



S O U R C E

Source CSOP Markets plc

Interim report and unaudited
financial statements

For the financial period ended 30 June 2018

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Organisation

Interim Report and Unaudited Financial Statements 2018

Registered Office of the Company

32 Molesworth Street
Dublin 2
Ireland

Manager

Invesco Investment Management
Limited***
32 Molesworth Street
Dublin 2
Ireland

Administrator

HSBC Securities Services (Ireland) DAC
1 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and
Registered Auditor
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Directors of the Company

Mike Kirby (Irish)*
Feargal Dempsey (Irish)**
Helen Lingli Zhou (Hong Kong)*
Choe Yong Ng (Hong Kong)

Investment Manager

CSOP Asset Management Limited
Suite 2802, Two Exchange Square
Connaught Place
Central
Hong Kong

* Non-executive Directors

** Independent non-executive Directors

*** Name change effective from 25 May 2018. Prior
to 25 May 2018 Investment Manager name was
Source Investment Management Limited.

**** Located at 9th Floor, 110 Cannon Street London
EC4N 6EU, United Kingdom, prior to 23 March 2018.

Secretary

MFD Secretaries Limited
32 Molesworth Street
Dublin 2
Ireland

Promoter****

Invesco UK Services Limited
Perpetual Park,
Perpetual Park Drive,
Henley-on-Thames,
Oxfordshire, RG9 1 HH,
United Kingdom

Legal Advisor (Ireland)

Maples and Calder
75 St. Stephen's Green
Dublin 2
Ireland

Hong Kong/PRC Legal Advisors to the Promoter and the Company in Relation to RQFII and Depositary

Clifford Chance, Hong Kong
28th Floor Jardine House
One Connaught Place
Hong Kong

Depositary

HSBC Institutional Trust Services
(Ireland) DAC
1 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

Registrar

Capita Registrars
24 Beckenham Road
Beckenham
Kent, BR3 4TU
United Kingdom

Authorised Participants

Bank of America
Merrill Lynch International Limited
Merrill Lynch Financial Centre
2 King Edward Street
London, EC1A 1HQ
United Kingdom

J.P. Morgan Securities Limited
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

UBS AG
5 Broadgate
London, EC2M 2QS
United Kingdom

Registered no. of Company: 536094

General Information

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Description

Source CSOP Markets Public Limited Company (the "Company") is an open-ended variable capital company with segregated liability between the sub-funds of the Company ("Fund"). The Company was incorporated on 29 November 2013. It is organised under the laws of Ireland as a public limited company pursuant to the Companies Act 2014 and as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as amended) (the "Central Bank UCITS Regulations").

The Company is structured as an umbrella investment company, and comprises separate Funds which may be established from time to time by the Directors with the prior approval of the Central Bank of Ireland (the "Central Bank").

A Fund is defined as a separate portfolio of assets which is invested in accordance with the investment objective and policies set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such portfolio shall be applied and charged.

The particulars of each Fund are set out in a separate Supplement. Redeemable Shares or Shares (these terms are used interchangeably throughout the financial statements) of more than one Class may be issued in relation to each Fund. Information contained within the Supplement is selective and should be read in conjunction with the Prospectus. On the introduction of any new Class of Shares, the Company prepares and the Directors will issue documentation setting out the relevant details of each such Class of Shares. Investments are made in accordance with the investment objective applicable to each Fund.

CSOP Source FTSE China A50 UCITS ETF is in existence as at 30 June 2018.

CSOP Source Citi Chinese 1-3 Year Government Bond UCITS ETF was authorised by the Central Bank of Ireland on 11 December 2014. However, this Fund was not launched as at 30 June 2018.

Except where otherwise stated or the context requires, capitalised terms have the meaning given to them in the Prospectus of the Company dated 25 May 2018.

Investment objective and policy

The investment objective of CSOP Source FTSE China A50 UCITS ETF is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Reference Index, namely, FTSE China A All Cap Free Index (the "Reference Index").

The Reference Index is a free float-adjusted market capitalisation weighted index compiled and published by FTSE Russell. The Investment Manager is independent of the FTSE International Limited, being the "Index Provider". The Reference Index is a real-time, tradable index comprising Index Securities being China A-Shares issued by the largest 50 companies by full market capitalisation of the FTSE China A All Cap Free Index. The Reference Index is a subset of the FTSE China A Free Index Series. The Reference Index is a price return index which means that it does not include the reinvestment of dividends from the Index Securities that are net of withholding tax. The Reference Index is denominated and quoted in RMB.

There is no assurance that the Fund will achieve its investment objective.

In order to achieve the investment objective, the Investment Manager will normally use a replication strategy by investing directly in Index Securities which constitute the Reference Index in substantially the same weightings (i.e. proportions) as such Index Securities have in the Reference Index.

The Fund will not invest in derivatives instruments (including structured deposits, products or instruments) for investment or hedging purposes. Furthermore, the Fund itself will not be leveraged for investment, efficient portfolio management or hedging purposes and will therefore not be subject to any shortfall risk.

The Fund will invest on a long-only basis.

This Fund is an Exchange Traded Fund ("ETF").

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Investment objective and policy (continued)

The Shares of this Fund are fully transferable among investors and will be listed and/or traded on the relevant exchange.

The investment objective of the Fund may not be altered, and material changes to the investment policy of the Fund may not be made, without prior approval of Shareholders on the basis of (i) a majority of votes cast at a meeting of the Shareholders of the Fund duly convened and held or (ii) with the prior written approval of all Shareholders of the Fund. In the event of a change of the investment objective and/or a material change in the investment policy of the Fund, Shareholders in the Fund will be given reasonable notice of such change to enable them to redeem their Shares prior to implementation of such a change.

As at 30 June 2018, the Company had one active Fund:

	Launch date	Functional currency
CSOP Source FTSE China A50 UCITS ETF	07/01/2014	RMB

As at 30 June 2018, the listing details of the Fund are:

	Listing
CSOP Source FTSE China A50 UCITS ETF	London Stock Exchange*
	Euronext Dublin
	SIX Swiss Exchange*
	Deutsche Börse (Xetra)*
	Borsa Italiana*

*Fund is admitted to trading on the exchange.

Investment Manager's Report

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Fund review

The CSOP Source FTSE China A50 UCITS ETF aims to provide investment results that, before deduction of fees and expenses (and taking into account any dividends received by the Fund in respect of the Index Securities), closely corresponds to the performance of the Reference Index, namely, FTSE China A All Cap Free Index.

Benchmark index

Fund name	Functional currency	Benchmark index
CSOP Source FTSE China A50 UCITS ETF	RMB	FTSE China A All Cap Free Index

The performance of the Fund from launch date to 30 June 2018:

Fund name	Currency	Launch date	Total net asset value per 30/06/18	Net asset value per share 30/06/18	Return since launch (%) Fund	Tracking difference since launch		Tracking difference since 31/12/2017		Realised Tracking Error p.a. since 31/12/2017 (%) Index	Expected Tracking Error p.a. since 31/12/2017 (%) Index
						(%) Index	(%) Fund	(%) Index	(%) Index		
CSOP Source FTSE China A50 UCITS ETF	RMB	07/01/14	123,206,844	130.38	85.39%	15.20%	(11.76%)	0.45%	0.73%	2.00%	

Realised tracking error and realised tracking difference are in-line with what was expected. The tracking difference between the Fund and the benchmark index is mainly driven by management fees and dividend.

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Fund review (continued)

1) A-Share Market Update

China's stock market was on roller coaster ride in the first half of 2018. The A-share market kicked off the year with euphoria as all major indices rallied for the first month. The party was soon crashed by the forced liquidation by trust firms and February recorded the worst monthly performance since the beginning of 2016. The weak sentiment continued into the rest months, when the US-China trade disputes clouded both countries' stock markets. To make things worse, global investors realized the rate normalization may arrive sooner than expected, thanks to the stronger US economy recovery. They chose to take profit and wait in sideline.

The upbeat sentiment for A-share stocks at beginning of the quarter was partially due to the encouraging macro data. Investors were heartened by the Caixin December manufacturing PMI of 51.5, indicating the seventh consecutive month of expansion. Meanwhile inflation pressure was slightly relieved as CPI rose 1.8% YoY, compared to the previous consensus of 1.9%. Market players expected the deleveraging process to continue for the rest of the year. China's Money Supply M2 grew only 8.2% YoY, recording the lowest figure among all available historical records since 1996.

China's booming consumption sector continued to show a promising future. A local romantic comedy beat out the latest installment of the Star Wars franchise in China's box office. The Last Jedi, which recorded RMB 267 million for first 29 days, was eclipsed by the Ex-Files 3: The Return of the Exes, according to Maoyan Movie.

The locally produced, low-budget romantic comedy grossed more than seven times as much as the American blockbuster during the same period. The surprising result represents a shift in consumption power of younger Chinese, who are opting for domestic movies over foreign films. Overall, China's box office grew by a whopping 22.9% from 2016 to 2017.

Then, the retiring Federal Reserve Chairwoman Janet Yellen showed up to stop the music. Her remarks on "high" valuation of the US stock market woke up some investors. Volatility jumped across the asset classes and the yield of the 10-year treasury approached 3 percent. Some bearish onlookers even expected the yield on 10-year treasury to hit 4 percent by the end of 2018. China's equity market was no survivor either as FTSE China A50 Index and CSI 300 Index dropped 12% and 10% for the four-day period from Feb 6 to Feb 9.

Risky assets continued to be sold off in March and June as investors worried the US-China trade disputes may trigger a large-scale trade war. However we think the possibility of a trade war in the near future is extremely low. Both China and the United States knew that the trade war would only result in a lose-lose situation in the end. Therefore, as long as both sides could strike a deal to reduce the U.S. trade deficit, a trade war was not necessary. It was evidenced by a report by the Wall Street Journal in March. The U.S. was reported to have submitted a "wish list", which required China to reduce import tariffs on US-manufactured goods and to further open up its capital market. The Chinese government responded in a positive way too. Premier Li Keqiang had asserted that the two countries could resolve disputes through negotiation, and had reiterated that China would come up with a solution to open its market for American corporations.

As a result, U.S. Secretary of Treasury was reported to hold a cautiously optimistic view and to believe that the two countries could reach a trade agreement to avoid punitive tariffs.

Last but not least, after four-year public consultation, MSCI finally included first batch of 226 Chinese onshore stocks into its MSCI Emerging Market Index at the end of June. The second-phase rebalancing process will be implemented September of 2018 with inclusion factor of another 2.5%. Upon full inclusion, China's weight in the MSCI Emerging Market Index would increase to 40.8% from the current 28%. According to MSCI, USD 400 billion is expected to flow in the A-share market in the next decade as a result of the inclusion.

CSOP Asset Management Limited
Date: 15 August 2018

Financial Statements of the Company

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Statement of comprehensive income	CSOP Source FTSE China A50 UCITS ETF		
	Notes	Financial Period ended 30 June 2018* RMB	Financial Period ended 30 June 2017* RMB
For the six months ended 30 June 2018			
Income			
Interest income	1(K)	4,179	3,328
Dividend income	1(L),15	1,607,268	956,343
Net (loss)/gain on financial assets at fair value through profit or loss	3	(16,385,948)	14,157,281
Other income	1(N),4	22,558	458,143
Total investment (expense)/income		(14,751,943)	15,575,095
Expenses			
Operating expenses	1(M),5	(785,769)	(923,549)
(Loss)/profit for the financial period before tax		(15,537,712)	14,651,546
Non reclaimable withholding tax	11	(161,371)	(95,634)
(Loss)/profit for the financial period		(15,699,083)	14,555,912
(Decrease)/increase in Net Assets Attributable to Holders of Redeemable Shares		(15,699,083)	14,555,912

*The amounts shown also represent Company total amounts.

There are no recognised gains or losses arising in the financial period other than the (decrease)/increase in Net Assets Attributable to Holders of Redeemable Shares of the Company. In arriving at the results of the financial period, all amounts above relate to continuing operations.

The accompanying notes on pages 9 to 20 form an integral part of the Financial Statements.

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Statement of financial position		CSOP Source FTSE China A50 UCITS ETF	
As at 30 June 2018	Notes	As at 30 June 2018* RMB	As at 31 December 2017* RMB
Current Assets			
Assets at fair value through profit or loss			
Financial assets at fair value through profit or loss	1(C), 2(G)	122,459,416	141,795,732
Loans and receivables			
Cash and cash equivalents	1(F),7	908,543	5,005,713
Clearing reserve	7	42,000	42,000
Debtors	8	122,292	-
Total Current Assets		123,532,251	146,843,445
Current Liabilities			
Other financial liabilities			
Creditors (amounts falling due within one year)	9	(325,407)	(418,105)
Total Current Liabilities (excluding Net Assets Attributable to Holders of Redeemable Shares)		(325,407)	(418,105)
Net Assets Attributable to Holders of Redeemable Shares		123,206,844	146,425,340

*The amounts shown also represent Company total amounts.

The accompanying notes on pages 9 to 20 form an integral part of the Financial Statements.

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Statement of changes in net assets attributable to holders of redeemable shares

CSOP Source FTSE China A50 UCITS ETF

For the six months ended 30 June 2018

	Financial Period ended 30 June 2018* RMB	Financial Period ended 30 June 2017* RMB
Net Assets Attributable to Holders of Redeemable Shares at the beginning of the financial period	146,425,340	128,475,120
(Decrease)/increase in Net Assets Attributable to Holders of Redeemable Shares	(15,699,083)	14,555,912
Proceeds from redeemable participating shares issued	-	61,661,920
Redemption of redeemable participating shares	(7,519,413)	(111,606,333)
Net Assets Attributable to Holders of Redeemable Shares	123,206,844	93,086,619

Statement of cash flows

For the six months ended 30 June 2018

	Notes	Financial Period ended 30 June 2018* RMB	Financial Period ended 30 June 2017* RMB
Cash flows from operating activities			
Proceeds from sale of investments		21,950,320	119,324,129
Purchase of investments		(18,999,952)	(69,420,828)
Dividend income received	1 (L)	1,484,976	896,260
Interest income received	1 (K)	4,179	3,328
Other income received		22,558	458,143
Operating expenses paid		(890,696)	(615,113)
Non reclaimable withholding tax paid		(149,142)	(89,626)
Net cash inflow from operating activities		3,422,243	50,556,293
Cash flows from financing activities			
Proceeds from issue of Redeemable Shares		-	61,661,920
Payments of redemptions of Redeemable Shares		(7,519,413)	(111,606,333)
Net cash outflow from financing activities		(7,519,413)	(49,944,413)
Net (decrease)/increase in cash and cash equivalents		(4,097,170)	611,880
Cash and cash equivalents at beginning of the financial period		5,005,713	982,083
Cash and cash equivalents at the end of the financial period	7	908,543	1,593,963

*The amounts shown also represent Company total amounts.

The accompanying notes on pages 9 to 20 form an integral part of the Financial Statements.

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Notes to the financial statements

1. Significant accounting policies

A) (i) Basis of Preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations endorsed by the European Union (EU) and to the UCITS Regulations. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities held at fair value through profit or loss. The significant accounting policies are set out below.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting financial period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Notes 1(C) (iii) and 1(D).

The accounting policies are consistent with the prior financial period and comparative information has been included in accordance with IFRS.

(ii) New Accounting Pronouncements effective from 1 January 2018

IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the Financial Instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual financial years beginning on or after 1 January 2018. Retrospective application is required but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The Company adopted IFRS 9 Financial Instruments on its effective date of 1 January 2018. The adoption of IFRS 9 does not have a material effect on the classification and measurement of the Company's financial assets or financial liabilities.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual financial years beginning on or after 1 January 2018. The Company adopted this amendment and the measurement and classification requirements did not have a significant impact on Company's financial statements.

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1. Significant accounting policies (continued)

B) Foreign currency translation

Functional and presentation currency

The Board of Directors considers the Chinese Renminbi ("RMB") as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

The Financial Statements of the Company are presented in RMB, which is both the functional and presentation currency.

The average exchange rate used to convert other expenses incurred in EUR to RMB was 7.6952 (30 June 2017: RMB 7.5027). Exchange gains and losses arising from these transactions are included in net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

C) Financial assets at fair value through profit or loss

(i) Classification

IFRS 9 sets out the requirements for recognition and measurement of all financial assets. The Company has classified all financial instruments as financial assets or financial liabilities at fair value through profit or loss on adoption of IFRS 9.

- (a) The Company classifies its investments based on both the Company's 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 Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

As such, the Company classifies all of its investment portfolio as financial assets or liabilities as fair value through profit or loss.

(ii) Recognition, derecognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date. Any gains and losses, arising from changes in fair value of the financial assets are recorded from this date. Transaction costs are expensed as incurred in the statement of comprehensive income

The Company recognises financial assets on the date it becomes a party to the contractual provisions of the instrument, and all significant rights and access to the benefits from the assets or liabilities, and the exposure to the risks inherent in those benefits, are transferred to the Company. The Company derecognises financial assets when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. The Company uses the First in - first out method to determine the realised gains and losses on derecognition.

Subsequent to initial recognition, all assets within the scope of IFRS 9 are measured at:

- (a) amortised cost
- (b) fair value through other comprehensive income (FVTOCI); or
- (c) fair value through profit or loss (FVTPL).

The FVTOCI classification is mandatory for certain debt instrument assets unless the option to FVTPL ('the fair value option') is taken. Whilst for equity investments, the FVTOCI classification is an election. The requirements for reclassifying gains or losses recognised in other comprehensive income (OCI) are different for debt and equity investments.

Investments in equity instruments designated at FVTOCI where only dividend income is recognised in profit or loss with all other gains and losses recognised in OCI and there is no reclassification on derecognition.

(iii) Impairment

IFRS 9 eliminates impairment assessment requirements for investments in equity instruments because they now can only be measured at FVPL or FVOCI without recycling of fair value changes to profit and loss.

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1. Significant accounting policies (continued)

D) Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined under Note 1(E) to 1(O).

All of the Fund's financial assets and financial liabilities are held for the purpose of being traded and designated at fair value through profit or loss.

E) Fees and expenses

In accordance with the Prospectus the management fees are charged to the Statement of Comprehensive Income on an accruals basis. Other than the management fees, administration fees and trustee fees, all other fees and expenses incurred by the Fund including those payable to the Investment Manager, the Auditor and the Directors are paid by the Manager.

F) Cash and cash equivalents

Cash balances represent residual cash subsequent to trading. As at 30 June 2018, cash in the Fund was held on deposit with an affiliate of the Depository, HSBC Bank plc; details of which are disclosed in the Cash and Cash Equivalents note of the Financial Statements.

G) Redeemable Shares

Redeemable Shares are redeemable at the Shareholders option and are classified as financial liabilities. Any distributions on these shares are recognised in the Statement of Comprehensive Income as finance costs.

H) Fair value of net assets attributable to redeemable shareholders

In accordance with the provisions of the Prospectus and Supplement, listed investments are stated at the mid market price on the valuation day for the purpose of determining the net asset value per share for subscriptions and redemptions and for various fee calculations.

I) Valuation point

The valuation used for the purposes of the Financial Statements is that of 30 June 2018, the last Business Day of the financial period.

J) Distributions

There are no dividend entitlements for the shares of the Fund.

K) Interest income

Interest income is income related to cash and cash equivalents. This is reflected as income to the Fund on an accruals basis, in line with the contractual terms.

L) Dividend income

In the financial period ended 30 June 2018, dividend income was received by the Fund from certain underlying holdings of the Fund. This is reflected as income to the Fund on an accruals basis, in line with the contractual terms.

Details of the current financial period's dividend income are disclosed in the Fund's Financial Statements.

M) Transaction costs

Transaction costs are costs incurred to acquire financial assets at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers or dealers. Transaction costs, when incurred, are included in operating expenses in the Statement of Comprehensive Income. Transaction costs incurred during the financial period are detailed in Note 5.

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1. Significant accounting policies (continued)

N) Subscriptions and Redemptions fee income

Subscriptions and Redemptions fee are incurred on each Share by Shareholders (which accordingly will not be incurred by the Company on behalf of the Fund and will not affect the Net Asset Value of the Fund). The Subscription charge is deducted from the investment amount received from an investor for subscription for Shares. Similarly, a Redemption charge is charged to a redeeming investor. Subscriptions and redemptions fees are included in other income in the Statement of Comprehensive Income. Subscriptions and redemptions fees charged to the investors during the financial period are detailed in Note 4.

O) Provision for capital gains tax exposure on China A-Shares

The Fund has exposure to China RQFII (Renminbi Qualified Foreign Institutional Investor) A-Shares listed on the stock exchanges in the PRC, under the RQFII programme. On 17 November 2014, a provision had been set aside for potential direct or indirect Capital Gains Tax liabilities derived from China RQFII A-Shares, payable to the issuers of the China A-Shares, in accordance with terms and conditions set out in the agreement between the Fund and the issuers of the China A-Shares.

On 14 November 2014 Circular No. 79 was released by the Chinese Authorities amending the tax treatment of Capital Gains derived on Chinese A-Shares held by RQFIIs/QFIIs. Accordingly capital gains realised from the sale of A-shares on or after 17 November 2014 were temporarily exempted from China's 10% Capital Gains Tax ("CGT"). Any accruals made for unrealised gains as at 17 November 2014 have been reversed in the financial statements. There was no Capital Gains Tax which relates to the financial period pre 17 November 2014 payable at the financial period end (31 December 2017: nil).

2. Financial risks

As defined by IFRS7 'Financial Instruments: Disclosures', risk arising on financial instruments can be separated into the following components: Market Risk, Credit Risk and Liquidity Risk.

Each type of risk is discussed below and both qualitative and quantitative analyses are provided, where relevant, to give the reader an understanding of risk management methods used by the Investment Manager and reviewed by the Directors of the Company.

The main risks arising from the Fund's financial instruments are Market Risk, Credit Risk and Liquidity Risk.

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise any discrepancy between the performance of the Fund and the performance of the FTSE China A All Cap Free Index benchmark.

The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Company are discussed on pages 12 to 16.

A) General

The risk monitoring process is the responsibility of the Company which has delegated this responsibility to the Manager and the Investment Manager.

The Company's investment objective is that the Fund will seek to provide Shareholders with a target performance linked to the performance of the FTSE China A All Cap Free Index purchasing a portfolio of transferable securities that may (but is not obliged to) comprise all or a representative sample of the constituent securities of the FTSE China A All Cap Free Index.

The Investment Manager is responsible for the operation of the risk management process, including the measurement of risk of the Fund portfolio at any given time.

The Fund is managed by a portfolio manager.

The portfolio manager is supported by a trade order management system ("TOMS"), which is designed to manage the implementation of the portfolio manager's strategy and assist in the process of managing the Fund.

These systems generate exception reports highlighting any inconsistency between the Fund's investment objectives and restrictions, and the Fund's portfolios.

The risk management team is a unit of the Investment Manager and is independent of the portfolio managers. It is responsible for the day to day risk monitoring process in respect of the Investment Manager's duties. Global exposure, position and counterparty exposure are monitored by the risk management team. The risk management process is supported by the Investment Manager's internal systems which are designed to assess the Fund's risk and exposures on a daily basis.

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2. Financial risks (continued)

A) General (continued)

The Investment Manager will report in writing confirming compliance with the guidelines laid down in the Risk Management Policy document and the Prospectus, at least monthly to the named Designated Person, and will report to the Board of Directors at least quarterly.

B) Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. Market risk comprises the three following types of risk:

- interest rate risk,
- currency risk, and
- other price risk

Being a passive index strategy, the Investment Manager aims to verify and ensure that the individual market risks to which the Fund is exposed are in line with the risks of the relevant reference index.

(i) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and the future cash flows.

The Fund's financial assets other than cash are non-interest bearing, and consequently the Fund's exposure to interest rate risk is minimal.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

As at 30 June 2018 all assets and liabilities held by the Fund are in RMB and therefore not exposed to any foreign currency risk. However, since the Fund is denominated in RMB, non RMB based investors are exposed to fluctuation in the RMB exchange rate against their base currencies and may incur substantial capital loss due to foreign exchange risk. There is no assurance that RMB will not be subject to deviation. In which case, the value of their investments will be adversely affected.

The Fund, in line with the securities comprising their underlying indices, is exposed to the currency risk of the respective reference index. The Investment Manager monitors the Fund's currency risk to ensure that it replicates that of the securities comprising the underlying index (FTSE China A All Cap Free Index).

(iii) Other price risk

Other price risk is the risk that the value of investments will fluctuate as a result of changes in market price (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or similar financial instruments traded in the market. For the Fund this risk is in line with the risk of the reference index.

(iii) (a) Other price risk – sensitivity analysis

The sensitivity analysis for the Fund assumes a change in the market price of the investments while holding all other variables constant. In practice this is unlikely to occur and changes in some of the variables may be correlated.

In addition, as the sensitivity analysis uses historical data as a basis for determining future events, it does not encompass all possible scenarios, particularly those that are of an extreme nature. The reasonably possible decrease in the benchmark index is based on the movement over the financial period ended 30 June 2018. These movements may be different from the long term volatility of the index.

As detailed in the following tables, the decrease in the index (FTSE China A All Cap Free Index) at 30 June 2018, with all other variables held constant, would have resulted in an estimated decrease in the net assets attributable to holders of redeemable participating shares as follows:

Number of index units as of 30 June 2018	Index close at 30 June 2018	Index close assuming a 1% downward movement	Monetary impact of a 1% downward movement of the index RMB
123,206,844	11,585.03	11,469.18	1,227,140.17

Number of index units as of 31 December 2017	Index close at 31 December 2017	Index close assuming a 1% downward movement	Monetary impact of a 1% downward movement of the index RMB
146,425,340	13,195.72	13,063.76	1,458,396.39

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2. Financial risks (continued)

B) Market risk (continued)

iii) Other price risk (continued)

(iii) (a) Other price risk – sensitivity analysis (continued)

If the Benchmark Index, at 30 June 2018, had increased by 1% with all other variables held constant, this would have increased net assets attributable to holders of redeemable shares of the Fund by approximately RMB 1,227,140.17 (31 December 2017: RMB 1,458,396.39).

Based on historic movements and volatilities in these market variables, and management's knowledge and experience of the financial markets, it was determined that the movement listed above are reasonably possible over the financial period.

C) Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Depositary on behalf of the Fund took physical receipt of the cash and securities. The cash and securities are held by the Depositary on behalf of the Fund and the credit risk exposure of the Fund is therefore considered minimal as all securities deposited with the Depositary will be clearly identified as being assets of the Fund.

The Company's Depositary is HSBC Institutional Trust Services (Ireland) DAC (the "Depositary"). HSBC Bank plc holds the cash balances of the Company on behalf of the Depositary.

All of the cash assets of the Fund held by the Depositary are placed on deposit with an affiliate of the Depositary, HSBC Bank plc. Cash deposited with the Depositary is held on its Statement of Financial Position.

In accordance with usual banking practice, the Depositary's liability to the Company in respect of such cash deposits shall be that of debtor and the Company will rank as a general creditor of the Depositary.

The financial assets are held with the Depositary. These assets are held distinct and separately from the proprietary assets of the Depositary. Securities are clearly recorded to ensure they are held on behalf of the Company. Bankruptcy or insolvency of the Depositary and or one of its agents or affiliates may cause the Company's rights with respect to the securities held by the Depositary to be delayed.

HSBC Institutional Trust Services (Ireland) DAC is a wholly owned subsidiary of HSBC Holdings Plc. As at 30 June 2018 HSBC Holdings Plc had a long term rating from Standard & Poor of A (31 December 2017: A).

Risk is managed by monitoring the credit quality and financial positions of the Depositary the Company uses.

As already mentioned, the Company's non-cash assets held by the Depositary are segregated from the proprietary assets of the Depositary and are held in accounts in the name of the Depositary designated for the Company.

The Company is exposed to credit risk through the use of a Depositary, Sub-Depositary or Third Party bank. The bankruptcy or insolvency of any of these parties may cause the Company's rights with respect to its assets held by these entities to be delayed or limited.

D) Liquidity risk

Liquidity risk is the risk that a Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Liquidity is managed by investing predominantly in UCITS eligible listed securities that are traded in an active market and can be readily disposed. The Company has therefore limited exposure to liquidity risk.

Redeemable Shares are redeemed on demand at the holder's option.

The tables overleaf analyse the Fund's financial liabilities into relevant maturity groupings based on the remaining financial period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant. All amounts are stated in RMB.

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2. Financial risks (continued)

D) Liquidity risk (continued)

As at 30 June 2018	Less than 7 days RMB	7 days to 1 month RMB	1 – 3 months RMB	More than 3 months RMB	Total RMB
Creditors	-	325,407	-	-	325,407
Net assets attributable to holders of Redeemable Shares	123,206,844	-	-	-	123,206,844
Total financial liabilities	123,206,844	325,407	-	-	123,532,251

As at 31 December 2017	Less than 7 days RMB	7 days to 1 month RMB	1 – 3 months RMB	More than 3 months RMB	Total RMB
Creditors	-	418,105	-	-	418,105
Net assets attributable to holders of Redeemable Shares	146,425,340	-	-	-	146,425,340
Total financial liabilities	146,425,340	418,105	-	-	146,843,445

E) Secondary market trading risk

Even though the Shares may be listed on one or more relevant stock exchanges, there can be no certainty that there will be liquidity in the Shares on any relevant stock exchange or that the market price at which the Shares may be traded on a relevant stock exchange will be the same as or approximately equal to the Net Asset Value per Share.

As the Shares may be dealt in by means of subscription and redemption, the Directors consider that large discounts or premiums in the Net Asset Value of a Fund would not be sustainable. There can be no guarantee that once the Shares are listed on a relevant stock exchange they will remain listed or that the conditions of listing will not change.

Trading in Shares on a relevant stock exchange may be halted or suspended due to market conditions or for the reason that, in the relevant stock exchange's view, trading in the Shares is inadvisable, or otherwise pursuant to the relevant stock exchange's rules. If trading on a relevant stock exchange is halted, investors may not be able to sell their Shares until trading resumes however such investors should be able to apply to the Company to redeem Shares in accordance with the provisions set out in the Prospectus.

F) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable shares. The amount of net assets attributable to holders of redeemable shares can change significantly on a daily basis as the Fund is subject to subscriptions and redemptions at the discretion of the Shareholders.

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

G) Fair value information

IFRS 13 Fair Value Measurement requires disclosure relating to the fair value hierarchy in which fair value measurements are categorised for assets and liabilities in the Statement of Financial Position. The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

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2. Financial risks (continued)

G) Fair value information (continued)

The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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 judgement, considering factors specific to the asset or liability.

The Fund considers 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 fair value of financial assets and liabilities traded in an active market (such as trading securities) are based on mid-market prices at the close of trading on the financial period end date. The quoted market price used for financial assets held by the Fund is the closing mid-market price.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

In the event that market quotes are not readily available for either of these inputs the value of the relevant input will be determined in good faith by the Administrator or another independent service provider, generally based upon recommendations provided by the Investment Manager.

The carrying values of other receivables and payables approximates their fair value.

The table below analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value. All amounts are stated in RMB.

As at 30 June 2018	Level 1	Level 2	Level 3
Assets			
Financial assets held for trading:			
- Equity securities	122,459,416	-	-
Total assets	122,459,416	-	-

As at 31 December 2017	Level 1	Level 2	Level 3
Assets			
Financial assets held for trading:			
- Equity securities	141,795,732	-	-
Total assets	141,795,732	-	-

There were no level 3 investments held by the Company at the financial period ended 30 June 2018.

Investments, whose values are based on quoted market prices in active markets and therefore classified within Level 1, include active listed equities. The Fund does not adjust the quoted price for these instruments.

The Schedule of investments shows the equities split by level, country of origin and industry group. All equities are classified as Level 1.

3. Net (Losses)/gains on financial assets at fair value through profit or loss

	Financial period ended 30 June 2018 RMB	Financial year ended 31 December 2017 RMB
Realised gains on sale of investments	2,556,663	16,416,780
Unrealised appreciation/ (depreciation) on investments	(18,942,611)	17,655,766
	(16,385,948)	34,072,546

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4. Other income

	Financial period ended 30 June 2018 RMB	Financial period ended 30 June 2017 RMB
Subscriptions and redemptions fee income	22,558	458,143
	22,558	458,143

Subscription and redemption fees will be incurred on each share by shareholders and will not be incurred by the Company on behalf of the Fund and will not affect the Net Asset Value of the Fund. The total subscription charge and primary market transaction charge charged to a subscribing investor will not exceed 5% and the total redemption charge and primary market transaction charge charged to a redeeming investor will not exceed 3%.

5. Operating expenses

	Financial period ended 30 June 2018 RMB	Financial period ended 30 June 2017 RMB
Management fees	651,785	545,207
Transaction costs	54,712	290,194
Administration fees	59,090	55,071
Depositary fees	11,818	11,014
Other operating expenses	8,364	22,063
	785,769	923,549

All other expenses are paid by the Manager or the Promoter as at the financial period ended 30 June 2018. These expenses include Directors fees and expenses of RMB 106,802 (30 June 2017: RMB 135,152) and Legal fees of RMB 581,143 (30 June 2017: RMB 90,033).

6. Management fees

The Management Fee, a percentage of the Net Asset Value of the Class of Shares, is payable by the Company out of the assets of the Fund to the Manager. The Management Fee accrues on each day and is calculated on each Dealing Day and paid monthly in arrears.

The management fee prior to 1 June 2018 was 0.99%.

Post 1 June 2018 the management fee was reduced to 0.65%.

The Investment Manager will be liable for the payment of the Administration and Depositary fees from 1 June 2018.

The Manager pays the fees and expenses (and not out of the assets of the Fund) of the Investment Manager, Directors and ordinary fees, expenses and costs incurred by the Fund that include setting up costs and other administrative expenses.

The fees in the table below are expressed as a percentage per annum of the Fund's net asset value.

Fund	% Rate per annum Up to*
CSOP Source FTSE China A50 UCITS ETF	0.65%

* The Management fee can be up to this percentage per annum or such lower amount as may be advised to Shareholders from time to time.

The Total Expense Ratio ("TER") is expressed as a percentage of the Net Asset Value of Share Class A, which represents all legitimate fees and expenses payable by the Company (including the Manager's, Investment Manager's, Administrator's and Depositary's fees) on behalf of Share Class A whatever the basis of their calculation, including any VAT applicable, although excluding any Fund or Company Level taxes.

The TER prior to 1 June 2018 was 1.11%.

From 1 June the TER for Class A is up to 0.65% of the Net Asset Value. Where the TER is exceeded, the Manager will be responsible for making up the shortfall of such fees and expenses.

7. Cash and cash equivalents

	As at 30 June 2018 RMB	As at 31 December 2017 RMB
HSBC Bank plc	908,543	5,005,713
	908,543	5,005,713

*Cash held is unsegregated.

Under the Investment Regulations, the Company is subject to the Renminbi Qualified Foreign Institutional Investor ("RQFII") programme. As a result it is required to hold on deposit a minimum clearing reserve. This amount is calculated as a percentage of the China RQFII Quota, as determined by the China Securities Depository & Clearing Corporation Limited ("CSDCC") Shanghai and Shenzhen branches. As at 30 June 2018, this clearing reserve, held in HSBC Shanghai, amounted to RMB 42,000 (31 December 2017: RMB 42,000).

8. Debtors

	As at 30 June 2018 RMB	As at 31 December 2017 RMB
Dividend income receivable	122,292	-
	122,292	-

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9. Creditors (amounts falling due within one year)

	As at 30 June 2018 RMB	As at 31 December 2017 RMB
Management fees	215,229	307,871
Administration fees	60,094	70,664
Trustee fees	37,855	39,570
Irrecoverable Tax on Dividend Payable	12,229	-
	325,407	418,105

All other expenses payable are paid by the Manager. Included in these are Directors fees and expenses payable of RMB 97,002 (31 December 2017: RMB 68,617), Auditors' fees payable of RMB 49,073 (31 December 2017: RMB 84,452) and Legal fees payable of RMB 581,143 (31 December 2017: RMB 540,629).

10. Related party transactions

Connected persons transactions

In accordance with the requirements of the Central Bank UCITS Regulations all transactions carried out with the Company by the promoter, investment manager, depository, investment adviser and associates/group companies ("connected persons") must be carried out as if conducted at arm's length and be in the best interests of shareholders. The Directors are satisfied that there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out in the Central Bank UCITS Regulations are applied to all transactions with connected persons and transactions with connected persons entered into during the financial period complied with the obligations set out in the Central Bank UCITS Regulations.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following are related parties:

- The Manager, Invesco Investment Management Limited.
- The Promoter, Invesco UK Services Limited.
- Mr. Mike Kirby is the Managing Principal at KB Associates. KB Associates is a firm which provides consultancy, MLRO and company secretarial services.
- The Investment Manager, CSOP Asset Management Limited.

Manager

The Company has appointed as per the prospectus issued in 25th May 2018 investment manager name is Invesco Investment Management Limited to act as Manager to the Company and each Fund. The Manager forms part of the Invesco group of companies, the parent of which is Invesco Limited, a US publicly traded company listed on the New York Stock Exchange with ticker IVZ.

The Funds accrued RMB 651,785 (30 June 2017: RMB 545,207) to the Manager during the financial period to 30 June 2018; of which RMB 215,229 (31 December 2017: RMB 307,871) was outstanding at 30 June 2018.

Directors

The amount paid to Directors in the financial period ended 30 June 2018 by the Manager and the amounts outstanding at 30 June 2018 and 31 December 2017 are disclosed in Note 5 (Operating Expenses) and Note 9 (Creditors) respectively.

Mike Kirby is a Director of the Company, the Manager and the principal of KB Associates which provides consultancy services to the Manager.

The Fund accrued RMB 106,802 (30 June 2017: RMB 135,152) to the Directors during the financial period to 30 June 2018; of which RMB 97,002 (31 December 2017: RMB 68,617) was outstanding at 30 June 2018.

The Fund accrued RMB 77,354 (30 June 2017: RMB 75,027) to KB Associates for consultancy services during the financial period to 30 June 2018; of which RMB 38,677 (31 December 2017: RMB 48,091) was outstanding at 30 June 2018. These fees are presented exclusive of VAT and paid by the Manager.

Choe Yong Ng is a director of the Company and is the Chief Operating Officer of the Investment Manager.

Helen Lingli Zhou is a Director of the Company.

Details of the Management fees are disclosed in Note 5, Note 6 and Note 9.

Feargal Dempsey is a Director of the Company and a Director of the Manager.

The Directors had no direct or indirect interest in any shares in issue by the Company as at 30 June 2018 (2017: None).

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10. Related party transactions (continued)

Authorised Participants

Goldman Sachs International, Bank of America Merrill Lynch International Limited, J.P. Morgan Securities Limited and UBS AG are Authorised Participants to the Fund.

There were no brokerage fees accrued or paid to the Authorised Participants during the financial period ended 30 June 2018.

Shareholdings in redeemable shares

Authorised Participants may purchase and hold Redeemable Shares in the Fund for trading purposes. In addition, the Authorised Participants may hold Redeemable Shares on behalf of clients, on their own account or for the purpose of providing seed capital to the Funds. These holdings may on occasion constitute a large portion of the Fund. As at 30 June 2018, there are 2 shareholders who had entitlement of 10% or more in the shares in issue of the Fund of the Company. There is no requirement (expressed or implied) on Authorised Participants to maintain positions in a Fund at any time.

11. Taxation

Under current law and practice, the Company qualifies as an investment undertaking as defined in section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis it is not chargeable to Irish tax on its income or gains. However, Irish tax may arise on the occurrence of a "chargeable event" for certain investors not satisfying one of the criteria outlined below.

A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of Shares and the holding of Shares at the end of each 8 year period beginning with the acquisition of such Shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- a) a Shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, is held by the Company, or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and
- b) certain exempted Irish tax resident Shareholders who have provided the Company with the necessary signed statutory declarations.
- c) any transaction (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners will not constitute a chargeable event. It is the current intention of the Directors that all the Shares in the Company will be held in recognised clearing systems.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its Shareholders.

12. Share capital

The authorised share capital of the Company is 2 subscriber shares of €1 each and 1,000,000,000,000 shares of no par value initially designated as unclassified shares and available for issue as shares.

Redeemable shares in issue	Financial period ended 30 June 2018	Financial year ended 31 December 2017	Financial period ended 30 June 2017
Number of Class A Accumulating Redeemable Shares Issued and Fully Paid			
Balance at beginning of financial period/year	990,956	1,156,206	1,156,206
Issued during financial period/year	-	951,000	536,000
Redeemed during financial period/year	(46,000)	(1,116,250)	(961,250)
Total number of Class A Accumulating Redeemable Shares in issue at end of financial period/year	944,956	990,956	730,956
	As at 30 June 2018	As at 31 December 2017	As at 30 June 2017
	RMB	RMB	RMB
Total Net Asset Value			
Class A Accumulating Redeemable Shares	123,206,844	146,425,340	93,086,619
Dealing Net Asset Value per Redeemable Share			
Class A Accumulating Redeemable Shares	130.38	147.76	127.35

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13. Soft commission arrangements

It is not currently intended that any soft commission arrangements will be made in respect of the Company.

There were no soft commission arrangements in the current financial period.

14. Comparative figures

Comparative figures for the Statement of Comprehensive Income, the Statement of Changes in Net Assets attributable to Holders of Redeemable Shares and the Statement of Cash Flows and related notes are those for the financial period ended 30 June 2017. The comparative figures disclosed in the Statement of Financial Position and related notes are those of 31 December 2017 throughout.

15. Operating segment

IFRS requires disclosure in respect of the Chief Operating Decision Maker ("CODM") and certain disclosures in respect of the country of origin of income, which may consist of interest and dividends. Management have determined that the CODM is the Board of Directors.

The internal reporting provided to the Board of Directors for the Company assets and liabilities and performance is prepared on a consistent basis with the measurement and recognition of IFRS.

All revenues are derived from financial assets and are attributable to a country based on the domicile of the issuer of the instrument. The Schedule of Investments discloses the investments of the Fund at their fair value by their respective country of origin. The table below shows the breakdown of the interest income and dividend income.

As at 30 June 2018	Country	Currency	Dividend Income	Interest Income
Financial period ended 30 June 2018	China	RMB	1,607,268	4,179
Financial period ended 30 June 2017	China	RMB	956,343	3,328

16. Significant events during the financial period

Board meeting on 20 March 2018 to approve Company name change.

The Managers name changed from Source Investment Management Limited to Invesco Investment Management Limited effective from 25 May 2018.

On 23 March 2018 the promoter Source UK Services Limited changed its name to Invesco UK Services Limited.

On 23 March the registered office of the Promoter changed from;

9th Floor, 110 Cannon Street
London EC4N 6EU
United Kingdom

to

Perpetual Park,
Perpetual Park Drive,
Henley-on-Thames,
Oxfordshire, RG9 1 HH, UK

The management fee prior to 1 June 2018 was 0.99%.

Post 1 June 2018 the management fee was reduced to 0.65%.

The Investment Manager will be liable for the payment of the Administration and Depository fees from 1 June 2018.

The TER prior to 1 June 2018 was 1.11%.

From 1 June the TER is 0.65%.

There were no other significant events during the financial period which need to be disclosed in this Financial Statements.

17. Post balance sheet events

There were no subsequent events requiring recognition or disclosure in the Financial Statements.

18. Approval of financial statements

The Financial Statements were approved by the Board on 15 August 2018.

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Schedule of investments

As at 30 June 2018

Transferable Securities admitted to an Official Stock Exchange Listing or traded on a Regulated Market. The percentages in brackets show the equivalent country of origin and sector holdings at 31 December 2017.

Holdings	Financial assets at fair value through profit or loss	Fair value RMB	% of net assets	Holdings	Financial assets at fair value through profit or loss	Fair value RMB	% of net assets	
Equities: 99.42% (2017: 96.84%)				Financial Services: Nil (2017: 0.84%)				
China: 99.42% (2017: 96.84%)				Food: 3.25% (2017: 3%)				
Auto Manufacturers: 2.68% (2017: 2.35%)				6,800	Foshan Haitian Flavouring & Food	500,752	0.41	
19,300	BYD	920,224	0.74	125,400	Inner Mongolia Yili Industrial Group	3,498,660	2.84	
68,230	SAIC Motor Corporation	2,387,368	1.94	General Mining: 0.32% (2017: Nil)				
Automobiles: Nil (2017: 0.24%)				63,500	China Molybdenum	399,415	0.32	
Banks: 34.42% (2017: 37.99%)				Home Improvements: 8.28% (2017: 4%)				
888,010	Agricultural Bank of China	3,054,754	2.48	98,747	Midea Group	5,156,568	4.19	
319,669	Bank of Beijing	1,927,604	1.56	107,100	Gree Electric Appliances	5,049,765	4.09	
530,369	Bank of China	1,914,632	1.55	Insurance: 13.90% (2017: 12.76%)				
503,757	Bank of Communications	2,891,565	2.35	36,675	China Life Insurance	825,921	0.67	
81,990	Bank of Shanghai	1,292,162	1.05	63,285	China Pacific Insurance	2,015,627	1.64	
68,527	China CITIC Bank	425,553	0.35	16,452	New China Life Insurance	705,462	0.57	
226,522	China Construction Bank	1,483,719	1.20	231,732	Ping An Insurance	13,574,861	11.02	
350,669	China Everbright Bank	1,283,449	1.04	Investment Services: 1% (2017: 1.15%)				
295,924	China Merchants Bank	7,824,231	6.35	83,200	Guotai Junan Securities	1,226,368	1.00	
579,914	China Minsheng Banking	4,059,398	3.29	Oil & Gas: 1.90% (2017: 1.71%)				
195,583	CITIC Securities	3,240,810	2.63	240,473	China Petroleum & Chemical	1,560,670	1.27	
542,800	Industrial & Commercial Bank of China	2,887,696	2.34	101,857	Petro China Company	785,317	0.63	
348,662	Industrial Bank	5,020,733	4.08	Pharmacies & Drug Stores: 2.62% (2017: 1.67%)				
181,439	Ping An Bank	1,649,281	1.34	42,660	Jiangsu Hengrui Medicine	3,231,922	2.62	
361,921	Shanghai Pudong Development Bank	3,459,965	2.81	Real Estate: 3.25% (2017: 3.76%)				
Beverages: 9.31% (2017: 8.33%)				162,700	China Vanke	4,002,420	3.25	
11,090	Kweichow Moutai	8,111,891	6.58	Real Estate Holding & Development: 2.50% (2017: 2.56%)				
44,300	Wuliangye Yibin	3,366,800	2.73	China Merchants Shekou Industrial Zone				
Building Materials: 2.35% (2017: 1.69%)				51,700	Poly Real Estate Group	984,885	0.80	
43,500	Anhui Conch Cement	1,456,380	1.18	171,900	Poly Real Estate Group	2,097,180	1.70	
187,400	CSR	1,442,980	1.17	Steel-Producers: 0.84% (2017: 0.84%)				
Coal: 0.81% (2017: 0.86%)				132,200	Baoshan Iron & Steel	1,029,838	0.84	
49,822	China Shenhua Energy	993,451	0.81	Telecommunications: 0.76% (2017: 0.90%)				
Computer Hardware: 1.32% (2017: 1.48%)				China United Network Communications				
169,320	Focus Media Information Technology	1,620,392	1.32	191,500	China United Network Communications	942,180	0.76	
Computers: 1.49% (2017: 2.24%)				Telecommunications Equipment: 0.42% (2017: Nil)				
519,800	Boe Technology Group	1,840,092	1.49	28,100	Foxconn Industrial Internet	518,164	0.42	
Consumer Electronics: 2.12% (2017: 2.02%)				Transport Support Services: 0.37% (2017: 0.38%)				
70,262	Hangzhou Hikvision	2,608,828	2.12	75,891	Shanghai International Port	452,310	0.37	
Distillers & Vintners: 1.19% (2017: 0.95%)				Total China				
11,100	Jiangsu Yanghe Brewery	1,460,760	1.19				122,459,416	99.39
Electric: 1.31% (2017: 1.15%)				Total Equities				
99,680	China Yangtze Power	1,608,835	1.31				122,459,416	99.39
Engineering & Construction: 2.98% (2017: 3.97%)								
35,461	China Communications Construction	403,901	0.33					
127,900	China Railway Group	955,413	0.78					
422,759	China State Construction Engineering	2,308,264	1.87					

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Schedule of investments (continued)

As at 30 June 2018

Transferable Securities admitted to an Official Stock Exchange Listing or traded on a Regulated Market.

	Fair value RMB	% of net assets
Total value of investments	122,459,416	99.39
Cash and cash equivalents*	908,543	0.74
Other net liabilities	(161,115)	(0.13)
Net assets attributable to holders of redeemable participating shares	123,206,844	100.00

**All cash holdings are held with HSBC Bank plc.*

	% of Total Assets
Analysis of Total Assets	
Transferable securities admitted to official stock exchange listing	99.13
Cash and cash equivalents	0.74
Clearing reserve	0.03
Debtors	0.10
	100.00

All equity positions held by the Company at 30 June 2018 and as at 31 December 2017 are classified as Level 1.

Schedules of Material Portfolio Changes

Interim Report and Unaudited Financial Statements 2018

CSOP Source FTSE China A50 UCITS ETF

Purchases		Cost RMB
107,100	Gree Electric Appliances	5,716,136
51,900	Ping An Insurance	3,802,930
43,500	Anhui Conch Cement	1,488,561
62,300	Bank of Shanghai	956,120
28,100	Foxconn Industrial Internet	634,361
6,800	Foshan Haitian Flavouring & Food	525,041
63,500	China Molybdenum	430,120
12,400	China Merchants Bank	409,126
8,600	SAIC Motor Corporation	311,548
400	Kweichow Moutai	290,382
14,600	Industrial Bank	264,356
6,800	China Vanke	228,726
4,100	Midea Group	228,319
2,800	Wuliangye Yibin	224,471
24,300	China Minsheng Banking	210,140
15,200	Shanghai Pudong Development Bank	191,023
5,200	Inner Mongolia Yili Industrial Group	167,038
37,300	Agricultural Bank of China	164,452
8,200	CITIC Securities	163,725
22,800	Industrial & Commercial Bank of China	160,502

The Statement of Significant Purchases and Sales reflect the aggregate purchases of a security exceeding one percent of the total value of purchases and aggregate disposals of a security greater than one percent of the total sales for the financial period. At a minimum the largest 20 purchases and largest 20 sales must be given. The full listing of the portfolio changes for the financial period is available, upon request, at no extra cost from the Administrator.

Interim Report and Unaudited Financial Statements 2018

CSOP Source FTSE China A50 UCITS ETF

Sales	Proceeds RMB
168,660 Haitong Securities	1,737,706
73,591 Huatai Securities	1,285,077
38,700 China Merchants Bank	1,282,287
70,746 GF Securities	1,170,498
1,400 Kweichow Moutai	1,014,128
106,957 China Railway Construction	988,295
45,600 Industrial Bank	851,432
10,900 Ping An Insurance	767,250
21,300 China Vanke	753,335
75,900 China Minsheng Banking	684,428
11,000 Midea Group	635,660
47,400 Shanghai Pudong Development Bank	618,542
16,400 Inner Mongolia Yili Industrial Group	528,854
25,600 CITIC Securities	525,724
116,300 Agricultural Bank of China	521,926
71,100 Industrial & Commercial Bank of China	514,087
66,000 Bank of Communications	453,632
5,700 Wuliangye Yibin	441,168
68,300 Boe Technology Group	391,975
39,600 China State Construction Engineering	388,945
22,400 Poly Real Estate Group	384,988
49,000 Bank of Beijing	367,801
9,100 Hangzhou Hikvision	362,541
8,300 China Pacific Insurance	349,803
23,800 Ping An Bank	320,996
4,200 Jiangsu Hengrui Medicine	320,755
69,500 Bank of China	314,732
22,800 Guangzhou Automobile Group	301,771
29,700 China Construction Bank	269,986
24,500 CSR	268,430
18,500 Focus Media Information Technology	265,031
31,600 China Petroleum & Chemical	226,924

We are an independent ETF provider striving to make investing more accessible and affordable for everyone. We are free to work with the best global experts to provide the funds you really need. As well as core funds for your portfolio, we have some interesting investment strategies that you won't find from other providers. Our independence also means that we are very competitively priced. Finally, we are completely transparent about costs, risks and everything else. With us, what you see is what you get.

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