

HUAAN AGGREGATE CHINA BOND FUND
(A Sub-fund of HuaAn Aggregate Fund Series established in Hong Kong)

UNAUDITED INTERIM REPORT

FOR THE PERIOD FROM

1 JANUARY 2014

TO 30 JUNE 2014

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IMPORTANT:

For more information about the Fund,
please refer to the prospectus of the Fund which is available at our website: <http://www.huaan.com.hk/>.
Investors should not rely on the information contained in this report for their investment decisions.

HUAAN AGGREGATE CHINA BOND FUND

(A Sub-fund of HuaAn Aggregate Fund Series established in Hong Kong)

MANAGEMENT AND ADMINISTRATION**Directors of the Manager**

LI Qing
HE Yizhi
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Global Custodian

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PRC Sub-Custodian

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No. 1, Fuxingmen Nei Dajie
Beijing 100818
China

Auditor

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

Trustee and Registrar

BOCI-Prudential Trustee Limited
12/F & 25/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
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Legal Advisor

as to Hong Kong law only (excluding tax)
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China

PRC Investment Advisor

HuaAn Fund Management Company Limited
International Finance Center II
31/F, 8 Century Avenue Shanghai China

HUAAN AGGREGATE CHINA BOND FUND*(A Sub-fund of HuaAn Aggregate Fund Series established in Hong Kong)***STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2014**

	30 June 2014	31 December 2013
	RMB	RMB
ASSETS		
Non- Current Assets		
Deposit Reserve	308,000	308,000
Current Assets		
Financial assets at fair value through profit or loss	424,143,265	25,591,763
Interest receivable	10,203,327	280,206
Prepayments, Deposits and other receivables	16,580	-
Cash and cash equivalents	2,374,568	9,322,602
	<u>436,737,740</u>	<u>35,194,571</u>
TOTAL ASSETS	<u>437,045,740</u>	<u>35,502,571</u>
LIABILITIES		
Non- Current Liabilities		
Deferred tax liability	711,021	66,719
Current Liabilities		
Management fee payable	211,400	14,914
Accounts payable and accrued expenses	145,732	235,845
Provision for taxation	6,758,917	6,389,083
	<u>7,116,049</u>	<u>6,639,842</u>
TOTAL LIABILITIES (excluding net assets attributable to unitholders)	<u>7,827,070</u>	<u>6,706,561</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>429,218,670</u>	<u>28,796,010</u>
TOTAL EQUITY	<u>429,218,670</u>	<u>28,796,010</u>
UNITS IN ISSUE		
Class A	1,039,8253	1,000,0000
Class I	4,284,124.9319	292,132.1839
NET ASSET VALUE PER UNIT		
Class A	98.73	97.13
Class I	100.16	98.24

HUAAN AGGREGATE CHINA BOND FUND*(A Sub-fund of HuaAn Aggregate Fund Series established in Hong Kong)***STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014**

	For the period from 1 January 2014 to 30 June 2014	Year ended 31 December 2013
	RMB	RMB
INCOME		
Dividend income	-	5,680,149
Interest income	7,605,214	14,035,323
Net changes in fair value on financial assets at fair value through profit or loss	6,795,239	(2,611,314)
Net foreign exchange losses	(64)	-
Other income	-	5
TOTAL INVESTMENT INCOME	<u>14,400,389</u>	<u>17,104,163</u>
EXPENSES		
Management fee	(1,088,947)	(5,355,003)
Trustee fee	(271,218)	(1,076,742)
Custodian fee	(128,888)	(771,690)
Auditors' remuneration	(117,034)	(145,049)
Formation costs	-	(256,560)
Transaction costs	(52,496)	(410,967)
Other operating expenses	(686,203)	(152,478)
TOTAL OPERATING EXPENSES	<u>(2,344,786)</u>	<u>(8,168,489)</u>
PROFIT BEFORE TAX	12,055,603	8,935,674
Taxation	<u>(1,015,452)</u>	<u>(3,178,839)</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FROM OPERATIONS	<u>11,040,151</u>	<u>5,756,835</u>

HUAAN AGGREGATE CHINA BOND FUND*(A Sub-fund of HuaAn Aggregate Fund Series established in Hong Kong)***STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014**

	For the period from 1 January 2014 to 30 June 2014 RMB	Year ended 31 December 2013 RMB
Net assets attributable to unitholders at the beginning of the period / year	28,796,010	1,071,339,175
Proceeds on issue of units	417,894,357	50,000,000
Payments on redemption of units	(28,511,848)	(1,098,300,000)
Net increase/(decrease) from unit transactions	389,382,509	(1,048,300,000)
Increase in net assets attributable to unitholders from operations	11,040,151	5,756,835
Net assets attributable to unitholders at the end of the period / year	429,218,670	28,796,010

	For the period from 1 January 2014 to 30 June 2014	Year ended 31 December 2013
Units in issue at the beginning of the period / year	293,132.1839	10,501,000.0000
Issue of units		
-Class A	1,039.8253	-
-Class I	4,284,124.9319	476,598.9896
Redemption of units		
-Class A	(1,000.0000)	-
-Class I	(292,132.1839)	(10,684,466.8057)
Units in issue at the end of the period / year	4,285,164.7572	293,132.1839

HUAAN AGGREGATE CHINA BOND FUND*(A Sub-fund of HuaAn Aggregate Fund Series established in Hong Kong)***PERFORMANCE RECORD (UNAUDITED)**

	Highest Net Asset Value per unit RMB		Lowest Net Asset Value per unit RMB	
	Class A	Class I	Class A	Class I
For the period from 1 January 2014 to 30 June 2014	98.73	100.16	95.99	97.10
For the period from 1 January 2013 to 31 December 2013	107.99	108.62	97.11	98.22

HUAAN AGGREGATE CHINA BOND FUND
(A Sub-fund of HuaAn Aggregate Fund Series established in Hong Kong)

PERFORMANCE TABLE (UNAUDITED)
NET ASSET VALUES

	Net Asset Value per unit RMB		Total Net Asset Value RMB	
	Class A	Class I	Class A	Class I
As at 30 June 2014	98.73	100.16	102,664	429,116,006
As at 31 December 2013	97.13	98.24	97,128	28,698,882

HUAAN AGGREGATE CHINA BOND FUND*(A Sub-fund of HuaAn Aggregate Fund Series established in Hong Kong)***INVESTMENT PORTFOLIO (UNAUDITED)****AS AT 30 JUNE 2014**

	Holding	Market Value RMB	% of Net Assets
<u>Non-listed debt securities</u>			
China			
AGRICULTURAL DEVELOPMENT BANK OF CHINA 4.68% A 16OCT2015	400,000	40,174,680	9.36%
AGRICULTURAL DEVELOPMENT BANK OF CHINA 5.35% A 09DEC2015	400,000	40,538,720	9.44%
AGRICULTURAL DEVELOPMENT BANK OF CHINA CO LTD 3.15% A 14MAR2015	300,000	29,715,840	6.92%
CHINA DEV BK 3.39% A 09JUL2015	400,000	39,646,440	9.24%
CHINA DEV BK 3.8934% A 10JAN2016	700,000	69,445,460	16.20%
CHINA GENERAL NUCLEAR POWER HLDG CORP 5.7% A 26JUL2014	100,000	10,004,850	2.33%
CHINA MINMETALS CORP 5.2% A 19JUL2014	100,000	9,999,000	2.33%
CHINA NATIONAL CHEMICAL CORP 4.13% A 09JUN2015	100,000	9,923,400	2.31%
CHINA NATIONAL PETROLEUM CORP 4.09% A 29APR2015	150,000	14,932,095	3.48%
CHINA POWER INVESTMENT CORP 4.49% A 26FEB2016	200,000	19,891,380	4.63%
CHINA SOUTHERN POWER GRID CO LTD 4.42% A 26NOV2015	100,000	9,963,000	2.32%
EXPORT-IMPORT BANK OF CHINA 3.62% A 08MAR2016	200,000	19,742,620	4.60%
EXPORT-IMPORT BANK OF CHINA 3.98% A 17DEC2015	200,000	19,892,020	4.63%
EXPORT-IMPORT BANK OF CHINA 4.196% A 06AUG2015	400,000	39,963,960	9.31%
EXPORT-IMPORT BANK OF CHINA 4.82% A 24OCT2015	400,000	40,244,800	9.38%
SHENHUA GROUP CORP LTD 5.14% A 11MAR2016	100,000	10,065,000	2.34%
Total debt securities		424,143,265	98.82%
Total investment		424,143,265	98.82%
Other net assets		5,075,405	1.18%
Total net assets as at 30 June 2014		429,218,670	100.00%
Total investments, at cost		417,033,055	

HUAAN AGGREGATE CHINA BOND FUND*(A Sub-fund of HuaAn Aggregate Fund Series established in Hong Kong)***STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS (UNAUDITED)
AS AT 30 JUNE 2014**

	1 January 2014	Holding			30 June 2014
		Additions	Bonus Share	Deductions	
Investments					
Listed debt securities					
China					
ANHUI CONCH CEMENT CO LTD 5.08% A 23MAY2016	24,500	-	-	(24,500)	-
BANK OF CHINA LTD CB 1.4% A 02JUN2016	23,900	-	-	(23,900)	-
CHINA MINSHENG BANKING CORP LTD CB 0.6% A 15MAR2019	23,310	-	-	(23,310)	-
CHINA PETROLEUM & CHEM CB 1% A 23FEB2017	24,720	-	-	(24,720)	-
CHINA SHIPPING DEVELOPMENT CO LTD CB 0.9% A 01AUG2017	26,420	-	-	(26,420)	-
GD POWER DEVELOPMENT CO LTD CB 1% A 19AUG2017	21,980	-	-	(21,980)	-
INDUSTRIAL & COMMERCIAL BANK OF CHINA CB 1.1% A 31AUG2016	22,300	-	-	(22,300)	-
JIANGXI COPPER CO LTD 1% A 22SEP2016 WW	27,470	-	-	(27,470)	-
SHANDONG NANSHAN ALUMINUM CO LTD CB 3.5% A 16OCT2018	24,430	-	-	(24,430)	-
SHANGHAI INTL PORT GROUP CO LTD 4.69% A 30MAR2016	24,170	-	-	(24,170)	-
SICHUAN CHUANYOU ENERGY CO LTD CB 0.9% A 21MAR2017	18,680	-	-	(18,680)	-
Non-listed debt securities					
China					
AGRICULTURAL DEVELOPMENT BANK OF CHINA 4.68% A 16OCT2015	-	400,000	-	-	400,000
AGRICULTURAL DEVELOPMENT BANK OF CHINA 5.35% A 09DEC2015	-	400,000	-	-	400,000
AGRICULTURAL DEVELOPMENT BANK OF CHINA CO LTD 3.15% A 14MAY2015	-	300,000	-	-	300,000
CHINA DEV BK 3.39% A 09JUL2015	-	400,000	-	-	400,000
CHINA DEV BK 3.8934% A 10JAN2016	-	700,000	-	-	700,000
CHINA GENERAL NUCLEAR POWER HLDG CORP 5.7% A 26JUL2014	-	100,000	-	-	100,000
CHINA MINMETALS CORP 5.2% A 19JUL2014	-	100,000	-	-	100,000
CHINA NATIONAL CHEMICAL CORP 4.13% A 09JUN2015	-	100,000	-	-	100,000
CHINA NATIONAL PETROLEUM CORP 4.09% A 29APR2015	-	150,000	-	-	150,000
CHINA POWER INVESTMENT CORP 4.49% A 26FEB2016	-	200,000	-	-	200,000
CHINA SOUTHERN POWER GRID CO LTD 4.42% A 26NOV2015	-	100,000	-	-	100,000
EXPORT-IMPORT BANK OF CHINA 3.62% A 08MAR2016	-	200,000	-	-	200,000
EXPORT-IMPORT BANK OF CHINA 3.98% A 17DEC2015	-	200,000	-	-	200,000
EXPORT-IMPORT BANK OF CHINA 4.196% A 06AUG2015	-	400,000	-	-	400,000
EXPORT-IMPORT BANK OF CHINA 4.82% A 24OCT2015	-	400,000	-	-	400,000
SHENHUA GROUP CORP LTD 5.14% A 11MAR2016	-	100,000	-	-	100,000