manager will adjust the positions in the portfolio using its credit analysis and rating systems that are designed to manage credit risks.

The table below summarises the credit rating of the Sub-Fund's debt portfolio, which represents 65.50% (2017: 101.30%) of the net asset value as at 31st December 2018:

Portfolio by rating category of RMB denominated bonds:	2018	2017
Rating (Standard & Poor's)	% of net asset value	% of net asset value
AA-	65.50%	101.30%

As at 31st December 2018, FTSE Chinese Government Bond 5-10 Years Index ETF invested in money market fund. The credit risk exposure from the investment in money market fund is considered insignificant.

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

For E Fund CSI 100 A-Share Index ETF and E Fund FTSE Chinese Government Bond 5-10 years Index ETF

The Sub-Funds measure credit risk and expected credit loss using probability of default, exposure at default and loss given default. Manager considers both historical analysis and forward looking information in determining any expected credit loss. Manager considers the probability of default of cash and cash equivalents, interest receivable and deposit reserve to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit loss as any such impairment would be insignificant to the Sub-Funds.

For E Fund CES China 120 Index ETF

The Sub-Fund measures credit risk and expected credit loss using probability of default, exposure at default and loss given default. Manager considers both historical analysis and forward looking information in determining any expected credit loss. Manager considers the probability of default of cash and cash equivalents, interest receivable, deposit reserve and receivable from Manager to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit loss as any such impairment would be insignificant to the Sub-Fund.

(d) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in settling a liability, including a redemption request.

The Sub-Funds are exposed to daily redemptions of units in the Sub-Funds. The Sub-Funds invest the majority of their assets in investments that are traded in an active market which can be readily disposed of.

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)**8. FINANCIAL RISK MANAGEMENT (continued)****(d) Liquidity risk (continued)**

The table below analyses the Sub-Funds' non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

E Fund CSI 100 A-Share Index ETF

	Less than 3 months <i>RMB</i>	3 months to less than 1 year <i>RMB</i>	Total <i>RMB</i>
As at 31st December 2018			
Amounts due to participating dealers	-	193,216	193,216
Management fee payable	55,347	-	55,347
Other accounts payable	737,974	692,464	1,430,438
Establishment costs payable	-	314,477	314,477
	<u>793,321</u>	<u>1,200,157</u>	<u>1,993,478</u>
Contractual cash outflow (excluding derivative financial instruments)			
	<u>793,321</u>	<u>1,200,157</u>	<u>1,993,478</u>
As at 31st December 2017			
Amount due to broker	174,455	-	174,455
Management fee payable	144,912	-	144,912
Other accounts payable	272,888	293,598	566,486
Establishment costs payable	1,512,235	-	1,512,235
	<u>2,104,490</u>	<u>293,598</u>	<u>2,398,088</u>
Contractual cash outflow (excluding derivative financial instruments)			
	<u>2,104,490</u>	<u>293,598</u>	<u>2,398,088</u>

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

E Fund CES China 120 Index ETF

	Less than 3 months <i>RMB</i>	3 months to less than 1 year <i>RMB</i>	Total <i>RMB</i>
As at 31st December 2018			
Management fee payable	53,342	-	53,342
Other accounts payable	14,517	-	14,517
Establishment costs payable	-	-	-
Termination fee payable	-	85,010	85,010
	<u>67,859</u>	<u>85,010</u>	<u>152,869</u>
Contractual cash outflow (excluding derivative financial instruments)	67,859	85,010	152,869
As at 31st December 2017			
Management fee payable	44,586	-	44,586
Other accounts payable	94,086	219,902	313,988
Establishment costs payable	803,307	-	803,307
	<u>941,979</u>	<u>219,902</u>	<u>1,161,881</u>
Contractual cash outflow (excluding derivative financial instruments)	941,979	219,902	1,161,881

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

	Less than 3 months <i>RMB</i>	3 months to less than 1 year <i>RMB</i>	Total <i>RMB</i>
As at 31st December 2018			
Management fee payable	54,803	-	54,803
Other accounts payable	1,470	-	1,470
Establishment costs payable	113,244	-	113,244
Termination fee payable	-	848,701	848,701
	<u>169,517</u>	<u>848,701</u>	<u>1,018,218</u>
Contractual cash outflow (excluding derivative financial instruments)	169,517	848,701	1,018,218
As at 31st December 2017			
Other accounts payable	840	-	840
Establishment costs payable	1,148,602	-	1,148,602
	<u>1,149,442</u>	<u>-</u>	<u>1,149,442</u>
Contractual cash outflow (excluding derivative financial instruments)	1,149,442	-	1,149,442

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

Units are redeemed on demand at the holder's option.

The Sub-Funds manage their liquidity risk by investing in investments that they expect to be able to liquidate within 3 months or less. The following table illustrates the expected liquidity of assets held:

E Fund CSI 100 A-Share Index ETF

	Less than 3 months <i>RMB</i>	3 months to less than 1 year <i>RMB</i>	Over 1 year <i>RMB</i>	Total <i>RMB</i>
As at 31st December 2018				
Total assets	84,750,423	-	252,000	85,002,423

As at 31st December 2017

Total assets	115,668,001	-	252,000	115,920,001
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E Fund CES China 120 Index ETF

	Less than 3 months <i>RMB</i>	3 months to less than 1 year <i>RMB</i>	Over 1 year <i>RMB</i>	Total <i>RMB</i>
As at 31st December 2018				
Total assets	21,191	139,184	-	160,375

As at 31st December 2017

Total assets	3,273,186	726,671	8,400	4,008,257
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E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

	Less than 3 months <i>RMB</i>	3 months to less than 1 year <i>RMB</i>	Over 1 year <i>RMB</i>	Total <i>RMB</i>
As at 31st December 2018				
Total assets	38,957,763	252,000	-	39,209,763

As at 31st December 2017

Total assets	36,817,660	405,021	252,000	37,474,681
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E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(e) Currency risk

E Fund CSI 100 A-Share Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

The Sub-Funds are not exposed to any material foreign exchange rate risk arising from balances and transactions in foreign currencies as their assets and liabilities are denominated in RMB, the Sub-Fund's functional and presentation currency.

E Fund CES China 120 Index ETF

The Sub-Fund is exposed to foreign exchange rate risk arising from balances of RMB Nil (2017: RMB1,476,257) denominated in Hong Kong Dollar as at 31st December 2018 representing cash and cash equivalents and equity securities. The table below summarises the impact of increases/decreases of key foreign exchange exposure of the Sub-Fund. The analysis is based on the assumption that the exchange rate had increased/decreased by the respective percentage with all other variables held constant. The Manager does not actively manage the currency risk exposure.

	2018		2017	
	Hong Kong Dollar (RMB equivalent)		Hong Kong Dollar (RMB equivalent)	
Cash and cash equivalents	-		-	61,078
Equity securities	-		-	1,415,179

	2018		2017	
	Change	Impact on operating profit RMB	Change	Impact on operating profit RMB
Hong Kong Dollar	+/-0.5%	-	+/-0.5%	7,381

The Manager has used their view of what would be a "reasonable shift" in exchange rates to estimate the change for use in currency risk sensitivity analysis above.

(f) Fair value estimation

The Sub-Funds classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)**8. FINANCIAL RISK MANAGEMENT (continued)****(f) Fair value estimation (continued)**

The determination of what constitutes 'observable' requires significant judgment by the Sub-Funds. The Sub-Funds consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Sub-Funds' investments (by class) measured at fair value as at 31st December 2018 and 2017:

E Fund CSI 100 A-Share Index ETF

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 31st December 2018				
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	79,717,821	1,620,116	360,395	81,698,332
Total assets	<u>79,717,821</u>	<u>1,620,116</u>	<u>360,395</u>	<u>81,698,332</u>
As at 31st December 2017				
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	113,368,716	-	1,314,609	114,683,325
Total assets	<u>113,368,716</u>	<u>-</u>	<u>1,314,609</u>	<u>114,683,325</u>

E Fund CES China 120 Index ETF

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 31st December 2018				
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	-	-	7,295	7,295
Total assets	<u>-</u>	<u>-</u>	<u>7,295</u>	<u>7,295</u>
As at 31st December 2017				
Assets				
Financial assets at fair value through profit or loss				
- Equity securities	3,162,509	-	21,698	3,184,207
Total assets	<u>3,162,509</u>	<u>-</u>	<u>21,698</u>	<u>3,184,207</u>

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF
(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)**8. FINANCIAL RISK MANAGEMENT (continued)****(f) Fair value estimation (continued)****E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 31st December 2018				
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	-	22,260,736	-	22,260,736
- Listed money market funds	300	-	-	300
Total assets	<u>300</u>	<u>22,260,736</u>	<u>-</u>	<u>22,261,036</u>
As at 31st December 2017				
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	-	32,587,964	-	32,587,964
- Listed money market funds	2,464,925	-	-	2,464,925
Total assets	<u>2,464,925</u>	<u>32,587,964</u>	<u>-</u>	<u>35,052,889</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed and quoted equity securities and listed money. The Sub-Funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2, include suspended equity securities, PRC government bonds and policy banks bonds. As at 31st December 2018, E Fund CSI 100 A-Share Index ETF held 1 suspend stock (2017: Nil).

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As of 31st December 2018, E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF each held 1 (2017: 3) investment classified in level 3 due to prolonged suspension. E Fund FTSE Chinese Government Bond 5-10 years Index ETF did not hold any investments classified in level 3 as at 31st December 2018 and 2017.

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)**8. FINANCIAL RISK MANAGEMENT (continued)****(f) Fair value estimation (continued)****E Fund CSI 100 A-Share Index ETF**

The following table presents the movement in level 3 investments for the year ended 31st December 2018:

	2018 <i>RMB</i>	2017 <i>RMB</i>
Opening balance at 1st January	1,314,609	472,236
Transfers into level 3	-	1,437,708
Transfers out of level 3	(954,214)	(472,236)
Purchases	-	90,629
Sales	-	(96,136)
Net loss on investments	-	(117,592)
Ending balance at 31st December	<u>360,395</u>	<u>1,314,609</u>
Changes in unrealised losses for the year included in profit or loss attributable to assets still held at the end of the year	<u>-</u>	<u>(64,338)</u>

E Fund CES China 120 Index ETF

	2018 <i>RMB</i>	2017 <i>RMB</i>
Opening balance at 1st January	21,698	6,736
Transfers into level 3	-	23,447
Transfers out of level 3	(14,402)	(6,736)
Sales	-	-
Net gain/(loss) on investments	(1)	(1,749)
Ending balance at 31st December	<u>7,295</u>	<u>21,698</u>
Changes in unrealised losses for the year included in profit or loss attributable to assets still held at the end of the year	<u>(1)</u>	<u>(1,749)</u>

A sensitivity analysis for level 3 movements was not presented as the Level 3 securities were valued at their corresponding last traded prices and no other unobservable inputs were developed by these Sub-Funds when measuring fair value of the Level 3 securities.

During the year ended 31st December 2018 and 2017, there were transfers between levels for E Fund CSI 100 A-Share Index ETF and E Fund CES China 120 Index ETF:

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value estimation (continued)

E Fund CSI 100 A-share Index ETF

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>
For the year ended 31st December 2018			
Transfers between levels 1 and 2:			
Equities securities			
Transfer into level 2	(1,620,116)	1,620,116	-
Transfers between levels 1 and 3:			
Equities securities			
Transfer into level 1	954,214	-	(954,214)
	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>
For the year ended 31st December 2017			
Transfers between levels 1 and 2:			
Equities securities			
Transfer into level 1	639,388	(639,388)	-
Transfers between levels 1 and 3:			
Equities securities			
Transfer out of level 1	(443,428)	-	443,428
Transfer into level 1	472,236	-	(472,236)
Transfers between levels 2 and 3:			
Equities securities			
Transfer out of level 2	-	(994,280)	994,280
E Fund CES China 120 Index ETF			
For the year ended 31st December 2018			
Transfers between levels 1 and 3:			
Equities securities			
Transfer into level 1	14,402	-	(14,402)
For the year ended 31st December 2017			
Transfers between levels 1 and 2:			
Equities securities			
Transfer into level 1	10,969	(10,969)	-
Transfers between levels 1 and 3:			
Equities securities			
Transfer out of level 1	(5,407)	-	5,407
Transfer into level 1	6,736	-	(6,736)

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)**8. FINANCIAL RISK MANAGEMENT (continued)****(f) Fair value estimation (continued)****E Fund CES China 120 Index ETF (continued)**

Transfers between levels 2 and 3

Equities securities

Transfer out of level 2	-	(18,040)	18,040
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Equity securities that were transferred out of Level 2 due to suspension lifted and disposed during the year were not included in movement above.

The equity securities transferred out of Level 1 relate to positions whose trading was inactive as at 31st December 2018 but was actively traded on 31st December 2017.

The equity securities transferred into Level 1 relate to positions whose trading was inactive as at 31st December 2017 but was actively traded on 31st December 2018.

During the year ended 31st December 2018 and 2017 there were no transfers between levels for E Fund FTSE Chinese Government Bond 5-10 Years Index ETF .

The following table analyses within the fair value hierarchy the Sub-Funds' financial assets and liabilities (by class) not measured at fair value at 31st December 2018 and 2017 but for which fair value is disclosed.

E Fund CSI 100 A-Share Index ETF

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 31st December 2018				
Assets				
Deposit reserve	-	252,000	-	252,000
Interest receivable	-	10	-	10
Cash and cash equivalents	3,052,081	-	-	3,052,081
Total	<u>3,052,081</u>	<u>252,010</u>	<u>-</u>	<u>3,304,091</u>
Liabilities				
Amount due to participating dealer	-	193,216	-	193,216
Management fee payable	-	55,347	-	55,347
Other accounts payable	-	1,430,438	-	1,430,438
Establishment costs payable	-	314,477	-	314,477
Total	<u>-</u>	<u>1,993,478</u>	<u>-</u>	<u>1,993,478</u>
As at 31st December 2017				
Assets				
Deposit reserve	-	252,000	-	252,000
Interest receivable	-	9	-	9
Cash and cash equivalents	984,667	-	-	984,667
Total	<u>984,667</u>	<u>252,009</u>	<u>-</u>	<u>1,236,676</u>

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value estimation (continued)

	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
As at 31st December 2017				
Liabilities				
Amount due to broker	-	174,455	-	174,455
Management fee payable	-	144,912	-	144,912
Other accounts payable	-	566,486	-	566,486
Establishment costs payable	-	1,512,235	-	1,512,235
Total	-	2,398,088	-	2,398,088

E Fund CES China 120 Index ETF

	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
As at 31st December 2018				
Assets				
Deposit reserve	-	8,400	-	8,400
Receivable from manager	-	130,784	-	130,784
Cash and cash equivalents	13,896	-	-	13,896
Total	13,896	139,184	-	153,080

Liabilities				
Management fee payable	-	53,342	-	53,342
Other accounts payable	-	14,517	-	14,517
Establishment costs payable	-	-	-	-
Termination fee payable	-	85,010	-	85,010
Total	-	152,869	-	152,869

As at 31st December 2017				
Assets				
Deposit reserve	-	8,400	-	8,400
Dividend receivable	-	64	-	64
Receivable from manager	-	726,671	-	726,671
Cash and cash equivalents	88,915	-	-	88,915
Total	88,915	735,135	-	824,050

Liabilities				
Management fee payable	-	44,586	-	44,586
Other accounts payable	-	313,988	-	313,988
Establishment costs payable	-	803,307	-	803,307
Total	-	1,161,881	-	1,161,881

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)**8. FINANCIAL RISK MANAGEMENT (continued)****(f) Fair value estimation (continued)****E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

	Level 1 <i>RMB</i>	Level 2 <i>RMB</i>	Level 3 <i>RMB</i>	Total <i>RMB</i>
As at 31st December 2018				
Assets				
Deposit reserve	-	252,000	-	252,000
Interest receivable on bonds	-	386,301	-	386,301
Cash and cash equivalents	16,310,426	-	-	16,310,426
Total	<u>16,310,426</u>	<u>638,301</u>	<u>-</u>	<u>16,948,727</u>
Liabilities				
Management fee payable	-	54,803	-	54,803
Other accounts payable	-	1,470	-	1,470
Establishment costs payable	-	113,244	-	113,244
Termination fee payable	-	848,701	-	848,701
Total	<u>-</u>	<u>1,018,218</u>	<u>-</u>	<u>1,018,218</u>
As at 31st December 2017				
Assets				
Deposit reserve	-	252,000	-	252,000
Interest receivable on bonds	-	474,210	-	474,210
Receivable from manager	-	623,279	-	623,279
Cash and cash equivalents	1,072,303	-	-	1,072,303
Total	<u>1,072,303</u>	<u>1,349,489</u>	<u>-</u>	<u>2,421,792</u>
Liabilities				
Other accounts payable	-	840	-	840
Establishment costs payable	-	1,148,602	-	1,148,602
Total	<u>-</u>	<u>1,149,442</u>	<u>-</u>	<u>1,149,442</u>

The assets and liabilities included in the above table are carried at amortised cost; their carrying values are a reasonable approximation of fair value. The carrying value of the financial assets and liabilities are considered by the Manager to approximate their fair values as they are short-term in nature and the effect of discounting is immaterial.

Cash and cash equivalents include cash in hand and deposits held with banks.

Management fee payable, amount due to broker, other accounts payable, amounts due to participating dealers and establishment costs payable represent the contractual amounts and obligations due by the Sub-Funds for settlement of trades and expenses.

E Fund ETFs Trust

- **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

(g) Capital risk management

The Sub-Funds' capital is represented by the redeemable units outstanding. The Sub-Funds' objective is to provide investment results that correspond generally to the performance of the respective index. The Manager may:

- Redeem and issue new units in accordance with the constitutive documents of the Sub-Funds;
- Exercise discretion when determining the amount of distributions of the Sub-Funds to the unitholders; and
- Suspend the creation and redemption of units under certain circumstance stipulated in the prospectuses of the Sub-Funds.

9. FINANCIAL INSTRUMENTS BY CATEGORY

As of 31st December 2018 and 2017, other than investments as disclosed in the financial statements which are classified as the financial assets at fair value through profit or loss, all financial assets including deposit reserve, interest receivable, receivable from Manager and cash and cash equivalents are categorised as and carried at amortised costs (2017: loans and receivables). All the financial liabilities of the Sub-Funds are carried at amortised cost.

10. SOFT COMMISSION ARRANGEMENT

The Manager confirms that there has been no soft commission arrangements existing during the year in relation to directing transactions of the Sub-Funds through a broker or dealer.

11. SEGMENT INFORMATION

The Manager makes the strategic resource allocations on behalf of the Sub-Funds and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that the Sub-Funds have a single operating segment which is investing in securities. The objectives of E Fund CSI 100 Index ETF, E Fund CES China 120 Index ETF and E Fund FTSE Chinese Government Bond 5-10 Years Index ETF are to track the performance of the CSI 100 Index, the CES China 120 Index and the FTSE Chinese Government Bond 5-10 Years Index respectively and invest in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

E Fund ETFs Trust**- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF****(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)****NOTES TO THE FINANCIAL STATEMENTS (continued)****11. SEGMENT INFORMATION (continued)**

The internal financial information used by the Manager for the Sub-Funds' assets, liabilities and performance are the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Funds are domiciled in Hong Kong. E Fund CSI 100 A-Share Index ETF's income and E Fund CES China 120 Index ETF's income are derived from investments in PRC securities which constitute CSI 100 Index and CES China 120 Index respectively, the tracked indices. E Fund FTSE Chinese Government Bond 5-10 Years Index ETF's income is derived from investments in PRC bonds which constitute FTSE Chinese Government Bond 5-10 Years Index, the tracked indices.

The total of non-current assets located in PRC is RMB252,000 (2017: RMB252,000) for E Fund CSI 100 A-Share Index ETF, RMBNil (2017: RMB8,400) for E Fund CES China 120 Index ETF and RMBNil (2017: RMB252,000) for E Fund FTSE Chinese Government Bond 5-10 Years Index ETF. The Sub-Funds have no other assets classified as non-current assets. The Sub-Funds have a diversified portfolio of investments. No single investment accounts for more than 10% of the net asset value of E Fund CSI 100 A-Share Index ETF as at 31st December 2018 and 2017. 1 (2017: 1) investment accounts for more than 10% of the net asset value of E Fund CES China 120 Index ETF. E Fund FTSE Chinese Government Bond 5-10 Years Index ETF is mainly exposed to RMB-denominated PRC Treasury Bonds that are issued by 2 (2017: 2) issuers.

12. DISTRIBUTION TO UNITHOLDERS**E Fund CSI 100 A-Share Index ETF**

	Year ended 31st December 2018 <i>RMB</i>	Year ended 31st December 2017 <i>RMB</i>
- RMB 0.02 per unit on 2,600,000 units paid on 31st October 2018	52,000	-
- RMB 0.14 per unit on 2,800,000 units paid on 4th December 2017	-	392,000
	<u>52,000</u>	<u>392,000</u>

E Fund CES CHINA 120 Index ETF

- RMB 13.1531 per unit on 220,000 units paid on 14th June 2018	2,893,681	-
	<u>2,893,681</u>	<u>-</u>

For E Fund FTSE Chinese Government Bond 5-10 Years Index ETF, there was no distribution to unitholders during the years ended 31st December 2018 and 2017.

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

Pursuant to the SFC's Guidelines for Regulating Index Tracking Exchange Trade Funds (the "ETF Guidelines"), the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the underlying index, except where the weightings are exceeded as a result of changes in the composition of the underlying index and the excess is only transitional and temporary in nature.

The Manager and the Trustee have confirmed that the Sub-Funds have complied with this limit during the year ended 31st December 2018 and 2017.

There were no constituent securities that individually accounted for more than 10% of the net asset value of E Fund CSI 100 A-Share Index ETF and its respective weightings of the CSI 100 Index as at 31st December 2018 and 2017. There was 1 (2017: 1) constituent security that individually accounted for more than 10% of the net asset value of E Fund CES China 120 Index ETF and its respective weightings of the CES China 120 Index as at 31st December 2018. There were 3 (2017: Nil) constituent securities that individually accounted for more than 10% of the net asset value of E Fund FTSE Chinese Government Bond 5-10 Years Index ETF and their respective weightings of the E Fund FTSE Chinese Government Bond 5-10 Years Index as at 31st December 2018.

During the year ended 31st December 2018, the CSI 100 Index decreased by 21.9% (2017: increased by 30.22%) for E Fund CSI 100 A-Share Index ETF while the net asset value per unit of the Sub-Fund decreased by 21.3% (2017: increased by 29.11%). During the year ended 31st December 2018, the CES China 120 Index decreased by 18.51% (2017: increased by 34.63%) for E Fund CES China 120 Index ETF while net asset value per unit of the Sub-Fund decreased by 25.3% (2017: increased by 21.89%). Similarly, during the year ended 31st December 2018, the FTSE Chinese Government Bond 5-10 Years Index increased by 8% (2017: decreased by 2.35%) for E Fund FTSE Chinese Government Bond 5-10 Years Index ETF while the net asset value per unit of the Sub-Fund increased by 4.44% (2017: increased by 5.09%).

14. RECONCILIATION BETWEEN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER THE FINANCIAL STATEMENTS

In accordance with the Sub-Funds' Prospectuses, the establishment costs of the Sub-Funds will be amortised over the first five years. However, the accounting policy of the Sub-Funds for the purpose of financial statements preparation in compliance with IFRS is to expense establishment costs in the statement of comprehensive income as incurred. The differences between expensing the establishment costs as incurred in accordance with IFRS and capitalisation and amortisation of the establishment costs indicated in the Sub-Funds' Prospectuses resulted in adjustments in the net asset value.

E Fund CSI 100 A-Share Index ETF

	2018 RMB	2017 RMB
Accounting NAV as reported in the statement of financial position	83,008,945	113,521,913
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	-	(2,187)
NAV in accordance with Sub-Fund's Explanatory Memorandum	<u>83,008,945</u>	<u>113,519,726</u>

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

NOTES TO THE FINANCIAL STATEMENTS (continued)**14. RECONCILIATION BETWEEN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER THE FINANCIAL STATEMENTS (continued)****E Fund CES China 120 Index ETF**

	2018 <i>RMB</i>	2017 <i>RMB</i>
Accounting NAV as reported in the statement of financial position	7,506	2,846,376
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	-	326,197
	<u>7,506</u>	<u>3,172,573</u>
NAV in accordance with Sub-Fund's Explanatory Memorandum	<u>7,506</u>	<u>3,172,573</u>

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

	2018 <i>RMB</i>	2017 <i>RMB</i>
Accounting NAV as reported in the statement of financial position	33,986,207	32,169,360
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	113,244	478,281
	<u>34,099,451</u>	<u>32,647,641</u>
NAV in accordance with Sub-Fund's Explanatory Memorandum	<u>34,099,451</u>	<u>32,647,641</u>

15. SUBSEQUENT EVENTS

On 24th January 2019, a distribution has been made at RMB 113.7084 per unit on 300,000 units for E Fund FTSE Chinese Government Bond 5-10 Years Index ETF.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Trustee and the Manager on 26th April 2019.

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

INVESTMENT PORTFOLIO (Unaudited)*As at 31st December 2018***E Fund CSI 100 A-Share Index ETF**

	Holdings	Fair value RMB	% of net assets
Listed equities			
CHINA (99.86%)			
360 SECURITY TECHNOLOGY INC A SHRS ORD CNY	5,200	105,924	0.13
AECC AVIATION POWER CO LTD A SHS ORD CNY1	11,960	259,771	0.31
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	493,316	1,775,938	2.14
AIR CHINA LTD A SHR ORD CNY1	38,329	292,834	0.35
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	25,790	755,131	0.91
BANK OF BEIJING CO LTD ORD CNY1 CL A	189,855	1,065,087	1.28
BANK OF CHINA LTD A SHS ORD CNY1	270,469	976,393	1.18
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	354,447	2,052,248	2.47
BANK OF JIANGSU CO LTD A SHRS CNY1	89,000	531,330	0.64
BANK OF NANJING CO LTD A SHR ORD CNY1	76,880	496,645	0.60
BANK OF NINGBO CO LTD A SHR ORD CNY1	32,850	532,827	0.64
BANK OF SHANGHAI CO LTD A SHS ORD CNY1	70,154	785,023	0.95
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	108,291	703,891	0.85
BEIJING XINWEI TECHNOLOGY GROUP CO LTD A SHS ORD CNY1	28,687	360,395	0.43
BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1	304,870	801,808	0.97
BYD CO LTD A SHRS ORD CNY1	11,614	592,314	0.71
CHINA FTSEC BANK CORP A SHRS ORD CNY1	41,677	227,140	0.27
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	20,861	234,895	0.28
CHINA EASTERN AIRLINES CORP A SHS ORD CNY1	50,668	240,673	0.29
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	206,352	763,502	0.92
CHINA FORTUNE LAND DEVELOPMENT CO LTD ORD CNY1	15,090	384,040	0.46
CHINA GALAXY SECURITIES CO LTD A SHRS ORD CNY1	16,700	113,894	0.14
CHINA LIFE INSURANCE CO A SHS ORD NPV	22,022	449,029	0.54
CHINA MERCHANTS BANK CO LTD A SHRS ORD CNY1	132,754	3,345,401	4.03
CHINA MERCHANTS SECURITIES CO LTD A SHR ORD CNY1	29,241	391,829	0.47
CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD A SHRS ORD CNY1	30,376	527,024	0.64
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	365,327	2,093,324	2.52
CHINA MOLYBDENUM CO LTD A SHR ORD NPV	29,200	109,792	0.13
CHINA NATIONAL NUCLEAR POWER CO LTD A SHS ORD CNY1	63,030	332,168	0.40
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	40,398	1,148,515	1.38
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	134,700	680,235	0.82
CHINA RAILWAY GROUP LTD A ORD CNY1	74,874	523,369	0.63
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	59,449	646,211	0.78

E Fund ETFs Trust

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- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF
(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

INVESTMENT PORTFOLIO (Unaudited) (continued)

As at 31st December 2018

E Fund CSI 100 A-Share Index ETF

	Holdings	Fair value RMB	% of net assets
Listed equities (continued)			
CHINA (99.86%) (continued)			
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	25,534	458,591	0.55
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	121,492	516,341	0.62
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	270,473	1,541,696	1.86
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	121,652	628,941	0.76
CHINA VANKE CO LTD A SHR ORD CNY1	62,550	1,489,941	1.80
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	84,776	1,346,243	1.62
FTSEC SECURITIES CO LTD A SHR ORD CNY1	101,194	1,620,116	1.95
CRRC CORP LTD A SHR ORD CNY1	94,511	852,489	1.03
DAQIN RAILWAY CO LTD A SHS ORD CNY1	76,378	628,591	0.76
EAST MONEY INFORMATION CO LTD A SHR ORD CNY1	47,732	577,557	0.70
FOSHAN HAITIAN FLAVOURING & FOOD COMPANY LTD A SHS ORD CNY1	10,400	715,520	0.86
GD POWER DEVELOPMENT CO LTD A SHS ORD CNY1	150,465	385,190	0.46
GF SECURITIES CO LTD A SHR ORD CNY1	39,268	497,918	0.60
GIANT NETWORK GROUP CO LTD A SHRS ORD CNY1	8,140	157,672	0.19
GREAT WALL MOTOR CO LTD A SHRS ORD NPV	16,417	91,935	0.11
GREE ELECTRIC APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	61,899	2,209,175	2.66
GREENLAND HOLDINGS CORPORATION LIMITED A SHRS ORD1 CNY1	49,710	303,728	0.37
GUANGZHOU AUTOMOBILE GROUP CO LTD A SHRS ORD CNY1	8,260	84,995	0.10
GUOSEN SECURITIES CO LTD A SHRS	32,581	272,703	0.33
GUOTAI JUNAN SECURITIES CO LTD A SHRS ORD NPV	48,331	740,431	0.89
HAITONG SECURITIES CO LTD CL A ORD CNY1	104,096	916,045	1.10
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	47,581	1,225,687	1.48
HEDY HOLDING CO LTD A SHS ORD CNY1	94,353	494,410	0.60
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1	12,990	306,434	0.37
HUANENG LANCANG RIVER HYDR-A SHS ORD CNY1	23,200	73,080	0.09
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1	56,400	416,232	0.50
HUATAI SECURITIES CO LTD A SHS ORD CNY1	42,063	681,421	0.82
HUAXIA BANK CO LTD A SHR ORD CNY1	81,966	605,729	0.73

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

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- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

INVESTMENT PORTFOLIO (Unaudited) (continued)*As at 31st December 2018***E Fund CSI 100 A-Share Index ETF**

	Holdings	Fair value RMB	% of net assets
Listed equities (continued)			
CHINA (99.86%) (continued)			
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1	276,945	1,465,039	1.77
INDUSTRIAL BANK CO LTD A SHR ORD CNY1	160,320	2,395,181	2.89
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1	78,345	1,792,534	2.16
INNER MONGOLIAN BAOTOU STEEL UNION CO LTD A SHR ORD CNY1	184,705	273,363	0.33
JIANGSU HENGRUI MEDICINE CO LTD A SHR ORD CNY1	28,506	1,503,692	1.81
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1	7,769	735,880	0.89
KANGMEI PHARMACEUTICAL CO LTD A SHR ORD CNY1	38,541	354,963	0.43
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	6,500	3,835,065	4.62
LUZHOU LAOJIAO CO LTD A SHR ORD CNY1	9,400	382,204	0.46
METALLURGICAL CORPORATION OF CHINA LTD A SHRS ORD CNY1	70,253	218,487	0.26
MIDEA GROUP CO LTD A SHRS ORD CNY1	59,381	2,188,784	2.64
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	11,042	466,414	0.56
NINGBO ZHOUSHAN PORT CO LTD A SHS ORD CNY1	52,194	174,328	0.21
ORIENT SECURITIES COMPANY LTD A SHRS ORD CNY1	45,987	366,516	0.44
PETROCHINA CO LTD A SHRS CNY1	83,130	599,367	0.72
PING AN BANK CO LTD A SHR ORD CNY1	111,046	1,041,611	1.25
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	139,616	7,832,458	9.44
POLY DEVELOPMENTS AND HOLDINGS GROUP CO LTD A SHR ORD CNY1	88,987	1,049,157	1.26
POWER CONSTRUCTION CORPORATION OF CHINA A SHRS ORD CNY1	60,737	295,182	0.36
QINGDAO HAIER CO LTD A SHR ORD CNY1	46,893	649,468	0.78

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF
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- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF
(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

INVESTMENT PORTFOLIO (Unaudited) (continued)

As at 31st December 2018

E Fund CSI 100 A-Share Index ETF

	Holdings	Fair value RMB	% of net assets
Listed equities (continued)			
CHINA (99.86%) (continued)			
S F HOLDING CO LTD A SHRS ORD CNY1	2,900	94,975	0.11
SAIC MOTOR CORP LTD A SHR ORD CNY1	45,131	1,203,644	1.45
SANAN OPTOELECTRONICS CO LTD A SHS ORD CNY1	31,500	356,265	0.43
SHAANXI COAL INDUSTRY CO L - A SHRS ORD CNY1	51,054	379,842	0.46
SHANGHAI ELECTRIC GRP CO LTD-A ORD NPV	47,185	233,094	0.28
SHANGHAI INTERNATIONAL AIRPORT CO LTD A SHR ORD CNY1	12,400	629,424	0.76
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY1	37,601	194,773	0.23
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	151,018	1,479,976	1.78
SHANGHAI RAAS BLOOD PRODUCTS CO LTD A SHR ORD CNY1	22,086	176,909	0.21
SHENWAN HONGYUAN GROUP CO LTD A SHRS ORD CNY1	87,098	354,489	0.43
SHENZHEN OVERSEAS CHINESE TOWN CO LTD A SHR ORD CNY1	44,607	283,254	0.34
SUNING COM CO LTD A SHR ORD CNY1	48,237	475,134	0.57
WANHUA CHEMICAL GROUP CO LTD A SHR ORD CNY1	21,200	593,388	0.71
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	25,133	1,278,767	1.54
YONGHUI SUPERSTORES CO LTD A SHR ORD CNY1	49,300	387,991	0.47
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	6,697	495,310	0.60
ZHEJIANG ZHENENG ELECTRIC - A SHRS ORD CNY1	54,465	257,619	0.31
ZIJIN MINING GROUP CO LTD A SHR ORD CNY0.1	134,119	447,957	0.54
ZTE CORPORATION A SHR ORD CNY1	31,568	618,417	0.75
Total investments		81,698,332	98.42
Other net assets		1,310,613	1.58
Net assets attributable to unitholders at 31st December 2018		<u>83,008,945</u>	<u>100.00</u>
Total investments, at cost		<u>80,712,364</u>	

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

INVESTMENT PORTFOLIO (Unaudited) (continued)

As at 31st December 2018

E Fund CES China 120 Index ETF

	Holdings	Fair value RMB	% of net assets
Listed equities			
CHINA (97.18%)			
BEIJING XINWEI TECHNOLOGY GROUP CO LTD A SHS ORD CNY1	581	7,295	97.19
Total investments		7,295	97.19
Other net assets		211	2.81
Net assets attributable to unitholders at 31st December 2018		7,506	100.00
Total investments, at cost		10,956	

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

INVESTMENT PORTFOLIO (Unaudited) (continued)*As at 31st December 2018***E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

	Holdings	Fair value RMB	% of net assets
Listed bonds			
CHINA (65.50%)			
CHINA (GOVT OF) SER 2507 (REG) 3.54% 16/04/2022	2,000	2,036	0.01%
CHINA DEVELOPMENT BANK (REG) 5.84% 03/01/2019 SHANGHAI	1,000	1,000	-
CHINA GOVERNMENT BOND SER 1805 (REG) 3.77% 08/03/2025 (CHINA INTERBANK)	5,000,000	5,202,560	15.31%
CHINA GOVERNMENT BOND SER 1813 (REG) 3.61% 07/06/2025 (CHINA INTERBANK)	8,000,000	8,249,452	24.27%
CHINA GOVERNMENT BOND SER 2164 2.95% 16/06/2023 (SHANGHAI)	1,000,000	989,920	2.91%
CHINA GOVERNMENT BOND SER 2523 (REG) 2.99% 15/10/2025	8,000,000	7,815,768	23.00%
		<u>22,260,736</u>	<u>65.50%</u>
Money market funds			
CHINA (0.00%)			
E FUND MONEY MARKET FUND E SHS	2	200	-
FORTUNE SG LISTED MONEY MARKET FUND	1	100	-
		<u>300</u>	<u>-</u>
Total investments		22,261,036	65.50%
Other net assets		11,725,171	34.50%
Net assets attributable to unitholders at 31st December 2018		<u>33,986,207</u>	<u>100.00%</u>
Total investments, at cost		<u>22,236,858</u>	

E Fund ETFs Trust**- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF****(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)****STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)***For the year ended 31st December 2018***E Fund CSI 100 A-Share Index ETF**

	1st January 2018	Additions	Holdings		31st December 2018
			Corporate action	Disposals	
Investments					
Listed equities					
CHINA					
360 SECURITY TECHNOLOGY INC A SHRS ORD CNY					
	-	5,200	-	-	5,200
AECC AVIATION POWER CO LTD A SHS ORD CNY1					
	14,260	900	-	(3,200)	11,960
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1					
	561,316	39,500	-	(107,500)	493,316
AIR CHINA LTD A SHR ORD CNY1					
	29,029	14,800	-	(5,500)	38,329
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1					
	29,790	2,100	-	(6,100)	25,790
BANK OF BEIJING CO LTD ORD CNY1 CL A					
	216,455	15,300	-	(41,900)	189,855
BANK OF CHINA LTD A SHS ORD CNY1					
	311,469	21,800	-	(62,800)	270,469
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1					
	404,047	28,400	-	(78,000)	354,447
BANK OF JIANGSU CO LTD A SHRS CNY1					
	100,200	7,200	-	(18,400)	89,000
BANK OF NANJING CO LTD A SHR ORD CNY1					
	74,480	15,000	-	(12,600)	76,880
BANK OF NINGBO CO LTD A SHR ORD CNY1					
	37,050	2,600	-	(6,800)	32,850
BANK OF SHANGHAI CO LTD A SHS ORD CNY1					
	12,610	39,200	20,044	(1,700)	70,154
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1					
	129,491	9,100	-	(30,300)	108,291
BEIJING XINWEI TECHNOLOGY GROUP CO LTD A SHS ORD CNY1					
	28,687	-	-	-	28,687
BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1					
	350,270	24,500	-	(69,900)	304,870
BYD CO LTD A SHRS ORD CNY1					
	13,114	900	-	(2,400)	11,614

E Fund ETFs Trust

- **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CSI 100 A-Share Index ETF

	Holdings				31st December 2018
	1st January 2018	Additions	Corporate action	Disposals	
Investments (continued)					
Listed equities (continued)					
CHINA (continued)					
CHINA FTSEC BANK CORP A SHRS ORD CNY1	47,577	3,200	-	(9,100)	41,677
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	22,361	1,600	-	(3,100)	20,861
CHINA EASTERN AIRLINES CORP A SHS ORD CNY1	56,468	4,100	-	(9,900)	50,668
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	236,152	16,500	-	(46,300)	206,352
CHINA FORTUNE LAND DEVELOPMENT CO LTD ORD CNY1	17,290	1,200	-	(3,400)	15,090
CHINA GALAXY SECURITIES CO LTD A SHRS ORD CNY1	9,400	8,600	-	(1,300)	16,700
CHINA LIFE INSURANCE CO A SHS ORD NPV	24,622	1,700	-	(4,300)	22,022
CHINA MERCHANTS BANK CO LTD A SHRS ORD CNY1	149,354	10,700	-	(27,300)	132,754
CHINA MERCHANTS SECURITIES CO LTD A SHR ORD CNY1	33,741	2,400	-	(6,900)	29,241
CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD A SHRS ORD CNY1	34,576	2,500	-	(6,700)	30,376
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	342,239	24,500	60,888	(62,300)	365,327
CHINA MOLYBDENUM CO LTD A SHR ORD NPV	38,300	2,700	-	(11,800)	29,200
CHINA NATIONAL NUCLEAR POWER CO LTD A SHS ORD CNY1	70,830	4,800	-	(12,600)	63,030
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	45,998	3,300	-	(8,900)	40,398
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	155,984	10,900	-	(32,184)	134,700

E Fund ETFs Trust

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- **E Fund CES China 120 Index ETF**

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(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CSI 100 A-Share Index ETF

	Holdings				31st December 2018
	1st January 2018	Additions	Corporate action	Disposals	
Investments (continued)					
Listed equities (continued)					
CHINA (continued)					
CHINA RAILWAY GROUP LTD A ORD CNY1	80,574	5,800	-	(11,500)	74,874
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	67,749	4,800	-	(13,100)	59,449
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	29,134	2,000	-	(5,600)	25,534
CHINA SHIPBUILDING INDUSTRY CO LTD A SHR ORD CNY1	142,292	9,500	-	(30,300)	121,492
CHINA STATE CONSTRUCTION ENGINEERING CORP LTD A SHR ORD CNY1	222,395	15,500	77,278	(44,700)	270,473
CHINA UNITED NETWORK COMMUNICATIONS LTD A SHRS ORD CNY1	135,252	9,400	-	(23,000)	121,652
CHINA VANKE CO LTD A SHR ORD CNY1	70,450	5,000	-	(12,900)	62,550
CHINA YANGTZE POWER CO LTD CL A ORD CNY1	98,476	6,800	-	(20,500)	84,776
CHONGQING CHANGAN AUTOMOBILE CO LTD A SHR ORD CNY1	28,668	2,000	-	(30,668)	-
FTSEC SECURITIES CO LTD A SHR ORD CNY1	113,594	8,100	-	(20,500)	101,194
CRRG CORP LTD A SHR ORD CNY1	105,811	7,500	-	(18,800)	94,511
DAQIN RAILWAY CO LTD A SHS ORD CNY1	89,378	6,200	-	(19,200)	76,378
EAST MONEY INFORMATION CO LTD A SHR ORD CNY1	43,693	3,100	8,139	(7,200)	47,732
EVERBRIGHT SECURITIES CO LTD A SHRS ORD CNY1	29,421	2,000	-	(31,421)	-
FIRST CAPITAL SECURITIES COMPANY LTD A SHS ORD CNY1	30,130	2,200	-	(32,330)	-

E Fund ETFs Trust

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(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CSI 100 A-Share Index ETF

	Holdings				31st December 2018
	1st January 2018	Additions	Corporate action	Disposals	
Investments (continued)					
Listed equities (continued)					
CHINA (continued)					
FOSHAN HAITIAN					
FLAVOURING & FOOD COMPANY LTD A SHS ORD CNY1	-	10,400	-	-	10,400
FOUNDER SECURITIES					
COMPANY LIMITED A SHR ORD CNY1	61,024	4,300	-	(65,324)	-
GD POWER DEVELOPMENT					
CO LTD A SHS ORD CNY1	178,765	12,200	-	(40,500)	150,465
GF SECURITIES CO LTD A					
SHR ORD CNY1	43,068	3,100	-	(6,900)	39,268
GIANT NETWORK GROUP					
CO LTD A SHRS ORD CNY1	8,740	600	-	(1,200)	8,140
GREAT WALL MOTOR CO					
LTD A SHRS ORD NPV	19,117	1,200	-	(3,900)	16,417
GREE ELECTRIC					
APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	69,699	5,000	-	(12,800)	61,899
GREENLAND HOLDINGS					
CORPORATION LIMITED A SHRS ORD1 CNY1	53,410	3,800	-	(7,500)	49,710
GUANGZHOU					
AUTOMOBILE GROUP CO LTD A SHRS ORD CNY1	-	5,900	2,360	-	8,260
GUOSEN SECURITIES CO					
LTD A SHRS	35,081	2,500	-	(5,000)	32,581
GUOTAI JUNAN					
SECURITIES CO LTD A SHRS ORD NPV	54,431	3,900	-	(10,000)	48,331
HAITONG SECURITIES CO					
LTD CL A ORD CNY1	119,396	8,400	-	(23,700)	104,096
HANGZHOU HIKVISION					
DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	53,881	3,800	-	(10,100)	47,581
HEDY HOLDING CO LTD A					
SHS ORD CNY1	70,328	18,300	15,725	(10,000)	94,353

E Fund ETFs Trust

- **E Fund CSI 100 A-Share Index ETF**

- **E Fund CES China 120 Index ETF**

- **E Fund FTSE Chinese Government Bond 5-10 Years Index ETF**

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CSI 100 A-Share Index ETF

	Holdings				31st December 2018
	1st January 2018	Additions	Corporate action	Disposals	
Investments (continued)					
Listed equities (continued)					
CHINA (continued)					
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD A SHR ORD CNY1					
15,790	1,000	-	(3,800)	12,990	
HUANENG LANCANG RIVER HYDR-A SHS ORD CNY1					
-	23,200	-	-	23,200	
HUANENG POWER INTERNATIONAL INC A SHS ORD CNY1					
60,700	4,300	-	(8,600)	56,400	
HUATAI SECURITIES CO LTD A SHS ORD CNY1					
48,463	3,400	-	(9,800)	42,063	
HUAXIA BANK CO LTD A SHR ORD CNY1					
94,566	6,600	-	(19,200)	81,966	
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD A SHS ORD CNY1					
316,845	22,300	-	(62,200)	276,945	
INDUSTRIAL BANK CO LTD A SHR ORD CNY1					
180,020	15,300	-	(35,000)	160,320	
INNER MONGILIA YILI INDUSTRIAL GR CO LTD A SHS ORD CNY1					
87,945	6,300	-	(15,900)	78,345	
INNER MONGOLIAN BAOTOU STEEL UNION CO LTD A SHR ORD CNY1					
198,805	14,100	-	(28,200)	184,705	
JIANGSU HENGRUI MEDICINE CO LTD A SHR ORD CNY1					
24,743	2,100	6,763	(5,100)	28,506	
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD A SHS ORD CNY1					
8,769	600	-	(1,600)	7,769	
KANGMEI PHARMACEUTICAL CO LTD A SHR ORD CNY1					
43,241	3,100	-	(7,800)	38,541	
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1					
7,300	500	-	(1,300)	6,500	

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(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)
For the year ended 31st December 2018

E Fund CSI 100 A-Share Index ETF

	1st January 2018	Additions	Holdings		31st December 2018
			Corporate action	Disposals	
Investments (continued)					
Listed equities (continued)					
CHINA (continued)					
LESHI INTERNET INFORMATION & TECHNOLOGY (BEIJING) CO LTD A SHR ORD CNY1					
	37,800	-	-	(37,800)	-
LUZHOU LAOJIAO CO LTD A SHR ORD CNY1					
	-	9,400	-	-	9,400
METALLURGICAL CORPORATION OF CHINA LTD A SHRS ORD CNY1					
	75,753	5,500	-	(11,000)	70,253
MIDEA GROUP CO LTD A SHRS ORD CNY1					
	65,781	5,700	-	(12,100)	59,381
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV					
	12,142	900	-	(2,000)	11,042
NINGBO ZHOUSHAN PORT CO LTD A SHS ORD CNY1					
	60,394	4,100	-	(12,300)	52,194
ORIENT SECURITIES COMPANY LTD A SHRS ORD CNY1					
	46,487	9,200	-	(9,700)	45,987
ORIENTAL PEARL MEDIA CO LTD A SHRS ORD CNY1					
	20,230	1,400	-	(21,630)	-
PETROCHINA CO LTD A SHRS CNY1					
	93,430	6,700	-	(17,000)	83,130
PING AN BANK CO LTD A SHR ORD CNY1					
	125,146	8,900	-	(23,000)	111,046
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1					
	156,816	11,200	-	(28,400)	139,616
POLY DEVELOPMENTS AND HOLDINGS GROUP CO LTD A SHR ORD CNY1					
	105,587	7,400	-	(24,000)	88,987
POWER CONSTRUCTION CORPORATION OF CHINA A SHRS ORD CNY1					
	67,437	4,700	-	(11,400)	60,737
QINGDAO HAIER CO LTD A SHR ORD CNY1					
	45,093	9,400	-	(7,600)	46,893
QINGDAO HAIER CO LTD NIL PAID RTS 18/12/2018					
	-	-	23,000	(23,000)	-

E Fund ETFs Trust

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(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CSI 100 A-Share Index ETF

	Holdings				31st December 2018
	1st January 2018	Additions	Corporate action	Disposals	
Investments (continued)					
Listed equities (continued)					
CHINA (continued)					
S F HOLDING CO LTD A SHRS ORD CNY1	3,100	200	-	(400)	2,900
SAIC MOTOR CORP LTD A SHR ORD CNY1	51,331	3,600	-	(9,800)	45,131
SANAN OPTOELECTRONICS CO LTD A SHS ORD CNY1	35,400	2,500	-	(6,400)	31,500
SDIC CAPITAL CO. ORD CNY1	12,321	900	-	(13,221)	-
SHAANXI COAL INDUSTRY CO L - A SHRS ORD CNY1	58,354	4,100	-	(11,400)	51,054
SHANGHAI ELECTRIC GRP CO LTD-A ORD NPV	46,685	7,700	-	(7,200)	47,185
SHANGHAI INTERNATIONAL AIRPORT CO LTD A SHR ORD CNY1	-	12,400	-	-	12,400
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY 1	43,701	3,100	-	(9,200)	37,601
SHANGHAI LUJIAZUI FINANCE & TRADE ZONE DEVELOPMENT CO LTD A SHRS ORD CNY1	11,020	800	-	(11,820)	-
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD A SHR ORD CNY1	170,118	12,100	-	(31,200)	151,018
SHANGHAI RAAS BLOOD PRODUCTS CO LTD A SHR ORD CNY1	22,086	-	-	-	22,086

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(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CSI 100 A-Share Index ETF

	Holdings				31st December 2018
	1st January 2018	Additions	Corporate action	Disposals	
Investments (continued)					
Listed equities (continued)					
CHINA (continued)					
SHENWAN HONGYUAN GROUP CO LTD A SHRS ORD CNY1	89,498	31,900	-	(34,300)	87,098
SHENZHEN OVERSEAS CHINESE TOWN CO LTD A SHR ORD CNY1	47,907	3,400	-	(6,700)	44,607
SUNING COM CO LTD A SHR ORD CNY1	54,137	3,900	-	(9,800)	48,237
WANDA FILM HOLDING CO LTD A SHRS ORD CNY1	7,201	-	3,600	(10,801)	-
WANHUA CHEMICAL GROUP CO LTD A SHR ORD CNY1	-	21,200	-	-	21,200
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	28,033	2,000	-	(4,900)	25,133
YONGHUI SUPERSTORES CO LTD A SHR ORD CNY1	-	49,300	-	-	49,300
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	7,797	500	-	(1,600)	6,697
ZHEJIANG ZHENENG ELECTRIC - A SHRS ORD CNY1	63,265	4,200	-	(13,000)	54,465
ZIJIN MINING GROUP CO LTD A SHR ORD CNY0.1	162,019	10,700	-	(38,600)	134,119
ZTE CORPORATION A SHR ORD CNY1	34,868	2,500	-	(5,800)	31,568

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

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(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CES China 120 Index ETF

	Holdings				31st December 2018
	1st January 2018	Additions	Corporate action	Disposals	
Investments (continued)					
Listed equities (continued)					
CHINA (continued)					
AGRICULTURAL BANK OF CHINA A SHS ORD CNY1	9,882	-	-	(9,882)	-
ANHUI CONCH CEMENT COMPANY LTD SHS A ORD CNY1	466	-	-	(466)	-
BANK OF BEIJING CO LTD ORD CNY1 CL A	3,787	-	-	(3,787)	-
BANK OF CHINA LTD A SHS ORD CNY1	5,426	-	-	(5,426)	-
BANK OF COMMUNICATIONS LTD A SHRS ORD CNY1	6,169	-	-	(6,169)	-
BANK OF JIANGSU CO LTD A SHRS CNY1	1,700	-	-	(1,700)	-
BAOSHAN IRON & STEEL CO LTD CL A ORD CNY1	1,963	-	-	(1,963)	-
BEIJING XINWEI TECHNOLOGY GROUP CO LTD A SHS ORD CNY1	581	-	-	-	581
BOE TECHNOLOGY GR CO LTD A SHS ORD CNY1	6,100	-	-	(6,100)	-
BYD CO LTD A SHRS ORD CNY1	322	-	-	(322)	-
CHINA FTSEC BANK CORP A SHRS ORD CNY1	972	-	-	(972)	-
CHINA COMMUNICATIONS CONSTRUCTION CO LTD A SHS ORD NPV	412	-	-	(412)	-
CHINA EVERBRIGHT BANK CO LTD A ORD CNY1	4,116	-	-	(4,116)	-
CHINA FORTUNE LAND DEVELOPMENT CO LTD ORD CNY1	300	-	-	(300)	-
CHINA LIFE INSURANCE CO A SHS ORD NPV	334	-	-	(334)	-
CHINA MERCHANTS BANK CO LTD A SHRS ORD CNY1	2,355	-	-	(2,355)	-

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

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(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CES China 120 Index ETF

	Holdings			31st December 2018
	1st January 2018	Additions	Corporate action Disposals	
Investments				
Listed equities				
CHINA				
CHINA MERCHANTS SECURITIES CO LTD A SHR ORD CNY1	658	-	(658)	-
CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE CO LTD A SHRS ORD CNY1	600	-	(600)	-
CHINA MINSHENG BANKING CO LTD A SHR ORD CNY1	5,773	-	(5,773)	-
CHINA NATIONAL NUCLEAR POWER CO LTD A SHS ORD CNY1	1,200	-	(1,200)	-
CHINA PACIFIC INSURANCE GROUP A SHR ORD CNY1	777	-	(777)	-
CHINA PETROLEUM & CHEMICAL CORP CL A ORD CNY1	2,708	-	(2,708)	-
CHINA RAILWAY GROUP LTD A ORD CNY1	1,303	-	(1,303)	-
CHINA RAILWAYS CONSTRUCTION CORP A SHS ORD CNY1	906	-	(906)	-
CHINA SHENHUA ENERGY CO LTD A SHS ORD CNY1	411	-	(411)	-

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(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CES China 120 Index ETF

	Holdings			31st December 2018	
	1st January 2018	Additions	Corporate action Disposals		
Investments (continued)					
Listed equities (continued)					
CHINA (continued)					
CHINA SHIPBUILDING					
INDUSTRY CO LTD A SHR ORD CNY1	2,439	-	-	(2,439)	-
CHINA STATE					
CONSTRUCTION					
ENGINEERING CORP LTD A SHR ORD CNY1	3,879	-	-	(3,879)	-
CHINA UNITED NETWORK					
COMMUNICATIONS LTD A SHRS ORD CNY1	2,125	-	-	(2,125)	-
CHINA VANKE CO LTD A					
SHR ORD CNY1	1,277	-	-	(1,277)	-
CHINA YANGTZE POWER					
CO LTD CL A ORD CNY1	1,834	-	-	(1,834)	-
FTSEC SECURITIES CO LTD					
A SHR ORD CNY1	2,025	-	-	(2,025)	-
CRRC CORP LTD A SHR					
ORD CNY1	2,321	-	-	(2,321)	-
DAQIN RAILWAY CO LTD					
A SHS ORD CNY1	1,558	-	-	(1,558)	-
GD POWER DEVELOPMENT					
CO LTD A SHS ORD CNY1	2,549	-	-	(2,549)	-
GF SECURITIES CO LTD A					
SHR ORD CNY1	693	-	-	(693)	-
GREAT WALL MOTOR CO					
LTD A SHRS ORD NPV	274	-	-	(274)	-
GREE ELECTRIC					
APPLIANCES INC OF ZHUHAI A SHS ORD CNY1	1,200	-	-	(1,200)	-
GREENLAND HOLDINGS					
CORPORATION LIMITED A SHRS ORD1 CNY1	900	-	-	(900)	-
GUOSEN SECURITIES CO					
LTD A SHRS	700	-	-	(700)	-
GUOTAI JUNAN					
SECURITIES CO LTD A SHRS ORD NPV	1,300	-	-	(1,300)	-
HAITONG SECURITIES CO					
LTD CL A ORD CNY1	2,007	-	-	(2,007)	-

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CES China 120 Index ETF

	Holdings			31st December 2018	
	1st January 2018	Additions	Corporate action Disposals		
Investments (continued)					
Listed equities (continued)					
CHINA (continued)					
HANGZHOU HIKVISION					
DIGITAL TECHNOLOGY CO LTD A SHS ORD NPV	1,013	-	-	(1,013)	-
HEDY HOLDING CO LTD A					
SHS ORD CNY1	1,200	-	-	(1,200)	-
HENAN SHUANGHUI					
INVESTMENT & DEVELOPMENT CO LTD					
A SHR ORD CNY1	246	-	-	(246)	-
HUANENG POWER					
INTERNATIONAL INC A					
SHS ORD CNY1	1,000	-	-	(1,000)	-
HUATAI SECURITIES CO					
LTD A SHS ORD CNY1	873	-	-	(873)	-
HUAXIA BANK CO LTD A					
SHR ORD CNY1	1,666	-	-	(1,666)	-
INDUSTRIAL AND					
COMMERCIAL BANK OF					
CHINA LTD A SHS ORD					
CNY1	5,534	-	-	(5,534)	-
INDUSTRIAL BANK CO LTD					
A SHR ORD CNY1	3,049	-	-	(3,049)	-
INNER MONGILIA YILI					
INDUSTRIAL GR CO LTD					
A SHS ORD CNY1	1,638	-	-	(1,638)	-
INNER MONGOLIAN					
BAOTOU STEEL UNION					
CO LTD A SHR ORD CNY1	3,920	-	-	(3,920)	-
JIANGSU HENGRUI					
MEDICINE CO LTD A SHR					
ORD CNY1	432	-	130	(562)	-
JIANGSU YANGHE					
BREWERY JOINT-STOCK					
CO LTD A SHS ORD CNY1	169	-	-	(169)	-
KANGMEI					
PHARMACEUTICAL CO					
LTD A SHR ORD CNY1	700	-	-	(700)	-

E Fund ETFs Trust

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(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CES China 120 Index ETF

	Holdings			31st December 2018
	1st January 2018	Additions	Corporate action Disposals	
Investments (continued)				
Listed equities (continued)				
CHINA (continued)				
KWEICHOW MOUTAI CO LTD A SHR ORD CNY1	98	-	(98)	-
LESHI INTERNET INFORMATION & TECHNOLOGY (BEIJING) CO LTD A SHR ORD CNY1	600	-	(600)	-
METALLURGICAL CORPORATION OF CHINA LTD A SHRS ORD CNY1	2,200	-	(2,200)	-
MIDEA GROUP CO LTD A SHRS ORD CNY1	1,040	-	(1,040)	-
NEW CHINA LIFE INSURANCE CO LTD A SHRS ORD NPV	196	-	(196)	-
ORIENT SECURITIES COMPANY LTD A SHRS ORD CNY1	700	-	(700)	-
PETROCHINA CO LTD A SHRS CNY1	1,189	-	(1,189)	-
PING AN BANK CO LTD A SHR ORD CNY1	1,727	-	(1,727)	-
PING AN INSURANCE (GROUP) CO OF CHINA LTD A SHR ORD CNY1	2,734	-	(2,734)	-
POLY DEVELOPMENTS AND HOLDINGS GROUP CO LTD A SHR ORD CNY1	1,434	-	(1,434)	-
POWER CONSTRUCTION CORPORATION OF CHINA A SHRS ORD CNY1	1,000	-	(1,000)	-
QINGDAO HAIER CO LTD A SHR ORD CNY1	500	-	(500)	-
SAIC MOTOR CORP LTD A SHR ORD CNY1	926	-	(926)	-
SHANGHAI ELECTRIC GRP CO LTD-A ORD NPV	800	-	(800)	-
SHANGHAI INTERNATIONAL PORT GR LTD A SHR ORD CNY 1	791	-	(791)	-

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(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CES China 120 Index ETF

	Holdings				31st December 2018
	1st January 2018	Additions	Corporate action	Disposals	
Investments (continued)					
Listed equities (continued)					
CHINA (continued)					
SHANGHAI PUDONG					
DEVELOPMENT BANK CO LTD A SHR ORD CNY1	3,007	-	-	(3,007)	-
SHANGHAI RAAS BLOOD PRODUCTS CO LTD A SHR ORD CNY1	180	-	-	(180)	-
SHENWAN HONGYUAN GROUP CO LTD A SHRS ORD CNY1	1,755	-	-	(1,755)	-
SUNING COM CO LTD A SHR ORD CNY1	1,064	-	-	(1,064)	-
WANDA FILM HOLDING CO LTD A SHRS ORD CNY1	100	-	50	(150)	-
WULIANGYE YIBIN CO LTD A SHS ORD CNY1	498	-	-	(498)	-
YUNNAN BAIYAO GROUP CO LTD A SHR ORD CNY1	170	-	-	(170)	-
ZHEJIANG ZHENENG ELECTRIC - A SHRS ORD CNY1	640	-	-	(640)	-
HONG KONG					
AAC TECHNOLOGIES HOLDINGS INC ORD USD0.01	300	-	-	(300)	-
AGRICULTURAL BANK OF CHINA LTD H SHS ORD CNY1	7,623	-	-	(7,623)	-
BANK OF CHINA LTD SHS H ORD CNY1	20,923	-	-	(20,923)	-
BANK OF COMMUNICATIONS CO LTD H SHRS ORD CNY1	2,527	-	-	(2,527)	-
BRILLIANCE CHINA AUTOMOTIVE ORD USD0.01	800	-	-	(800)	-
CHINA FTSEC BANK CORP LTD H SHRS ORD CNY1	2,396	-	-	(2,396)	-
CHINA CONSTRUCTION BANK CORP H SHR ORD CNY1	30,914	-	-	(30,914)	-

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(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CES China 120 Index ETF

	Holdings			31st December 2018
	1st January 2018	Additions	Corporate action Disposals	
Investments (continued)				
Listed equities (continued)				
HONG KONG (continued)				
CHINA EVERGRANDE GROUP ORD USD0.01	1,000	-	(1,000)	-
CHINA GAS HLDGS LTD ORD HKD0.01	304	-	(304)	-
CHINA HUARONG ASSET MANAGEMENT CO LTD H SHS ORD CNY1	2,000	-	(2,000)	-
CHINA LIFE INSURANCE CO LTD H ORD CNY1	1,733	-	(1,733)	-
CHINA MENGNIU DAIRY CO LTD ORD HKD0.1	286	-	(286)	-
CHINA MERCHANTS BANK CO LTD H SHR ORD CNY1	989	-	(989)	-
CHINA MERCHANTS PORT HOLDINGS CO LTD ORD NPV	186	-	(186)	-
CHINA MOBILE LTD ORD HKD0.1	1,483	-	(1,483)	-
CHINA OVERSEAS LAND & INVESTMENT LTD ORD NAP	862	-	(862)	-
CHINA PACIFIC INSURANCE (GR) CO LTD H SHS ORD CNY1	791	-	(791)	-
CHINA PETROLEUM & CHEMICAL CORP H SHR ORD CNY1	6,282	-	(6,282)	-
CHINA RESOURCES LAND LTD ORD HKD0.1	515	-	(515)	-
CHINA RESOURCES POWER ORD HKD1	886	-	(886)	-
CHINA TAIPING ORD NPV	519	-	(519)	-
CHINA UNICOM (HONG KONG) ORD HKD0.1	2,545	-	(2,545)	-
CNOOC LTD ORD HKD0.02	4,797	-	(4,797)	-
COUNTRY GARDEN HOLDINGS COMPANY LTD ORD HKD0.1	3,028	-	(3,028)	-
FOSUN INTERNATIONAL ORD HKD0.10	582	-	(582)	-

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF
(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund CES China 120 Index ETF

	Holdings			31st December 2018
	1st January 2018	Additions	Corporate action Disposals	
Investments (continued)				
Listed equities (continued)				
HONG KONG (continued)				
GEELY AUTOMOBILE				
HOLDINGS LTD ORD				
HKD0.02	1,300	-	(1,300)	-
GUANGDONG				
INVESTMENTS LTD ORD				
NPV	800	-	(800)	-
HENGAN INTERNATIONAL				
GROUP CO LTD ORD				
HKD0.1	209	-	(209)	-
INDUSTRIAL AND				
COMMERCIAL BANK OF				
CHINA H SHS ORD CNY1				
21,277	21,277	-	(21,277)	-
LONGFOR GROUP				
HOLDINGS LTD ORD				
HKD0.1	326	-	(326)	-
PETROCHINA CO LTD H				
SHRS CNY1				
5,119	5,119	-	(5,119)	-
PICC PROPERTY AND				
CASUALTY CO LTD H				
SHRS ORD CNY1				
1,134	1,134	-	(1,134)	-
PING AN INSURANCE				
(GROUP) CO OF CHINA				
LTD H SHR COM CNY1				
1,236	1,236	-	(1,236)	-
POSTAL SAVINGS BANK OF				
CHINA CO LTD H SHRS				
ORD CNY1				
4,000	4,000	-	(4,000)	-
SHENZHOU				
INTERNATIONAL GROUP				
ORD HKD0.1				
200	200	-	(200)	-
SUN ART RETAIL GROUP				
LTD ORD NPV				
1,051	1,051	-	(1,051)	-
SUNNY OPTICAL				
TECHNOLOGY GROUP CO				
LTD ORD HKD0.1				
200	200	-	(200)	-
TENCENT HOLDINGS LTD				
ORD HKD0.00002				
877	877	-	(877)	-
WANT WANT CHINA				
HOLDINGS LTD ORD				
USD0.02	2,176	-	(2,176)	-

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF
- E Fund CES China 120 Index ETF
- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF
(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited) (continued)

For the year ended 31st December 2018

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

	Holdings				31st December 2018
	1st January 2018	Additions	Corporate action	Disposals	
Investments					
Listed bonds					
CHINA					
CHINA (GOVT OF) BOND (SER 2502) (REG) 3.36% 22/01/2022 SHANGHAI	40,000	-	-	(40,000)	-
CHINA (GOVT OF) SER 2507 (REG) 3.54% 16/04/2022	2,000	-	-	-	2,000
CHINA DEVELOPMENT BANK (REG) 5.84% 03/01/2019 SHANGHAI	1,000	-	-	-	1,000
CHINA DEVELOPMENT BANK SER 1610 3.18% 05/04/2026	8,000,000	-	-	(8,000,000)	-
CHINA GOVERNMENT BOND (REG) 2.85% 28/01/2026 (SHANGHAI)	189,000	-	-	(189,000)	-
CHINA GOVERNMENT BOND SER 1805 (REG) 3.77% 08/03/2025 (CHINA INTERBANK)	-	5,000,000	-	-	5,000,000
CHINA GOVERNMENT BOND SER 1813 (REG) 3.61% 07/06/2025 (CHINA INTERBANK)	-	8,000,000	-	-	8,000,000
CHINA GOVERNMENT BOND SER 2164 2.95% 16/06/2023 (SHANGHAI)	8,000,000	-	-	(7,000,000)	1,000,000
CHINA GOVERNMENT BOND SER 2519 (REG) 3.14% 08/09/2020	1,000	-	-	(1,000)	-
CHINA GOVERNMENT BOND SER 2523 (REG) 2.99% 15/10/2025	8,000,000	-	-	-	8,000,000
CHINA GOVERNMENT BOND SER 2606 2.75% 17/03/2023	3,000,000	-	-	(3,000,000)	-
CHINA GOVERNMENT BOND SER 2610 2.9% 05/05/2026	8,012,000	-	-	(8,012,000)	-
Money market funds					
CHINA					
E FUND MONEY MARKET FUND E SHS	24,646	17,000	371	(42,015)	2
FORTUNE SG LISTED MONEY MARKET FUND	3	16,900	205	(17,107)	1

E Fund ETFs Trust**- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF****(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)****PERFORMANCE RECORD (Unaudited)****Net Asset Value****E Fund CSI 100 A-Share Index ETF**Net asset value of
the Sub-Fund
*RMB*Net asset value
per unit
RMB

At the end of financial year/period dated

31st December 2018 (Dealing NAV) 83,008,945 31.93

31st December 2017 (Dealing NAV) 113,519,726 40.54

31st December 2016 (Dealing NAV) 100,472,455 31.40

E Fund CES China 120 Index ETFNet asset value of
the Sub-Fund
*RMB*Net asset value
per unit
RMB

At the end of financial year/period dated

31st December 2018 (Dealing NAV) 7,506 0.03

31st December 2017 (Dealing NAV) 3,172,573 14.42

31st December 2016 (Dealing NAV) 2,603,350 11.83

E Fund FTSE Chinese Government Bond 5-10 Years Index ETFNet asset value of
the Sub-Fund
*RMB*Net asset value
per unit
RMB

At the end of financial year/period dated

31st December 2018 (Dealing NAV) 34,099,451 113.66

31st December 2017 (Dealing NAV) 32,647,641 108.83

31st December 2016 (Dealing NAV) 45,867,459 114.67

E Fund ETFs Trust**- E Fund CSI 100 A-Share Index ETF****- E Fund CES China 120 Index ETF****- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF****(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)****PERFORMANCE RECORD (Unaudited) (continued)****Highest and Lowest Net Asset Value Per Unit****E Fund CSI 100 A-Share Index ETF**

Financial year/period ended	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
31st December 2018	45.12	31.69
31st December 2017	42.88	31.50
31st December 2016	33.90	26.98
31st December 2015	46.46	26.74
31st December 2014	33.28	19.54
31st December 2013	26.66	20.34
31st December 2012 (Since inception)	24.39	20.62

E Fund CES China 120 Index ETF

Financial year/period ended	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
31st December 2018	16.03	11.74
31st December 2017	15.41	11.35
31st December 2016	11.90	9.42
31st December 2015	15.59	10.16
31st December 2014	12.28	8.71
31st December 2013 (Since inception)	10.28	9.53

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

PERFORMANCE RECORD (Unaudited) (continued)

Highest and Lowest Net Asset Value Per Unit (continued)

E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

Financial year/period ended	Highest net asset value	Lowest net asset value
	per unit <i>RMB</i>	per unit <i>RMB</i>
31st December 2018	115.40	108.32
31st December 2017	114.65	107.99
31st December 2016	117.26	111.78
31st December 2015	114.22	106.78
31st December 2014 (Since inception)	108.79	99.77

E Fund ETFs Trust

- E Fund CSI 100 A-Share Index ETF

- E Fund CES China 120 Index ETF

- E Fund FTSE Chinese Government Bond 5-10 Years Index ETF

(Formerly known as E Fund Citi Chinese Government Bond 5-10 Years Index ETF)

MANAGEMENT AND ADMINISTRATION**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 and Registrar

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

Investment Adviser

E Fund Management Co., Limited
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189 Ti Yu Xi Road
Guangzhou 510620
China

PRC Custodian

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

PRC Custodian's Delegate

HSBC Bank (China) Company Limited
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Shanghai ifc
8 Century Avenue, Pudong
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China

Service Agent/Conversion Agent

HK Conversion Agency Services Limited
1/F, One & Two Exchange Square
8 Connaught Place Central
Hong Kong

Listing Agent

GF Capital (Hong Kong) Limited
29-30/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Legal Counsel to the Manager

Simmons & Simmons
13/F, One Pacific Place
88-Queensway
Hong Kong

Auditor

PricewaterhouseCoopers
21/F, Edinburgh Tower
15 Queen's Road Central
Hong Kong

Directors of the Manager

Liu Xiaoyan
Zhang Youzao (resigned on 20th July 2018)
Ma Jun
Fan Yue (resigned on 20th July 2018)
Huang Gaohui (appointed on 20th July 2018)
Chen Rong (appointed on 20th July 2018)
Chen Liyuan (appointed on 20th July 2018)