

Interim reports and financial statements

FOUNDATION CHINA EQUITY FUND

(A sub-fund of Foundation Fund series, an open-ended unit trust
established as an umbrella fund under the laws of Hong Kong)

For the period ended 30 June 2023

FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

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FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2023

ADMINISTRATION AND MANAGEMENT

MANAGER

Foundation Asset Management (HK) Limited
Suite 2703, 27/F, Tower One
Lippo Centre, 89 Queensway
Admiralty
Hong Kong

DIRECTORS OF THE MANAGER

Liang Jiang, Michael
Mui Tze Wah, Vivian

LEGAL COUNSEL TO THE MANAGER

Simmons & Simmons
30th Floor One Taikoo Place
979 King's Road
Hong Kong

TRUSTEE

ICBC (Asia) Trustee Company Limited
33/F, ICBC Tower
3 Garden Road
Central, Hong Kong

CUSTODIAN

Industrial and Commercial Bank of China (Asia) Limited
33/F, ICBC Tower
3 Garden Road
Central, Hong Kong

REGISTRAR AND TRANSFER AGENT

ICBC (Asia) Trustee Company Limited
33/F, ICBC Tower
3 Garden Road
Central, Hong Kong

AUDITOR

Ernst & Young
27/F, One Taikoo Place,
979 King's Road,
Quarry Bay, Hong Kong

FOUNDATION CHINA EQUITY FUND
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REPORT OF THE MANAGER

China Market Review

In H1 2023, China's economy exhibited signs of recovery amid fluctuating market confidence. Initial optimism spurred by strong consumption during the Chinese New Year gave way to concerns in February, but favorable PMI data restored some confidence. April saw a PMI correction, followed by a softer recovery in May, indicated by a further decrease in manufacturing PMI. Despite a modest uptick in manufacturing PMI in June, the deceleration of the services PMI resulted in a pause in the growth of equity indexes as the market awaited further economic indicators.

Portfolio Strategy Review

In the first half of 2023, the fund recorded a return of -8.1%, underperforming the MSCI China Index, which decreased by 5.8% in USD terms. Despite the market volatility and fluctuations, the fund demonstrated effective risk management by strategically adjusting hedge positions according to the prevailing market conditions. These conditions included China-US tensions, interest rate risks, and varying economic recovery forecasts.

Market Outlook

As we move through the remainder of 2023, we find optimism in policy developments. The Politburo has stressed the importance of managing local debt risks. Meanwhile, the PBOC Chief pledged funding support for China's builders. As we perceive a policy bottom in the market, the fundamental bottom is not yet to fully materialize. So, we anticipate that discerning stock selection will become increasingly significant. Our team, bolstered by a global perspective and unique expertise, remains confident in our ability to continue delivering sustainable, risk-adjusted returns for our investors. This confidence is backed by our 15-year history as one of the longest-standing China hedge funds.

FOUNDATION CHINA EQUITY FUND
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For the period ended 30 June 2023

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

For the period ended 30 June 2023

| | For the period ended 30 June 2023 HKD | For the period ended 30 June 2022 HKD |
|--|--|--|
| INCOME | | |
| Dividend income | 4,116,845 | 8,657,424 |
| Interest income on bank deposits | 941,863 | 231,148 |
| Other income | 8,708 | - |
| | <u>5,067,416</u> | <u>8,888,572</u> |
| EXPENSES | | |
| Management fees | (2,793,836) | (4,275,119) |
| Trustee fees | (211,050) | (309,803) |
| Custodian fees | (36,969) | (59,700) |
| Professional fees | (109,534) | (114,121) |
| Commission and transaction fee | (2,602,454) | (4,940,595) |
| Interest expense | (3,594,682) | (89,173) |
| Dividend expense | (656,162) | (150,650) |
| Withholding tax expense | (220,130) | (571,065) |
| Other operating expenses | (128,455) | (129,364) |
| | <u>(10,353,272)</u> | <u>(10,639,590)</u> |
| NET LOSS BEFORE INVESTMENT AND EXCHANGE DIFFERENCES | (5,285,856) | (1,751,018) |
| INVESTMENT AND EXCHANGE DIFFERENCES | | |
| Net realised loss on financial assets and financial liabilities at fair value through profit or loss | (39,948,317) | (59,647,144) |
| Net change in unrealised gain/(loss) on financial assets and financial liabilities at fair value through profit or loss | 13,516,513 | (6,082,484) |
| Net foreign exchange differences | (28,888) | 21,550 |
| | <u>(26,460,692)</u> | <u>(65,708,078)</u> |
| NET DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE PERIOD | <u>(31,746,548)</u> | <u>(67,459,096)</u> |

FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2023

STATEMENT OF NET ASSETS (UNAUDITED)

As at 30 June 2023

| | 30 June 2023 HKD | 31 December 2022 HKD |
|---|------------------------|----------------------------|
| ASSETS | | |
| Financial assets at fair value through profit or loss | 246,972,116 | 325,944,981 |
| Due from brokers | 49,964,021 | 15,900,439 |
| Interest receivable on bank deposits | 3,056 | 1,794 |
| Dividend receivables | 1,909,684 | 63,395 |
| Cash and cash equivalents | 28,909,539 | 23,200,129 |
| TOTAL ASSETS | 327,758,416 | 365,110,738 |
| LIABILITIES | | |
| Financial liabilities at fair value through profit or loss | 1,644,481 | 598,723 |
| Management fees payable | 422,048 | 485,198 |
| Trustee fee payable | 69,887 | 77,126 |
| Accrued expense and other payables | 235,463 | 323,693 |
| Redemption payable | - | 7,448,863 |
| Interest payable | 272,293 | - |
| Withholding tax payable | 146,905 | 15,869 |
| TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | 2,791,077 | 8,949,472 |
| NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | 324,967,339 | 356,161,266 |
| TOTAL LIABILITIES | 327,758,416 | 365,110,738 |
| NUMBER OF UNITS IN ISSUE | | |
| Class A HKD | 1,930,289.46 | 1,930,289.46 |
| Class A HKD (Dist) | 8,177,877.65 | 8,177,877.65 |
| Class A USD | 42,935,663.65 | 43,450,089.29 |
| NET ASSET VALUE PER UNIT | | |
| Class A HKD | HKD 0.9483 | HKD 1.0275 |
| Class A HKD (Dist) | HKD 0.9573 | HKD 1.0372 |
| Class A USD | USD 0.9371 | USD 1.0193 |

FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2023

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

For the period ended 30 June 2023

| | Class A HKD HKD | Class A HKD (Dist) HKD | Class A USD HKD | Total HKD |
|--|--------------------|------------------------------|---------------------|---------------------|
| At 1 January 2023 | 1,983,400 | 8,482,904 | 345,694,962 | 356,161,266 |
| Subscription of units | - | - | 40,406,292 | 40,406,292 |
| Redemption of units | - | - | (39,853,671) | (39,853,671) |
| | <u>1,983,400</u> | <u>8,482,904</u> | <u>346,247,583</u> | <u>356,713,887</u> |
| Decrease in net assets attributable to unitholders during the period | <u>(152,784)</u> | <u>(653,452)</u> | <u>(30,940,312)</u> | <u>(31,746,548)</u> |
| At 30 June 2023 | <u>1,830,616</u> | <u>7,829,452</u> | <u>315,307,271</u> | <u>324,967,339</u> |

For the period ended 30 June 2022

| | Class A HKD HKD | Class A HKD (Dist) HKD | Class A USD HKD | Total HKD |
|--|--------------------|------------------------------|----------------------|----------------------|
| At 1 January 2022 | 3,030,082 | 10,647,434 | 713,773,516 | 727,451,032 |
| Subscription of units | 81,000 | - | 66,327,789 | 66,408,789 |
| Redemption of units | <u>(489,730)</u> | <u>-</u> | <u>(188,009,376)</u> | <u>(188,499,106)</u> |
| | <u>2,621,352</u> | <u>10,647,434</u> | <u>592,091,929</u> | <u>605,360,715</u> |
| Decrease in net assets attributable to unitholders during the period | <u>(280,816)</u> | <u>(1,014,847)</u> | <u>(66,163,433)</u> | <u>(67,459,096)</u> |
| At 30 June 2022 | <u>2,340,536</u> | <u>9,632,587</u> | <u>525,928,496</u> | <u>537,901,619</u> |

FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2023

STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2023

| | For the period ended 30 June 2023 HKD | For the period ended 30 June 2022 HKD |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net decrease in net assets attributable to unitholders for the period | (31,746,548) | (67,459,096) |
| Adjustments: | | |
| Interest income on bank deposits | (941,863) | (231,148) |
| Dividend income, net of withholding tax | (3,896,715) | (8,086,359) |
| Interest expense | 3,594,682 | 89,173 |
| Dividend expense | 656,162 | 150,650 |
| | <u>(32,334,282)</u> | <u>(75,536,780)</u> |
| Working capital adjustments: | | |
| Decrease in financial assets at fair value through profit or loss | 78,972,865 | 211,288,729 |
| Increase in due from brokers | (34,063,582) | (36,118,152) |
| Increase/(decrease) in financial liabilities at fair value through profit or loss | 1,045,758 | (1,138,855) |
| Decrease in due to brokers | - | (47,966,528) |
| Decrease in management fees payable | (63,150) | (92,684) |
| Decrease in trustee fee payable | (7,239) | (1,004) |
| (Decrease)/increase in accrued expense and other payables | (88,230) | 45,747 |
| Cash flows generated from operations | <u>13,462,140</u> | <u>50,480,473</u> |
| Interest received | 940,601 | 230,866 |
| Dividend received, net of withholding tax | 2,181,462 | 4,859,010 |
| Interest paid | (3,322,389) | (43,584) |
| Dividend paid | (656,162) | (150,650) |
| Net cash flows generated from operating activities | <u>12,605,652</u> | <u>55,376,115</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of units | 40,406,292 | 63,270,057 |
| Payments on redemption of units | (47,302,534) | (184,254,910) |
| Net cash flows used in financing activities | <u>(6,896,242)</u> | <u>(120,984,853)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | <u>5,709,410</u> | <u>(65,608,738)</u> |
| Cash and cash equivalents at beginning of the period | 23,200,129 | 94,570,491 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | <u><u>28,909,539</u></u> | <u><u>28,961,753</u></u> |
| ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS | | |
| Cash at bank | 28,909,539 | 28,961,753 |
| | <u><u>28,909,539</u></u> | <u><u>28,961,753</u></u> |

FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS

1. THE FUND AND THE SUB-FUND

Foundation Fund Series (the "Trust") was constituted as an open-ended unit trust established as an umbrella fund under the laws of Hong Kong pursuant to a trust deed dated 20 September 2018, as amended and restated on 31 December 2019. Foundation China Equity Fund and Foundation Global Income and Growth Fund (the "Sub-Funds") are sub-funds under the Trust.

The manager of the Trust is Foundation Asset Management (HK) Limited (the "Manager") and the trustee is ICBC (Asia) Trustee Company Limited (the "Trustee"). The custodian is Industrial and Commercial Bank of China (Asia) Limited (the "Custodian").

The Trust and the Sub-Funds have been authorised by the Securities and Futures Commission of Hong Kong (the "SFC") under section 104(1) of the Hong Kong Securities and Futures Ordinance and are required to comply with the Code on Unit Trusts and Mutual Funds (the "SFC Code") established by the SFC. Authorisation by the SFC does not imply official approval or recommendation. As at 30 June 2023, the Trust has two sub-funds namely Foundation China Equity Fund and Foundation Global Income and Growth Fund, in respect of which separate class of unit was issued. Foundation China Equity Fund was launched on 11 July 2019. Foundation Global Income and Growth Fund was launched on 18 March 2020 (date of commencement of operations).

The investment objective of Foundation China Equity Fund is to maintain a consistent value-investing approach with a focus on liquidity and high return by primarily investing in equities issued by companies that are incorporated in China or companies which have significant operations in or derive a significant portion of revenue or profits from China.

2. BASIS OF PREPARATION

The financial statements of the Sub-Fund have been prepared in accordance with IFRSs as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Accounting Standards Committee of the IASB, and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E to the SFC Code.

The financial statements have been prepared on a historical basis, except for financial assets and liabilities (including derivatives financial instruments) at fair value through profit or loss ("FVPL") that have been measured at fair value. The financial statements are presented in Hong Kong dollars ("HKD") and all values are rounded to the nearest HKD except where otherwise indicated.

The Sub-Fund has adopted for the first time all the applicable and effective IFRSs.

The accounting policies and methods applied in preparation of these interim financial statements are consistent with those applied in annual financial statements of the year ended 31 December 2022.

The interim financial statements are not audited.

FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The consideration received or paid for units issued or re-purchased respectively is based on the value of the Sub-Fund's net asset value per unit at the date of the transaction. In accordance with the provisions of the Trust Deed, Sub-Fund investment positions are valued based on the last traded market price or closing price for the purpose of determining the trading net asset value per unit for subscriptions and redemptions. The Sub-Fund's net asset value per unit is calculated by dividing the Sub-Fund's net assets with the total number of outstanding units.

Redeemable units can be issued and redeemed on each valuation day, i.e. every business day of the calendar year. The holders of redeemable units may subscribe or redeem the redeemable units on any business day by no later than 4:00p.m. (Hong Kong time) on the relevant business day. Both subscription and redemption prices are calculated by reference to the net asset value per unit of the relevant class as at the valuation day.

With a view to protecting the interests of all unitholders, the Manager may limit the number of units of any sub-fund redeemed on any redemption day to 10% of the total number of units of the relevant sub-fund in issue. In this event, the limitation will apply pro rata so that all unitholders of the relevant sub-fund who have validly requested to redeem units of the Sub-Fund on that redemption day will redeem the same proportion of such units of the Sub-Fund.

The movement of the units held by the unitholders during the period is as follows:

| | Class A HKD | Class A HKD (Dist) | Class A USD | Total |
|-----------------------|---------------------|-----------------------|----------------------|----------------------|
| | Units | Units | Units | Units |
| At 1 January 2023 | 1,930,289.46 | 8,177,877.65 | 43,450,089.29 | 53,558,256.40 |
| Subscription of units | - | - | 4,784,003.58 | 4,784,003.58 |
| Redemption of units | - | - | (5,298,429.22) | (5,298,429.22) |
| At 30 June 2023 | <u>1,930,289.46</u> | <u>8,177,877.65</u> | <u>42,935,663.65</u> | <u>53,043,830.76</u> |

| | Class A HKD | Class A HKD (Dist) | Class A USD | Total |
|-----------------------|---------------------|-----------------------|----------------------|----------------------|
| | Units | Units | Units | Units |
| At 1 January 2022 | 2,349,448.94 | 8,177,877.65 | 71,491,503.19 | 82,018,829.78 |
| Subscription of units | 67,225.49 | - | 7,093,903.90 | 7,161,129.39 |
| Redemption of units | (410,683.42) | - | (20,361,721.73) | (20,772,405.15) |
| At 30 June 2022 | <u>2,005,991.01</u> | <u>8,177,877.65</u> | <u>58,223,685.36</u> | <u>68,407,554.02</u> |

FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

A reconciliation of the net assets attributable to unitholders as reported in the statement of assets to the net assets attributable to unitholders determined for the purposes of processing unit subscriptions and redemptions is provided below:

| | 30 June 2023 HKD | 31 December 2022 HKD |
|---|------------------------|----------------------------|
| Published net assets attributable to unitholders (calculated in accordance with Sub-Fund's Trust Deed) | 325,053,903 | 356,332,985 |
| Adjustment for establishment costs | <u>(86,564)</u> | <u>(171,719)</u> |
| Net assets attributable to unitholders (calculated in accordance with IFRSs) | <u>324,967,339</u> | <u>356,161,266</u> |

The published net asset value per unit issued is calculated in accordance with the explanatory memorandum of the Sub-Fund while the net asset value per unit as reported in the statement of net assets included audit adjustment for recognition of all establishment costs incurred in profit or loss for the period ended 30 June 2023 and 31 December 2022.

| | 30 June 2023 | |
|---|---|--------------------------|
| | Unit price (per financial statements) | Published unit price: |
| Class A HKD units | | |
| Net assets attributable to unitholders per unit | <u>HKD 0.9483</u> | <u>HKD 0.9486</u> |
| Class A HKD (Dist) units | | |
| Net assets attributable to unitholders per unit | <u>HKD 0.9573</u> | <u>HKD 0.9576</u> |
| Class A USD units | | |
| Net assets attributable to unitholders per unit | <u>USD 0.9371</u> | <u>USD 0.9373</u> |
| | 31 December 2022 | |
| | Unit price (per financial statements) | Published unit price: |
| Class A HKD units | | |
| Net assets attributable to unitholders per unit | <u>HKD 1.0275</u> | <u>HKD 1.0280</u> |
| Class A HKD (Dist) units | | |
| Net assets attributable to unitholders per unit | <u>HKD 1.0372</u> | <u>HKD 1.0378</u> |
| Class A USD units | | |
| Net assets attributable to unitholders per unit | <u>USD 1.0193</u> | <u>USD 1.0198</u> |

FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2023

| <u>EQUITY SECURITIES</u> | Holding/ Nominal value | Fair value HKD | % of net assets on fair value |
|--|---------------------------|-------------------|-------------------------------------|
| China | | | |
| Foxconn Industrial Internet Co Ltd - A | 1,043,000 | 28,381,259 | 8.73% |
| Guangdong Provincial Expressway Development Co Ltd - A | 1,571,600 | 13,304,694 | 4.10% |
| Inspur Electronic Information Industry Co Ltd - A | 110,800 | 5,802,676 | 1.79% |
| Shenzhen Mindray Bio-Medical Electronics Co Ltd - A | 15,800 | 5,114,881 | 1.57% |
| Venustech Group Inc | 395,700 | 12,715,861 | 3.91% |
| | | 65,319,371 | 20.10% |
| Hong Kong | | | |
| China Communications Services Corp Ltd - H | 6,650,000 | 25,669,000 | 7.90% |
| China Shenhua Energy Co Ltd - H | 505,000 | 12,094,750 | 3.72% |
| HSBC Holdings PLC | 236,800 | 14,444,800 | 4.45% |
| Lenovo Group Ltd | 3,284,000 | 26,830,280 | 8.26% |
| Tencent Holdings Ltd | 79,200 | 26,262,720 | 8.08% |
| Trip.com Group Ltd | 46,300 | 12,621,380 | 3.88% |
| | | 117,922,930 | 36.29% |
| United States | | | |
| Adobe Inc | 3,497 | 13,400,188 | 4.12% |
| Alphabet Inc - Class A | 6,839 | 6,415,079 | 1.98% |
| Apple Inc | 7,020 | 10,670,554 | 3.28% |
| ASML Holding NV | 754 | 4,282,278 | 1.32% |
| Meta Platforms Inc - Class A | 3,081 | 6,928,809 | 2.13% |
| Microsoft Corp | 3,048 | 8,133,892 | 2.50% |
| NVIDIA Corp | 4,056 | 13,445,413 | 4.14% |
| | | 63,276,213 | 19.47% |
| <u>SWAP</u> | | | |
| China | | | |
| SWAP INSPUR ELECTRONIC INFORMAT-A | 102,600 | 229,376 | 0.07% |
| SWAP Kweichow Moutai Co Ltd | 7,700 | (46,660) | (0.01%) |
| SWAP NARI Technology Co Ltd | 609,000 | (94,510) | (0.03%) |
| SWAP Shenzhen Inovance Technology Co Ltd | 193,000 | 174,447 | 0.05% |
| SWAP Shenzhen Mindray Bio-Medical Electronics Co Ltd | 24,300 | 49,779 | 0.02% |
| SWAP Venustech Group Inc | 57 | (150) | (0.00%) |
| | | 312,282 | 0.10% |

FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 30 June 2023

| | Holding/ Nominal value | Fair value HKD | % of net assets on fair value |
|---|---------------------------|-------------------|-------------------------------------|
| <u>SWAP (CONTINUED)</u> | | | |
| United States | | | |
| SWAP iShares MSCI China ETF | (163,400) | (511,470) | (0.16%) |
| SWAP XTRACKERS HARVES (ARC) | (272,900) | (581,179) | (0.18%) |
| | | (1,092,649) | (0.34%) |
| <u>FUTURES</u> | | | |
| United States | | | |
| CME E-Mini NASDAQ 100 Index Future Sep23 | (4) | (212,918) | (0.07%) |
| E-mini S&P 500 Futures Sep23 | (5) | (197,594) | (0.06%) |
| | | (410,512) | (0.13%) |
| Other net assets | | 79,639,704 | 24.51% |
| Net assets attributable to unitholders as at 30 June 2023 | | 324,967,339 | 100.00% |
| Total investment, at cost | | 230,176,814 | |

FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS

Index future contracts

The details of futures contracts held by the Fund as at 30 June 2023 are as follows:

| Description | Underlying assets | Contract size | Number of Contract | Notional market value | Position | Issuer | Fair value |
|--|-------------------|---------------|--------------------|-----------------------|----------|-----------------------------|------------------|
| | | | | | | | HKD |
| Financial liabilities | | | | | | | |
| CME E-Mini NASDAQ 100 Index Future Sep23 | Mini NASDAQ 100 | 20 | 4 | USD(1,226,960) | Short | Chicago Mercantile Exchange | (212,918) |
| E-mini S&P 500 Futures Sep23 | MiniSP 500 | 50 | 5 | USD(1,122,063) | Short | Chicago Mercantile Exchange | (197,594) |
| | | | | | | | <u>(410,512)</u> |

Swaps

The details of swaps held by the Fund as at 30 June 2023 are as follows:

| Description | Underlying assets | Issuer | Fair value |
|--|---|---|----------------|
| | | | HKD |
| Financial assets | | | |
| SWAP INSPUR ELECTRONIC INFORMAT-A | INSPUR ELECTRONIC INFORMAT-A | China International Capital Corporation Limited | 229,376 |
| SWAP Shenzhen Inovance Technology Co Ltd | Shenzhen Inovance Technology Co Ltd | GF Global Capital Limited | 174,447 |
| SWAP Shenzhen Mindray Bio-Medical Electronics Co Ltd | Shenzhen Mindray Bio-Medical Electronics Co Ltd | GF Global Capital Limited | 49,779 |
| | | | <u>453,602</u> |

FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS

Swaps (Continued)

| Description | Underlying assets | Issuer | Fair value HKD |
|-----------------------------|------------------------|---|--------------------|
| Financial liabilities | | | |
| SWAP iShares MSCI China ETF | iShares MSCI China ETF | China International Capital Corporation Limited | (511,470) |
| SWAP Kweichow Moutai Co Ltd | Kweichow Moutai Co Ltd | GF Global Capital Limited | (46,660) |
| SWAP NARI Technology Co Ltd | NARI Technology Co Ltd | GF Global Capital Limited | (94,510) |
| SWAP Venustech Group Inc | Venustech Group Inc | China International Capital Corporation Limited | (150) |
| SWAP XTRACKERS HARVES (ARC) | XTRACKERS HARVES (ARC) | China International Capital Corporation Limited | (581,179) |
| | | | <u>(1,233,969)</u> |

FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

For the period ended 30 June 2023

| | Movement in holdings | | | |
|--|----------------------|-----------|-------------|--------------------|
| | At 1 Jan 2023 | Additions | Disposals | At 30 June 2023 |
| COLLECTIVE INVESTMENT SCHEMES | | | | |
| Ireland | | | | |
| HSBC Global Liquidity Funds plc - US Dollar ESG Liquidity Fund - Class A | - | 7,086,100 | (7,086,100) | - |
| EQUITY SECURITIES | | | | |
| China | | | | |
| China Merchants Bank Co Ltd - A | 363,440 | - | (363,440) | - |
| China Shenhua Energy Co Ltd | 467,800 | - | (467,800) | - |
| Contemporary Amperex Technology Co Ltd - A | - | 27,823 | (27,823) | - |
| Daqin Railway Co Ltd - A | - | 1,492,900 | (1,492,900) | - |
| Foxconn Industrial Internet Co Ltd - A | - | 1,366,022 | (323,022) | 1,043,000 |
| Guangdong Provincial Expressway Development Co Ltd - A | - | 1,794,300 | (222,700) | 1,571,600 |
| Inner Mongolia Yili Industrial Group Co Ltd | 419,054 | - | (419,054) | - |
| Inspur Electronic Information Industry Co Ltd - A | - | 110,800 | - | 110,800 |
| Kweichow Moutai Co Ltd | 7,700 | - | (7,700) | - |
| LONGi Green Energy Technology Co Ltd | 147,814 | 137,400 | (285,214) | - |
| Luxshare Precision Industry Co Ltd - A | - | 426,541 | (426,541) | - |
| NARI Technology Co Ltd - A | 258,243 | - | (258,243) | - |
| Ping An Insurance Group Co of China Ltd - A | 284,500 | - | (284,500) | - |
| Proya Cosmetics Co Ltd - A | 82,368 | - | (82,368) | - |
| Shandong Hi-speed Co Ltd - A | - | 1,524,500 | (1,524,500) | - |
| Shenzhen Inovance Technology Co Ltd - A | 193,036 | - | (193,036) | - |
| Shenzhen Mindray Bio-Medical Electronics Co Ltd - A | - | 15,800 | - | 15,800 |
| Venustech Group Inc | - | 395,700 | - | 395,700 |
| Hong Kong | | | | |
| Alibaba Group Holding Ltd | - | 203,000 | (203,000) | - |
| ASM Pacific Technology Ltd | - | 285,500 | (285,500) | - |
| Baidu Inc - Class A | - | 99,250 | (99,250) | - |
| Beijing Enterprises Holdings Ltd | - | 631,500 | (631,500) | - |
| BYD Co Ltd - H | - | 60,000 | (60,000) | - |
| China Communications Services Corp Ltd - H | - | 9,796,000 | (3,146,000) | 6,650,000 |
| China Merchants Bank Co Ltd - H | 352,000 | - | (352,000) | - |
| China Oilfield Services Ltd - H | 816,000 | - | (816,000) | - |
| China Shenhua Energy Co Ltd - H | 658,000 | 1,179,000 | (1,332,000) | 505,000 |
| China State Construction International Holdings Ltd | - | 1,414,000 | (1,414,000) | - |
| COSCO SHIPPING Energy Transportation Co Ltd - H | - | 930,000 | (930,000) | - |
| HSBC Holdings PLC | - | 236,800 | - | 236,800 |
| Hua Hong Semiconductor Ltd | 541,000 | - | (541,000) | - |
| JD.com Inc - Class A | 64,950 | - | (64,950) | - |
| KE Holdings Inc - CL A | - | 162,600 | (162,600) | - |
| Lenovo Group Ltd | - | 5,726,000 | (2,442,000) | 3,284,000 |
| Li Ning Co Ltd | 237,000 | 386,500 | (623,500) | - |
| Meituan - Class B | - | 6,160 | (6,160) | - |
| Ping An Insurance Group Co of China Ltd - H | 289,500 | - | (289,500) | - |
| Sands China Ltd | 555,600 | 234,000 | (789,600) | - |
| SenseTime Group Inc - Class B | - | 5,138,000 | (5,138,000) | - |
| Tencent Holdings Ltd | 47,100 | 51,100 | (19,000) | 79,200 |
| Topsports International Holdings Ltd | - | 985,000 | (985,000) | - |

FOUNDATION CHINA EQUITY FUND
(A sub-fund of Foundation Fund Series)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (CONTINUED)

For the period ended 30 June 2023

| <u>EQUITY SECURITIES</u> (CONTINUED) | <u>Movement in holdings</u> | | | At 30 June 2023 |
|--|-----------------------------|-----------|-------------|--------------------|
| | At 1 Jan 2023 | Additions | Disposals | |
| Hong Kong (continued) | | | | |
| Trip.com Group Ltd | - | 46,300 | - | 46,300 |
| United States | | | | |
| Adobe Inc | 796 | 4,754 | (2,053) | 3,497 |
| Advanced Micro Devices Inc | - | 9,561 | (9,561) | - |
| Alphabet Inc - Class A | - | 6,839 | - | 6,839 |
| Amazon.com Inc | - | 8,185 | (8,185) | - |
| Apple Inc | 3,687 | 5,452 | (2,119) | 7,020 |
| ASML Holding NV | 444 | 701 | (391) | 754 |
| Autodesk Inc | 1,354 | 1,262 | (2,616) | - |
| Daqo New Energy Corp | - | 22,208 | (22,208) | - |
| Dell Technologies Inc | - | 20,780 | (20,780) | - |
| DiDi Global Inc | 1,002,228 | 60,668 | (1,062,896) | - |
| KE Holdings Inc | - | 254,919 | (254,919) | - |
| Lockheed Martin Corp | 1,089 | - | (1,089) | - |
| Luckin Coffee Inc | 155,893 | 21,963 | (177,856) | - |
| Meta Platforms Inc - Class A | - | 4,252 | (1,171) | 3,081 |
| Microsoft Corp | 1,075 | 3,048 | (1,075) | 3,048 |
| Mosaic Co | - | 18,556 | (18,556) | - |
| MP Materials Corp | - | 13,310 | (13,310) | - |
| NIKE Inc | - | 1,941 | (1,941) | - |
| Northrop Grumman Corp | 495 | - | (495) | - |
| NVIDIA Corp | - | 9,781 | (5,725) | 4,056 |
| Taiwan Semiconductor Manufacturing Co Ltd | 9,934 | 5,050 | (14,984) | - |
| Tesla Inc | - | 3,788 | (3,788) | - |
| Visa Inc | 1,260 | 1,955 | (3,215) | - |
| <u>SWAP</u> | | | | |
| China | | | | |
| SWAP China Merchants Bank Co Ltd | - | 343,500 | (343,500) | - |
| SWAP Comefly Outdoor Co Ltd | - | 100,500 | (100,500) | - |
| SWAP Contemporary Ampere Technology Co Ltd | - | 80,560 | (80,560) | - |
| SWAP DAQIN RAILWAY CO LTD -A | - | 155,800 | (155,800) | - |
| SWAP FOXCONN INDUSTRIAL INTERNE-A | - | 720,400 | (720,400) | - |
| SWAP GREE ELECTRIC APPLIANCES I-A | - | 356,200 | (356,200) | - |
| SWAP GUANGDONG PROVINCIAL EXPR-A | - | 2,435,442 | (2,435,442) | - |
| SWAP Inner Mongolia Yili Industrial Group Co Ltd | - | 458,200 | (458,200) | - |
| SWAP INSPUR ELECTRONIC INFORMAT-A | - | 436,100 | (333,500) | 102,600 |
| SWAP Kweichow Moutai Co Ltd | - | 8,500 | (800) | 7,700 |
| SWAP LONGi Green Energy Technology Co Ltd | - | 312,500 | (312,500) | - |

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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (CONTINUED)

For the period ended 30 June 2023

| <u>SWAP (CONTINUED)</u> | <u>Movement in holdings</u> | | | At 30 June 2023 |
|--|-----------------------------|-----------|-------------|--------------------|
| | At 1 Jan 2023 | Additions | Disposals | |
| China (continued) | | | | |
| SWAP Luxshare Precision Industry Co Ltd | - | 467,300 | (467,300) | - |
| SWAP Meituan - Class B | - | 23,500 | (23,500) | - |
| SWAP MONTAGE TECHNOLOGY CO LTD-A | - | 220,060 | (220,060) | - |
| SWAP NARI Technology Co Ltd | - | 657,500 | (48,500) | 609,000 |
| SWAP Proya Cosmetics Co Ltd | - | 105,700 | (105,700) | - |
| SWAP SHANDONG HI-SPEED CO LTD -A | - | 159,200 | (159,200) | - |
| SWAP Shenzhen Inovance Technology Co Ltd | - | 211,500 | (18,500) | 193,000 |
| SWAP Shenzhen Mindray Bio-Medical Electronics Co Ltd | - | 108,500 | (84,200) | 24,300 |
| SWAP Venustech Group Inc | - | 1,194,257 | (1,194,200) | 57 |
| SWAP Yunnan Yuntianhua Co Ltd | - | 1,158,842 | (1,158,842) | - |
| SWAP ZHEJIANG SANMEI CHEMICAL I-A | - | 434,400 | (434,400) | - |
| SWAP ZHONGJI INNOLIGHT CO LTD-A | - | 259,800 | (259,800) | - |
| Hong Kong | | | | |
| SWAP ASM Pacific Technology Ltd | - | 33,700 | (33,700) | - |
| SWAP BEIJING ENTERPRISES HLDGS | - | 66,000 | (66,000) | - |
| SWAP CHINA COMMUNICATIONS SERVI-H | - | 932,000 | (932,000) | - |
| SWAP China Shenhua Energy Co Ltd - H | - | 63,500 | (63,500) | - |
| SWAP CHINA STATE CONSTRUCTION INT | - | 148,000 | (148,000) | - |
| SWAP COSCO SHIPPING Energy Transportation Co Ltd - H | - | 88,000 | (88,000) | - |
| SWAP Ganfeng Lithium Co Ltd - H | - | 63,200 | (63,200) | - |
| SWAP Hang Seng Index Future Mar23 | - | 8 | (8) | - |
| SWAP Hang Seng Index Future Apr23 | - | 2 | (2) | - |
| SWAP Hang Seng Index Future May23 | - | 9 | (9) | - |
| SWAP Hang Seng Index Future Jun23x | - | 10 | (10) | - |
| SWAP HSBC Holdings PLC | - | 24,800 | (24,800) | - |
| SWAP HUA HONG SEMICONDUCTOR LTD | - | 47,000 | (47,000) | - |
| SWAP KE HOLDINGS INC-CL A | - | 17,000 | (17,000) | - |
| SWAP LENOVO GROUP LTD | - | 434,000 | (434,000) | - |
| SWAP Li Ning Co Ltd | - | 49,500 | (49,500) | - |
| SWAP MSCI China A 50 Connect (USD) Index Futures Mar23 | - | 18 | (18) | - |
| SWAP MSCI China A 50 Connect (USD) Index Futures Apr23 | - | 24 | (24) | - |
| SWAP MSCI China A 50 Connect (USD) Index Futures Jun23 | - | 12 | (12) | - |
| SWAP Sands China Ltd | - | 51,200 | (51,200) | - |
| SWAP Tencent Holdings Ltd | - | 9,800 | (9,800) | - |
| SWAP TRIP.COM GROUP LTD | - | 4,850 | (4,850) | - |

FOUNDATION CHINA EQUITY FUND
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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (CONTINUED)

For the period ended 30 June 2023

| | <u>Movement in holdings</u> | | | |
|---|-----------------------------|-----------|-----------|--------------------|
| | At 1 Jan 2023 | Additions | Disposals | At 30 June 2023 |
| <u>SWAP (CONTINUED)</u> | | | | |
| United States | | | | |
| SWAP AAPL US Equity | - | 662 | (662) | - |
| SWAP ADBE US Equity | - | 381 | (381) | - |
| SWAP ADSK US Equity | - | 224 | (224) | - |
| SWAP AMD.O | - | 998 | (998) | - |
| SWAP AMZN US Equity | - | 854 | (854) | - |
| SWAP ASML US Equity | - | 72 | (72) | - |
| SWAP BEKE US Equity | - | 26,611 | (26,611) | - |
| SWAP CME E-Mini NASDAQ 100 Index Future Mar23 | - | 2 | (2) | - |
| SWAP CME E-Mini NASDAQ 100 Index Future Jun23 | - | 2 | (2) | - |
| SWAP DELL US Equity | - | 2,169 | (2,169) | - |
| SWAP DIDIY US Equity | - | 91,116 | (91,116) | - |
| SWAP E-mini S&P 500 Futures Jun23 | - | 3 | (3) | - |
| SWAP E-mini S&P 500 Futures Mar23 | - | 2 | (2) | - |
| SWAP GOOGL US Equity | - | 714 | (714) | - |
| SWAP iShares MSCI China ETF | - | 588,316 | (751,716) | (163,400) |
| SWAP LKNCY US Equity | - | 16,737 | (16,737) | - |
| SWAP META US Equity | - | 255 | (255) | - |
| SWAP Mosaic Co | - | 1,750 | (1,750) | - |
| SWAP MP Materials Corp | - | 1,272 | (1,272) | - |
| SWAP MSFT US Equity | - | 318 | (318) | - |
| SWAP NVDA US Equity | - | 745 | (745) | - |
| SWAP Tesla Inc | - | 217 | (217) | - |
| SWAP TSM US Equity | - | 511 | (511) | - |
| SWAP V US Equity | - | 202 | (202) | - |
| SWAP XTRACKERS HARVES (ARC) | - | - | (272,900) | (272,900) |
| <u>FUTURES</u> | | | | |
| Hong Kong | | | | |
| Hang Seng Index Future Jan 23 | (27) | 77 | (50) | - |
| Hang Seng Index Future Feb23 | - | 70 | (70) | - |
| Hang Seng Index Future Mar23 | - | 109 | (109) | - |
| Hang Seng Index Future Apr23 | - | 18 | (18) | - |
| Hang Seng Index Future May23 | - | 90 | (90) | - |
| Hang Seng Index Future Jun23 | - | 105 | (105) | - |
| MSCI China A 50 Connect (USD) Index Futures Jan23 | (64) | 64 | - | - |
| MSCI China A 50 Connect (USD) Index Futures Feb23 | - | 77 | (77) | - |
| MSCI China A 50 Connect (USD) Index Futures Mar23 | - | 249 | (249) | - |
| MSCI China A 50 Connect (USD) Index Futures Apr23 | - | 141 | (141) | - |
| MSCI China A 50 Connect (USD) Index Futures May23 | - | 79 | (79) | - |
| MSCI China A 50 Connect (USD) Index Futures Jun23 | - | 120 | (120) | - |

FOUNDATION CHINA EQUITY FUND
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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (CONTINUED)

For the period ended 30 June 2023

| <u>FUTURES</u> (CONTINUED) | <u>Movement in holdings</u> | | | At 30 June 2023 |
|---|-----------------------------|-----------|-----------|--------------------|
| | At 1 Jan 2023 | Additions | Disposals | |
| United States | | | | |
| CME E-Mini NASDAQ 100 Index Future Mar23 | (20) | 34 | (14) | - |
| CME E-Mini NASDAQ 100 Index Future Jun23 | - | 18 | (18) | - |
| CME E-Mini NASDAQ 100 Index Future Sep23 | - | 1 | (5) | (4) |
| E-mini Dow Jones Industrial Average Index Future Mar23 | - | 15 | (15) | - |
| E-mini S&P 500 Futures Mar23 | (24) | 39 | (15) | - |
| E-mini S&P 500 Futures Jun23 | - | 22 | (22) | - |
| E-mini S&P 500 Futures Sep23 | - | 3 | (8) | (5) |