

Interim reports and financial statements

**FOUNDATION GLOBAL INCOME AND GROWTH 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 2024

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2024

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FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2024

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 GLOBAL INCOME AND GROWTH FUND  
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For the period ended 30 June 2024

REPORT OF THE MANAGER

Global Market Review

The Fund had a bright 1H 2024 (+22.2%), whilst the S&P 500 index gained 14.5%. The Fund's flexible positioning of different asset classes continues to capture valuable opportunities, offering better downside protection, income distribution, and long-term capital growth.

Portfolio Strategy Review

Foundation Global Income and Growth Fund achieved 39.8% return since its inception in March 2020, with smoothed volatility versus the Index (FTSE All-World Index + 50% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD). all while providing a monthly dividend in Dist. share classes. US equity indexes were strong. Information technology and consumer staples performed well. The Fund continues to favour quality diversified multinational businesses with pricing power and deep moats, which are typically found in the information technology and consumer sectors.

Market Outlook

In June, the US ISM manufacturing sector PMI was 48.8\*, suggesting that the US economy is still weakening overall. Our Fund's flexible position control, exposure to different asset classes and value-investing strategy should reduce short-term volatility and let investors focus on what our 'Foundation Model' can deliver over medium/long-term returns.

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

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

For the period ended 30 June 2024

	For the period ended 30 June 2024 USD	For the period ended 30 June 2023 USD
<b>INCOME</b>		
Dividend income	142,449	97,380
Interest income on bank deposits	38,715	31,495
Interest income on financial assets at fair value through profit or loss	-	805
	<u>181,164</u>	<u>129,680</u>
<b>EXPENSES</b>		
Management fees	(104,540)	(179,162)
Trustee fees	(8,712)	(14,928)
Custodian fees	(19,154)	(20,037)
Professional fees	(14,629)	(13,494)
Commission and transaction fee	(21,526)	(68,896)
Interest expense	-	(3)
Withholding tax expense	(10,239)	(20,463)
Other operating expenses	(1,114)	(608)
	<u>(179,914)</u>	<u>(317,591)</u>
<b>NET GAIN/(LOSS) BEFORE INVESTMENT AND EXCHANGE DIFFERENCES</b>	<b>1,250</b>	<b>(187,911)</b>
<b>INVESTMENT AND EXCHANGE DIFFERENCES</b>		
Net realised gain/(loss) on financial assets and financial liabilities at fair value through profit or loss	1,296,274	(1,363,212)
Net change in unrealised gain on financial assets and financial liabilities at fair value through profit or loss	1,858,498	2,082,197
Net foreign exchange differences	404	337
	<u>3,155,176</u>	<u>719,322</u>
<b>FINANCE COST</b>		
Distribution to unitholders	(79,149)	(142,522)
<b>NET INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE PERIOD</b>	<b><u>3,077,277</u></b>	<b><u>388,889</u></b>

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

STATEMENT OF NET ASSETS (UNAUDITED)

As at 30 June 2024

	30 June 2024 USD	31 December 2023 USD
<b>ASSETS</b>		
Financial assets at fair value through profit or loss	10,244,204	21,324,152
Due from brokers	368,223	459,621
Other receivables	-	-
Subscription receivables	13,437	-
Dividend receivables	3,321	8,904
Interest receivable on bank deposits	609	671
Cash and cash equivalents	1,302,924	1,253,001
<b>TOTAL ASSETS</b>	<u>11,932,718</u>	<u>23,046,349</u>
<b>LIABILITIES</b>		
Financial liabilities at fair value through profit or loss	47,790	106,730
Management fees payable	14,319	29,083
Trustee fee payable	2,356	4,792
Redemption payable	26,643	35,762
Accrued expense and other payables	41,037	48,570
Withholding tax payable	705	1,870
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>132,850</u>	<u>226,807</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>11,799,868</u>	<u>22,819,542</u>
<b>TOTAL LIABILITIES</b>	<u>11,932,718</u>	<u>23,046,349</u>
<b>NUMBER OF UNITS IN ISSUE</b>		
Class A HKD	1,970,069.47	336,515.57
Class A HKD (Dist)	2,878,422.05	4,690,584.76
Class A USD	6,331,242.47	17,472,052.21
Class A USD (Dist)	<u>2,025,665.64</u>	<u>2,434,268.38</u>
<b>NET ASSET VALUE PER UNIT</b>		
Class A HKD	HKD 1.4128	HKD 1.1563
Class A HKD (Dist)	HKD 1.1117	HKD 0.9397
Class A USD	USD 1.3972	USD 1.1435
Class A USD (Dist)	<u>USD 1.0800</u>	<u>USD 0.9140</u>

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

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

For the period ended 30 June 2024

	Class A HKD USD	Class A HKD (Dist) USD	Class A USD USD	Class A USD (Dist) USD	Total USD
At 1 January 2024	49,833	564,459	19,980,117	2,225,133	22,819,542
Subscription of units	337,170	241,236	157,613	472,326	1,208,345
Redemption of units	(52,458)	(473,340)	(13,960,694)	(823,186)	(15,309,678)
Dividend reinvest	-	4,382	-	-	4,382
	<u>334,545</u>	<u>336,737</u>	<u>6,177,036</u>	<u>1,874,273</u>	<u>8,722,591</u>
Increase in net assets attributable to unitholders during the period	<u>21,937</u>	<u>73,100</u>	<u>2,668,820</u>	<u>313,420</u>	<u>3,077,277</u>
At 30 June 2024	<u><u>356,482</u></u>	<u><u>409,837</u></u>	<u><u>8,845,856</u></u>	<u><u>2,187,693</u></u>	<u><u>11,799,868</u></u>

For the period ended 30 June 2023

	Class A HKD USD	Class A HKD (Dist) USD	Class A USD USD	Class A USD (Dist) USD	Total USD
At 1 January 2023	191,060	566,800	19,461,144	3,912,652	24,131,656
Subscription of units	-	37,835	-	75,554	113,389
Redemption of units	-	-	(61,357)	(1,163,081)	(1,224,438)
Dividend reinvest	-	12,384	-	-	12,384
	<u>191,060</u>	<u>617,019</u>	<u>19,399,787</u>	<u>2,825,125</u>	<u>23,032,991</u>
Increase/(decrease) in net assets attributable to unitholders during the period	<u>4,536</u>	<u>(7,209)</u>	<u>461,764</u>	<u>(70,202)</u>	<u>388,889</u>
At 30 June 2023	<u><u>195,596</u></u>	<u><u>609,810</u></u>	<u><u>19,861,551</u></u>	<u><u>2,754,923</u></u>	<u><u>23,421,880</u></u>

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2024

	For the period ended 30 June 2024 USD	For the period ended 30 June 2023 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net increase in net assets attributable to unitholders for the period	3,077,277	388,889
Adjustments:		
Interest income on bank deposits	(38,715)	(31,495)
Interest income on financial assets at fair value through profit or loss	-	(805)
Interest expense	-	3
Dividend income, net of withholding tax	(132,210)	(76,917)
Distribution to unitholders	79,149	142,522
	<u>2,985,501</u>	<u>422,197</u>
Working capital adjustments:		
Decrease in financial assets at fair value through profit or loss	11,079,948	663,419
Decrease in due from brokers	91,398	476,054
Decrease in other receivables	-	954,348
(Decrease)/increase in financial liabilities at fair value through profit or loss	(58,940)	53,631
Decrease in management fees payable	(14,764)	(5,972)
Decrease in trustee fee payable	(2,436)	(822)
Decrease in accrued expense and other payables	(7,533)	(10,709)
Cash flows generated from operations	<u>14,073,174</u>	<u>2,552,146</u>
Interest received	38,777	31,838
Interest paid	-	(3)
Dividend received, net of withholding tax	136,628	132,426
Net cash flows generated from operating activities	<u>14,248,579</u>	<u>2,716,407</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	1,199,290	153,621
Payments on redemption of units	(15,318,797)	(5,184,693)
Distribution paid to unitholders	(79,149)	(142,522)
Net cash flows used in financing activities	<u>(14,198,656)</u>	<u>(5,173,594)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	49,923	(2,457,187)
Cash and cash equivalents at beginning of the period	1,253,001	6,329,781
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>1,302,924</u>	<u>3,872,594</u>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>		
	1,302,924	3,872,594
Cash at bank	<u>1,302,924</u>	<u>3,872,594</u>



FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2024

**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 2024, 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 Global Income and Growth Fund is to provide income distribution and long-term capital growth by investing in global equities and debt securities.

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 United States dollars ("USD ") and all values are rounded to the nearest USD 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 2023.

The interim financial statements are not audited.

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
(A sub-fund of Foundation Fund Series)

For the period ended 30 June 2024

**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	Class A USD (Dist)	Total
	Units	Units	Units	Units	Units
At 1 January 2024	336,515.57	4,690,584.76	17,472,052.21	2,434,268.38	24,933,420.92
Subscription of units	1,928,505.90	1,801,176.27	120,284.01	451,121.66	4,301,087.84
Redemption of units	(294,952.00)	(3,649,372.28)	(11,261,093.75)	(859,724.40)	(16,065,142.43)
Dividend Reinvest	-	36,033.30	-	-	36,033.30
At 30 June 2024	<u>1,970,069.47</u>	<u>2,878,422.05</u>	<u>6,331,242.47</u>	<u>2,025,665.64</u>	<u>13,205,399.63</u>

	Class A HKD	Class A HKD (Dist)	Class A USD	Class A USD (Dist)	Total
	Units	Units	Units	Units	Units
At 1 January 2023	1,336,515.57	4,529,939.67	17,526,256.48	4,109,244.51	27,501,956.23
Subscription of units	-	296,044.74	-	77,701.09	373,745.83
Redemption of units	-	-	(54,204.27)	(1,260,694.16)	(1,314,898.43)
Dividend Reinvest	-	98,951.15	-	-	98,951.15
At 30 June 2023	<u>1,336,515.57</u>	<u>4,924,935.56</u>	<u>17,472,052.21</u>	<u>2,926,251.44</u>	<u>26,659,754.78</u>

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
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For the period ended 30 June 2024

**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 2024 USD	31 December 2023 USD
Published net assets attributable to unitholders (calculated in accordance with Sub-Fund's Trust Deed)	11,804,580	22,828,915
Adjustment for establishment costs	<u>(4,712)</u>	<u>(9,373)</u>
Net assets attributable to unitholders (calculated in accordance with IFRSs)	<u>11,799,868</u>	<u>22,819,542</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 2024 and 31 December 2023.

	30 June 2024	
	Unit price (per financial statements)	Published unit price:
Class A HKD units		
Net assets attributable to unitholders per unit	<u>HKD 1.4128</u>	<u>HKD 1.4134</u>
Class A HKD (Dist) units		
Net assets attributable to unitholders per unit	<u>HKD 1.1117</u>	<u>HKD 1.1122</u>
Class A USD units		
Net assets attributable to unitholders per unit	<u>USD 1.3972</u>	<u>USD 1.3978</u>
Class A USD (Dist) units		
Net assets attributable to unitholders per unit	<u>USD 1.0800</u>	<u>USD 1.0805</u>
	31 December 2023	
	Unit price (per financial statements)	Published unit price:
Class A HKD units		
Net assets attributable to unitholders per unit	<u>HKD 1.1563</u>	<u>HKD 1.1569</u>
Class A HKD (Dist) units		
Net assets attributable to unitholders per unit	<u>HKD 0.9397</u>	<u>HKD 0.9401</u>
Class A USD units		
Net assets attributable to unitholders per unit	<u>USD 1.1435</u>	<u>USD 1.1441</u>
Class A USD (Dist) units		
Net assets attributable to unitholders per unit	<u>USD 0.9140</u>	<u>USD 0.9145</u>

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
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INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2024

	Holding/ Nominal value	Fair value USD	% of net assets on fair value
<b><u>COLLECTIVE INVESTMENT SCHEMES</u></b>			
<b>Hong Kong</b>			
Foundation China Equity Fund - Class A USD	2,106,356	2,004,619	16.99%
		2,004,619	16.99%
<b>Ireland</b>			
HSBC Global Liquidity Funds plc - US Dollar ESG Liquidity Fund - Class A	2,971,383	2,971,383	25.18%
		2,971,383	25.18%
<b><u>EQUITY SECURITIES</u></b>			
<b>United States</b>			
Alphabet Inc - Class A	2,506	456,468	3.87%
Dell Technologies Inc	5,902	813,945	6.90%
Meta Platforms Inc - Class A	922	464,891	3.94%
Microsoft Corp	2,131	952,450	8.07%
NVIDIA Corp	7,052	871,204	7.38%
Salesforce Inc	1,036	266,355	2.26%
Taiwan Semiconductor Manufacturing Co Ltd	5,979	1,039,210	8.81%
Visa Inc	1,538	403,679	3.42%
		5,268,202	44.65%
<b><u>FUTURES</u></b>			
<b>United States</b>			
CME E-Mini Russell 2000 Index Futures Sep24	(27)	(47,790)	(0.41%)
		(47,790)	(0.41%)
Other net assets		1,603,454	13.59%
Net assets attributable to unitholders as at 30 June 2024		11,799,868	100.00%
Total investment, at cost		9,161,332	

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
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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 2024 are as follows:

Description	Underlying assets	Contract size	Number of Contract	Notional market value	Position	Issuer	Fair value USD
Financial liabilities							
CME E-Mini Russell 2000 Index Futures Sep24	Mini Russell 2000	50	27	(USD 2,787,750)	Short	Essence Futures (Hong Kong) Limited	(47,790)
							<u>(47,790)</u>

FOUNDATION GLOBAL INCOME AND GROWTH FUND  
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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

For the period ended 30 June 2024

	<u>Movement in holdings</u>			At 30 June 2024
	At 1 January 2024	Additions	Disposals	
<b><u>COLLECTIVE INVESTMENT SCHEMES</u></b>				
<b>Hong Kong</b>				
Foundation China Equity Fund - Class A USD	4,937,909	-	(2,831,553)	2,106,356
<b>Ireland</b>				
HSBC Global Liquidity Funds plc - US Dollar ESG Liquidity Fund - Class A	6,746,195	880,744	(4,655,556)	2,971,383
<b><u>EQUITY SECURITIES</u></b>				
<b>United States</b>				
Adobe Inc	1,614	-	(1,614)	-
Alphabet Inc - Class A	-	2,506	-	2,506
Dell Technologies Inc	19,662	1,073	(14,833)	5,902
Meta Platforms Inc - Class A	1,420	603	(1,101)	922
iShares Bitcoin Trust	-	22,775	(22,775)	-
Microsoft Corp	2,437	1,087	(1,393)	2,131
MicroStrategy Inc	1,478	-	(1,478)	-
NVIDIA Corp	2,995	8,388	(4,331)	7,052
ProShares Bitcoin Strategy ETF	-	40,266	(40,266)	-
Salesforce Inc	3,666	-	(2,630)	1,036
Taiwan Semiconductor Manufacturing Co Ltd	18,602	-	(12,623)	5,979
Visa Inc	3,888	-	(2,350)	1,538
<b><u>FUTURES</u></b>				
<b>United States</b>				
E-mini S&P 500 Futures Mar24	(7)	7	-	-
E-mini S&P 500 Futures Jun24	-	3	(3)	-
CME E-Mini NASDAQ 100 Index Future Mar24	(5)	5	-	-
CME E-Mini NASDAQ 100 Index Future Jun24	-	2	(2)	-
CME E-Mini Russell 2000 Index Futures Jun24	-	28	(28)	-
CME E-Mini Russell 2000 Index Futures Sep24	-	-	(27)	(27)