



嘉實國際資產管理  
Harvest Global Investments

**HARVEST FUNDS (HONG KONG) ETF**  
(AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG KONG)

**HARVEST CSI SMALLCAP 500 INDEX ETF**  
(A SUB-FUND OF THE HARVEST FUNDS (HONG KONG) ETF)

UNAUDITED SEMI-ANNUAL REPORT  
30 JUNE 2019

**Harvest Global Investments**

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**(AN UMBRELLA UNIT TRUST ESTABLISHED IN HONG KONG)**

**HARVEST CSI SMALLCAP 500 INDEX ETF**  
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**SEMI-ANNUAL REPORT**  
**1ST JANUARY 2019 TO 30TH JUNE 2019**

**HARVEST CSI SMALLCAP 500 INDEX ETF  
(A SUB-FUND OF THE HARVEST FUNDS (HONG KONG) ETF)**

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## REPORT OF THE MANAGER TO THE UNITHOLDERS

### Fund Performance

A summary of the performance of the Sub-Fund<sup>1</sup> is given below (as at 30 June 2019):

#### Harvest CSI Smallcap 500 Index ETF

	1H-2019 (without dividend reinvested)
CSI 500 Index <sup>2</sup>	18.77%
Harvest CSI 500 Index ETF NAV-to-NAV <sup>3</sup> (RMB Counter)	N.A.
Harvest CSI 500 Index ETF Market-to-Market <sup>4</sup> (RMB Counter)	N.A.
Harvest CSI 500 Index ETF NAV-to-NAV <sup>3</sup> (HKD Counter)	N.A.
Harvest CSI 500 Index ETF Market-to-Market <sup>4</sup> (HKD Counter)	N.A.

Source: Harvest Global Investments Limited, Bloomberg.

<sup>1</sup> Past performance figures shown are not indicative of the future performance of the Sub-Fund.

<sup>2</sup> Price Index in RMB. An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.

<sup>3</sup> Unit's NAV in RMB or HKD. Units in the Sub-Fund are issued and redeemed at NAV and the Sub-Fund's returns have been calculated from NAV.

<sup>4</sup> Market closing price in RMB or HKD. Market returns are calculated using historical market closing prices of the Sub-Fund, and do not represent the returns you would receive if you trade units at other times.

Harvest CSI Smallcap 500 Index ETF has ceased trading since 21 November 2017. NAV calculation is currently suspended and will be updated as soon as practicable should there be any other change to the Net Asset Value including but not limited to changes arising from (i) the first distribution; (ii) further distributions; (iii) announcement of dividend of the suspended stocks (if any); and (iv) any deduction of transaction costs or taxes relating to the realisation of assets of the Sub-Fund.

**HARVEST CSI SMALLCAP 500 INDEX ETF  
(A SUB-FUND OF THE HARVEST FUNDS (HONG KONG) ETF)**

**REPORT OF THE MANAGER TO THE UNITHOLDERS (continued)**

**Market overview**

Global equity markets rebounded stably in 2019. MSCI World Index nearly came back to historical high at the end of 2019 Jun. The overall China A-share stock market rallied massively after a down market in 2018. In the first half of 2019, MSCI China A Onshore Index rose 28.5%, while Shanghai Composite Index and CSI 300 index was up 21.0% and 28.5% respectively. Meanwhile, small cap also recovered gradually. CSI 500 Index was up 19.9% and ChiNext Index was up 21.5%.

As of 2019 Jun, growth stocks significantly out-performed value and high dividend yield stocks within the large-mid cap category. Small cap remained weaker than large-mid cap. On the other hand, Consumer Discretionary largely out-performed other sectors, followed by Financials. Utilities was the worst sectors, followed by Energy. Furthermore, Renminbi was still under pressure of depreciation against US dollar. USDCNH and USDCNY were trading around 6.8 - 6.9 in recent time.

The China-US trade relationship has become one of the most important indicators of global economic growth driver. The market enjoyed an optimistic atmosphere after productive progress of the trade talk in Q1, which had subsequently reversed in Q2 and the trade negotiation needs to restart. China's GDP YoY growth in Q2 slowed down to 6.2%, the lowest figure since 1992, down from 6.4% in Q1. The Official Manufacturing PMI dropped to below 50 since May. Simultaneously, foreign participation on the A-share market, fuelled by MSCI and FTSE's A-share inclusion, has seen increase YTD. It is expected that Beijing will further ease policy to maintain and stabilize growth.

Looking into second half of 2019, geopolitical risk remained as a dominating factor in economic growth and investors' sentiment. While the market should be able to absorb certain degree of shock on the downside, investor is still recommended to be cautious on the development of the trade talk until there is solid progress in the negotiation, as we had mentioned previously. Short term risk-on and risk-off cycle may persist with tail risk on both up and down side driven by overreaction of the market. On the positive side, we expect the inflow from foreign investors will continue that can provide some supports to the A-share market. The stimulation policies may take effect to improve the economic outlook in coming months amid the high uncertainty of the intensified trade tension between China and U.S.

Harvest Global Investments Limited  
26 August 2019

**HARVEST CSI SMALLCAP 500 INDEX ETF**  
**(A SUB-FUND OF THE HARVEST FUNDS (HONG KONG) ETF)**

**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

As at 30 June 2019

	30 June 2019	31 December 2018 (Audited)
	<i>RMB</i>	<i>RMB</i>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Deposit reserve	56,000	56,000
Investments	-	2,648
Interest receivable	27	32
Management fee rebate receivable	7,893	-
Cash and cash equivalents	640,377	917,819
	<hr/>	<hr/>
<b>Total assets</b>	<b>704,297</b>	<b>976,499</b>
	-----	-----
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Amounts due to participating dealers	-	2,500
Advance from manager	-	646,933
Other accounts payable	612,930	237,758
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>612,930</b>	<b>887,191</b>
	<hr/>	<hr/>
<b>EQUITY</b>		
<b>Net assets attributable to unitholders</b>	<b>91,367</b>	<b>89,308</b>
	<hr/>	<hr/>
<b>Number of units in issue</b>	<b>500,000</b>	<b>500,000</b>
	<hr/>	<hr/>
<b>Net assets attributable to unitholders per unit</b>	<b>0.18</b>	<b>0.18</b>
	<hr/>	<hr/>

**HARVEST CSI SMALLCAP 500 INDEX ETF**  
**(A SUB-FUND OF THE HARVEST FUNDS (HONG KONG) ETF)**

**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

For the period from 1 January 2019 to 30 June 2019

	30 June 2019	30 June 2018
	<i>RMB</i>	<i>RMB</i>
<b>INCOME</b>		
Interest income	1,504	1,753
Management fee rebate	279,072	90,740
Net loss on investments	(2,352)	(15,825)
Net foreign exchange gain	527	1,368
Other income	2,426	-
	<hr/>	<hr/>
<b>Total net income</b>	281,177	78,036
	-----	-----
<b>EXPENSES</b>		
Trustee and registrar fees	(5,433)	(4,481)
Transaction costs on investments	-	(92)
Broker commission	-	(67)
Audit fee	(211,555)	-
Safe custody and bank charges	(156)	(156)
Other operating expenses	(61,928)	(86,103)
	<hr/>	<hr/>
<b>Total operating expenses</b>	(279,072)	(90,899)
	-----	-----
Operating income/(loss)	2,105	(12,863)
<b>TAXATION</b>		
- Taxation	(46)	(48)
	<hr/>	<hr/>
<b>Total comprehensive income/(loss) for the period</b>	2,059	(12,911)
	<hr/> <hr/>	<hr/> <hr/>

**HARVEST CSI SMALLCAP 500 INDEX ETF**  
**(A SUB-FUND OF THE HARVEST FUNDS (HONG KONG) ETF)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)**

For the period from 1 January 2019 to 30 June 2019

	30 June 2019 <i>RMB</i>	30 June 2018 <i>RMB</i>
<b>Net assets attributable to unitholders at the beginning of the period</b>	89,308	127,633
Distribution to unitholders	-	(25,000)
Total comprehensive income/(loss) for the period	2,059	(12,911)
	<hr/>	<hr/>
<b>Net assets attributable to unitholders at the end of the period</b>	91,367	89,722
	<hr/> <hr/>	<hr/> <hr/>
<b>Number of units in issue at the beginning of the period</b>	500,000	500,000
	<hr/>	<hr/>
<b>Number of units in issue at the end of the period</b>	500,000	500,000
	<hr/> <hr/>	<hr/> <hr/>



**HARVEST CSI SMALLCAP 500 INDEX ETF**  
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**STATEMENT OF CASH FLOWS (UNAUDITED)**

For the period from 1 January 2019 to 30 June 2019

	30 June 2019	30 June 2018
	<i>RMB</i>	<i>RMB</i>
<b>OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	296	84,899
Interest received	1,509	1,763
Management fee refund	(375,754)	335,608
Trustee and registrar fees paid	(5,433)	(4,481)
Transaction costs paid	-	(92)
Broker commission paid	-	(67)
Taxation paid	(46)	(48)
Other expenses paid	(74)	-
Other operating expenses refund	102,060	416,154
	<hr/>	<hr/>
<b>Net cash (used in)/generated from operating activities</b>	<b>(277,442)</b>	<b>833,736</b>
	-----	-----
<b>FINANCING ACTIVITIES</b>		
Distribution paid	-	(25,000)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(25,000)</b>
	-----	-----
(Decrease)/increase in cash and cash equivalents	(277,442)	808,736
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the period	917,819	152,494
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	640,377	961,230
	<hr/> <hr/>	<hr/> <hr/>
<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances	640,377	961,230
	<hr/> <hr/>	<hr/> <hr/>

**HARVEST CSI SMALLCAP 500 INDEX ETF**  
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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)**

*For the period ended 30 June 2019*

	<b>Holdings</b>				<b>30 June 2019</b>
	<b>1 January 2019</b>	<b>Additions</b>	<b>Corporate action</b>	<b>Disposals</b>	
<b>Investments</b>					
<b>Listed equities</b>					
CHENGDU HUAZE COBALT & NICKEL MATERIALS CO LTD A SHRS ORD CNY1	800	-	-	(800)	-

**HARVEST CSI SMALLCAP 500 INDEX ETF**  
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**PERFORMANCE RECORD (Unaudited)**

**Net Asset Values**

	Net asset value of the Sub-Fund <i>RMB</i>	Net asset value per unit <i>RMB</i>
At the end of financial period dated		
30 June 2019	91,367	0.18
31 December 2018	89,308	0.18
31 December 2017	127,633	0.26

**Highest and Lowest Net Asset Value Per Unit**

	Highest net asset value per unit <i>RMB</i>	Lowest net asset value per unit <i>RMB</i>
Financial period ended		
30 June 2019	0.18	0.17
31 December 2018	0.25	0.18
31 December 2017	5.49	4.71
31 December 2016	6.03	4.27
31 December 2015 (Since inception)	10.27	4.84

**HARVEST CSI SMALLCAP 500 INDEX ETF**  
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**UNDERLYING INDEX CONSTITUENT STOCKS DISCLOSURE (Unaudited)**

*As at 30 June 2019*

Upon the approval of The Securities and Futures Commission, Harvest CSI Smallcap 500 Index ETF suspended trading on the Stock Exchange of Hong Kong since 21 November 2017 in contemplation of the proposed termination of the Sub-Fund. The Sub-Fund did not hold any constituent stock except individual stock(s) that was/were suspended from trading on the Shanghai Stock Exchange or the Shenzhen Stock Exchange as at 30 June 2019 and 31 December 2018.

**HARVEST CSI SMALLCAP 500 INDEX ETF**  
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**REPORT ON INVESTMENT OVERWEIGHT (Unaudited)**

*For the period from 1 January 2019 to 30 June 2019*

Pursuant to the SFC's Guidelines for Regulating Index Tracking Exchange Trade Funds (the "ETF Guidelines"), the Sub-Funds' 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 their respective underlying index and the excess is only transitional and temporary in nature.

Upon the approval of The Securities and Futures Commission, Harvest CSI Smallcap 500 Index ETF suspended trading on the Stock Exchange of Hong Kong since 21 November 2017 in contemplation of the proposed termination of the Sub-Fund. For the period from 1 January 2019 to 30 June 2019, the Sub-Fund did not hold any constituent stock except individual stocks that were suspended from trading on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. The above mentioned requirement in the ETF Guidelines was not applicable to the Sub-Fund.

**HARVEST CSI SMALLCAP 500 INDEX ETF**  
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**MANAGEMENT AND ADMINISTRATION**

**Manager and RQFII Holder**

Harvest Global Investments Limited  
31/F, One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

**Trustee and Registrar**

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

**Investment Adviser**

Harvest Fund Management Co., Ltd.  
16/F, China Resources Building  
No. 8, Jianguomen, Beidajie  
Beijing 100005  
China

**Custodian**

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

**PRC Custodian**

HSBC Bank (China) Company Limited  
33/F, HSBC Building  
Shanghai ifc, 8 Century Avenue,  
Pudong, Shanghai 200120, China

**Service Agent**

HK Conversion Agency Services Limited  
2/F, Infinitus Plaza  
199 Des Voeux Road Central  
Hong Kong

**Listing Agent**

Altus Capital Limited  
21 Wing Wo Street  
Central  
Hong Kong

**Directors of the Manager**

ZHAO Xuejun  
WANG Wei  
JING Lei  
SUN Chen  
KWAN Chi Wang  
LU Lingfei  
TENG Gang (Appointed on 9 April 2019)  
LI Ming (Resigned on 9 April 2019)

**Legal Adviser to the Manager**

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

**Auditors**

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

**Participating Dealers**

China International Capital Corporation  
Hong Kong Securities Limited  
29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

Deutsche Securities Asia Limited  
51/F, International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong

Goldman Sachs (Asia) Securities Limited  
68/F, Cheung Kong Center  
2 Queen's Road Central  
Hong Kong

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