

**Yuanta/P-shares Taiwan Top 50
ETF (H.K.)**
(formerly Polaris Taiwan Top 50
Tracker Fund (H.K))
(A Sub-fund of Yuanta Tracker Fund (H.K.) Series
(formerly Polaris Tracker Fund (H.K) Series)
Stock Code - 3002

**Interim Report
30 June 2016**

Contents	Page(s)
Management and administration	1
Condensed statement of assets and liabilities	2 - 3
Condensed statement of comprehensive income	4
Condensed statement of changes in equity	5
Condensed cash flow statement	6
Notes to the condensed financial statements	7 - 14
Performance of the Fund and FTSE TWSE Taiwan 50 Index (unaudited)	15
FTSE TWSE Taiwan 50 Index constituent stocks disclosure (unaudited)	16
Investment portfolio (unaudited)	17
Statement of movements in portfolio holdings (unaudited)	18
Performance table (unaudited)	19

Management and Administration

Manager

Yuanta Securities (Hong Kong) Company Limited
23/F, Admiralty Centre Tower 1
18 Harcourt Road
Hong Kong

Trustee and Registrar

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

Legal Advisor to the Manager

DEACONS
5/F, Alexandra House
18 Chater Road
Central
Hong Kong

Auditors

KPMG
8th Floor, Prince's Building
10 Charter Road
Central Hong Kong

Condensed statement of assets and liabilities as at 30 June 2016

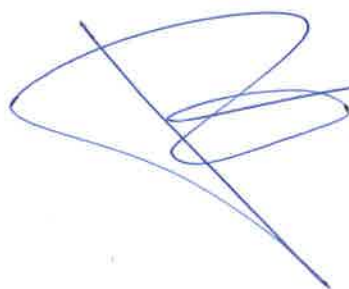
(Expressed in Hong Kong dollars)

	<i>Note</i>	<i>30 June 2016</i>	<i>31 December 2015</i>
Assets			
Cash and cash equivalents	5	\$ 972,801	\$ 513,278
Financial assets at fair value through profit or loss	4	<u>9,249,766</u>	<u>9,595,765</u>
Total assets		<u>\$ 10,222,567</u>	<u>\$ 10,109,043</u>
Liabilities			
Management fee payable	7(a)	\$ -	\$ 1,772
Trustee fee payable	7(b)	25,574	26,499
Provision for liquidation expenses		389,841	-
Other payables		<u>99,787</u>	<u>224,922</u>
Total liabilities		<u>\$ 515,202</u>	<u>\$ 253,193</u>
Net assets attributable to unitholders		<u>\$ 9,707,365</u>	<u>\$ 9,855,850</u>
Representing:			
Total equity		<u>\$ 9,707,365</u>	<u>\$ 9,855,850</u>

Condensed statement of assets and liabilities
as at 30 June 2016 (continued)
(Expressed in Hong Kong dollars)

	Note	30 June 2016	31 December 2015
Total number of units in issue	7(c), 8	<u>1,000,000</u>	<u>1,000,000</u>
Net asset value per unit		<u>\$ 9.71</u>	<u>\$ 9.85</u>

Approved and authorised for issue by the Manager on 23 AUG 2016



) For and on behalf of
) Yuanta Securities (Hong Kong)
) Company Limited, Manager
)
)

Condensed statement of comprehensive income for the period ended 30 June 2016

(Expressed in Hong Kong dollars)

	<i>Note</i>	<i>Six months ended 30 June 2016</i>	<i>Six months ended 30 June 2015</i>
		\$ -	\$ -
Income			
Expenses			
Auditor's remuneration		\$ (76,312)	\$ (73,888)
Management fee	7(a)	-	(23,203)
Trustee fee	7(b)	(155,148)	(154,717)
Safe custody and bank charges		(5,256)	(9,418)
Registration fee	7(b)	(19,394)	(19,340)
Valuation fee	7(b)	(133,380)	(133,380)
Transactions cost		(1,852)	(553)
Sundry expenses		(467,900)	(68,148)
Legal and professional fees		(180,644)	(23,259)
		\$ (1,039,886)	\$ (505,906)
Net loss before investment and exchange gain		\$ (1,039,886)	\$ (505,906)
Net investment and exchange gain			
Net foreign exchange gain		2,609	2,271
Net gain from financial assets at fair value through profit or loss	6	\$ 888,792	\$ 758,029
(Loss)/profit after tax and total comprehensive income for the period		\$ (148,485)	\$ 254,394

The notes on pages 7 to 14 form part of these condensed financial statements.

Condensed statement of changes in equity for the period ended 30 June 2016

(Expressed in Hong Kong dollars)

	<i>Six months ended 30 June 2016</i>	<i>Six months ended 30 June 2015</i>
Net assets at the beginning of the period	\$ 9,855,850	\$ 11,956,959
(Loss)/profit after tax and total comprehensive income for the period	<u>(148,485)</u>	<u>254,394</u>
Net assets at the end of the period	<u>\$ 9,707,365</u>	<u>\$ 12,211,353</u>

The notes on pages 7 to 14 form part of these condensed financial statements.

RESTRICTED

Condensed cash flow statement for the period ended 30 June 2016

(Expressed in Hong Kong dollars)

	<i>Six months ended 30 June 2016</i>	<i>Six months ended 30 June 2015</i>
Operating activities		
(Loss)/profit after tax and total comprehensive income for the period	\$ (148,485)	\$ 254,394
Decrease/(increase) in financial assets at fair value through profit or loss	345,999	(389,027)
Decrease in other assets	-	13,701
Decrease in management fee payable	(1,772)	(41)
Decrease in trustee fee payable	(925)	(855)
Increase in provision for liquidation expenses	389,841	-
Decrease in other payables	<u>(125,135)</u>	<u>(100,188)</u>
Net cash generated from /(used in) operating activities	<u>\$ 459,523</u>	<u>\$ (222,016)</u>
Net increase/(decrease) in cash and cash equivalents	\$ 459,523	\$ (222,016)
Cash and cash equivalents at the beginning of the period	<u>513,278</u>	<u>622,359</u>
Cash and cash equivalents at the end of the period	<u>\$ 972,801</u>	<u>\$ 400,343</u>

The notes on pages 7 to 14 form part of these condensed financial statements.

Notes to the condensed financial statements

(Expressed in Hong Kong dollars)

1 Background

Yuanta/P-shares Taiwan Top 50 ETF (H.K.) (formerly known as Polaris Taiwan Top 50 Tracker Fund (H.K.)) (“the Fund”) is a sub-fund of Yuanta Tracker Fund (H.K) Series (formerly known as Polaris Tracker Fund (H.K.) Series) (“the Trust”). The Fund is authorised by the Securities and Futures Commission in Hong Kong (“SFC”) under section 104(1) of the Hong Kong Securities and Futures Ordinance and is governed by the Hong Kong Code on Unit Trusts and Mutual Funds (“the Code”).

The Trust is an open ended unit trust constituted by a Trust Deed dated 27 July 2009, entered into between Yuanta Securities (Hong Kong) Limited (the “Manager”), and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

The Fund is an exchange traded fund listed on The Stock Exchange of Hong Kong Limited on 19 August 2009.

The investment objective of the Fund is to provide investment results that, after expenses, closely link to or correspond to the performance of the FTSE TWSE Taiwan 50 Index (“the Index”) by investing substantially all of its assets in Yuanta/P-shares Taiwan Top 50 ETF (the “Master Fund”) listed on the Taiwan Stock Exchange.

Pursuant to the Clause 35.6(A) of the trust deed, The Manager has, by means of a resolution of the board of directors of the manager dated 20 May 2016, decided to seek the termination and the voluntary Deauthorisation of the Trust and the Fund and Delisting of the Fund, and has provided the Trustee with written notice of such decision.

The Fund has ceased trading its units from 4 July 2016 (the “Trading Cessation Date”), from there on:

- (i) there will be no further trading of units and no further redemption of units.
- (ii) the Manager will start to realise all the assets of the Trust and the Fund and the Fund will therefore cease to track the Underlying Index via the Yuanta/P-shares Taiwan Top 50 ETF (the “Master Fund”) and will not be able to meet its investment objective of tracking the performance of the Underlying Index.
- (iii) the Trust and the Fund will mainly hold cash, and the Fund will only be operated in a limited manner.

2 Significant accounting policies (continued)

(a) Statement of compliance

The condensed financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs) HKAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements as at and for the year ended 31 December 2015, which have been prepared in accordance with HKFRSs.

The interim financial statements have not been audited or reviewed by the Company's auditors.

(b) Basis of preparation of the condensed financial statements

The financial statements had been prepared under the liquidation basis as the Fund will be liquidated in the foreseeable future. As a result, all assets have been written down to their estimated net realisable values and all non-current assets and non-current liabilities have been classified as current assets and current liabilities, respectively. The estimated expenses associated with liquidation of HK\$389,841 have been accrued in the Statement of Financial Position as at 30 June 2016.

Apart from the above, other accounting policies applied in these condensed financial statements are the same as those applied by the Fund in its financial statements as at and for the period ended 31 December 2015.

3 Taxation

No provision for Hong Kong Profits Tax has been made in the condensed financial statements as the income of the Fund is exempt from taxation under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

4 Financial instruments and associated risks

The Fund's financial risk management objectives and policies during the six months ended 30 June 2016 are consistent with that disclosed in the financial statements as at and for the year ended 31 December 2015.

5 Cash and cash equivalents

	<i>30 June 2016</i>	<i>31 December 2015</i>
Cash at bank	\$ <u>972,801</u>	\$ <u>513,278</u>

6 Net gain from financial assets at fair value through profit or loss

	<i>Six months ended 30 June 2016</i>	<i>Six months ended 30 June 2015</i>
Net realised gain	\$ 303,935	\$ 139,161
Net change in unrealised gain or loss	<u>584,857</u>	<u>618,868</u>
Total net gain	<u>\$ 888,792</u>	<u>\$ 758,029</u>

7 Transactions with related parties

The following is a summary of transactions with related parties during the period which were entered into in the ordinary course of business and on normal commercial terms:

- (a) The Manager earns management fee at the rate of 0.38% per annum of the net asset value of the Fund. Management fee is accrued daily and calculated as at each dealing day and payable monthly in arrears. Effective from 18 December 2015, the Manager waived the management fee chargeable to the Fund

The management fee currently payable by the Master Fund to the Master Fund's manager, Yuanta Securities Investment Trust Co., Ltd., is 0.32% per annum of the net asset value of the Master Fund. Accordingly the current aggregate amount of management fee payable to the Manager and its connected persons of the Manager and the Master Fund is equal to 0.70% per annum of the net asset value of the Fund.

- (b) The Trustee earns trustee fee at the rate of 0.115% per annum of the net asset value of the Fund (subject to a minimum of HK\$312,000 per annum). Trustee fee is accrued daily and calculated as at each dealing day and payable monthly in arrears.

The Trustee also earns fees for providing various other services to the Fund as follows:

- (i) Registrar's fees per annum
 - (ii) Transaction fees for each purchase/sale of investments
 - (iii) Valuation fees per daily valuation
 - (iv) Special fees charged on time-cost basis
- (c) The Fund allows the Manager and its connected persons to transact in units of the Fund. The holding of the Fund by the Manager as at 30 June 2016 was 241,000 units (31 December 2015:219,800 units), representing 24.1% (31 December 2015 : 22.0%) holding in the Fund

8 Units in issue

	<i>Six months ended 30 June 2016 Units</i>	<i>Year ended 31 December 2015 Units</i>
Balance at the beginning of the period/year	1,000,000	1,000,000
Units redeemed during the period/year	-	-
Balance at the end of the period/year	<u>1,000,000</u>	<u>1,000,000</u>

9 Soft dollar commission

The Manager has not entered into any soft dollar commission arrangements with brokers for the Fund.

10 Fair value information

The Fund's financial instruments are measured at fair value on the date of the statement of assets and liabilities. Fair value estimates are made at a specified point in time, based on market conditions and information about the financial instruments. Usually, fair values can be reliably determined within a reasonable range of estimates. For certain other financial instruments, including cash and cash equivalents, other receivables and other payables, the carrying amounts approximate their fair value due to the immediate or short-term nature of these financial instruments.

The Fund's accounting policy on fair value measurements is detailed in Financial statements as of 31 December 2015 under significant accounting policies in Note 2(e)(v).

The Fund measures fair values using the following fair values hierarchy that reflects the significance of the inputs used in making the measurements.

- *Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.*
- *Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). The category includes instruments valued using: quoted market price in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.*
- *Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on*

the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

10 Fair value information (continued)

Valuation of financial instruments

The investment held by the Fund is listed on the Taiwan Stock Exchange and its fair value is based on quoted market price in an active market.

The following analyses financial instruments at fair value at the date of the statement of assets and liabilities, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	<i>Level 1</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>
Yuanta/P-shares Taiwan Top 50 ETF	\$ 9,249,766	\$ 9,595,765

There are no transfers between the levels during the period.

Financial instruments not measured at fair value through profit or loss

The financial instruments not measured at fair value through profit or loss are short-term financial assets and financial liabilities whose carrying amounts approximate fair value.

The following table sets out the fair values of financial instruments not measured at fair value through profit or loss and analyses it by the level in the fair value hierarchy into which each fair value measurement is categorised.

	2016			
	Level 1	Level 2	Level 3	Total
30 June 2016				
Financial assets				
Cash and cash equivalents	\$ 972,801	\$ -	\$ -	\$ 972,801
	<u>\$ 972,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 972,801</u>
Financial liabilities				
Trustee fee payable	\$ -	\$ 25,574	\$ -	\$ 25,574
Provision for liquidation expenses	-	389,841	-	389,841
Other Payable	-	99,787	-	99,787
Net assets attributable to unit holders	-	9,707,365	-	9,707,365
	<u>\$ -</u>	<u>\$ 10,222,567</u>	<u>\$ -</u>	<u>\$ 10,222,567</u>

10 Fair value information (continued)

Financial instruments not measured at fair value (continued)

	2015			Total
	Level 1	Level 2	Level 3	
31 December 2015				
Financial assets				
Cash and cash equivalents	\$ 513,278	\$ -	\$ -	\$ 513,278
	<u>\$ 513,278</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 513,278</u>
Financial liabilities				
Management fee payable	\$ -	\$ 1,772	\$ -	\$ 1,772
Trustee fee payable	-	26,499	-	26,499
Other Payable	-	224,922	-	224,922
Net assets attributable to unit holders	-	9,855,850	-	9,855,850
	<u>\$ -</u>	<u>\$ 10,109,043</u>	<u>\$ -</u>	<u>\$ 10,109,043</u>

11 Segment information

The Manager makes the strategic resource allocation on behalf of the Fund and determines operating segments based on internal reports reviewed which are used to make strategic decisions.

The Manager considers that the Fund has one single operating segment based on one single and integrated investment strategy by investing substantially all of its assets in the Master Fund with the objective to closely match the performance of the Index as stipulated in the Explanatory Memorandum. There was no change in the operating segment during the period.

All revenues of the Fund are generated from investments. The segment information provided to the Manager is the same as that disclosed in the condensed statement of comprehensive income and condensed statement of assets and liabilities.

The Fund is domiciled in Hong Kong. All of the Fund's income from investments is from its investments in the Master Fund.

12 Involvement with an unconsolidated structured entity

The table below describes the type of structured entity that the Fund does not consolidate but in which it holds an interest.

<i>Type of structured entity</i>	<i>Nature and purpose</i>	<i>Interest held by the Fund</i>
Investment fund	To manage assets on behalf of third party investors and generate fees for the investment manager. This vehicle is financed through the issue of units to investors.	Investments in units issued by the fund

The table below sets out interests held by the Fund in an unconsolidated structured entity. The maximum exposure to loss is the carrying amount of the financial assets held.

30 June 2016

	<i>Structured entity</i>	<i>Total net assets</i>	<i>Carrying amount include in "financial assets at fair value through profit or loss"</i>
Yuanta/P-shares Taiwan Top 50 ETF	Listed exchange traded funds	19,448,260,853	9,249,766

31 December 2015

	<i>Structured entity</i>	<i>Total net assets</i>	<i>Carrying amount include in "financial assets at fair value through profit or loss"</i>
Yuanta/P-shares Taiwan Top 50 ETF	Listed exchange traded funds	19,085,913,441	9,595,765

During the period, the Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

The Fund can trade in the above investment fund in the open market.

13 Subsequent events

Subsequent to the period end, the Fund announced a dividend distribution of HK\$9.7359 per unit totalling HK\$9,735,944.32 on 29 July 2016 and paid on 1 August 2016. The proposed distribution has not been reflected as a liability in the financial statements as at 30 June 2016.

**Performance of Yuanta/P-shares Taiwan Top 50 ETF (H.K.)
(formerly Polaris Taiwan Top 50 Tracker Fund (H.K.))
and FTSE TWSE Taiwan 50 Index (unaudited)**

<i>Fund/Index</i>	<i>Performance</i>	
	<i>From 1 January 2016 to 30 June 2016</i>	<i>From 1 January 2015 to 30 June 2015</i>
Yuanta/P-shares Taiwan Top 50 ETF (H.K.) (formerly Polaris Taiwan Top 50 Tracker Fund (H.K.)) ⁽¹⁾	(1.52%)	2.18%
FTSE TWSE Taiwan 50 Index ⁽²⁾	<u>5.72%</u>	<u>2.88%</u>

(1) Performance is calculated in base currency with unit price to unit price, dividend reinvestment (if any).

(2) Performance is calculated in total return with dividend reinvestment

Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg

Investors should note that investment involves risks and not all investment risks are predictable. Prices of fund units may go up as well as down and past performance information presented is not indicative of future performance. Investors should refer to the Fund's offering document (including the full text of the risk factors stated therein) before making any investment decision.

FTSE TWSE Taiwan 50 Index Constituent Stocks Disclosure as at 30 June 2016 (unaudited)

Those constituent stocks that accounted for more than 10% of the weighting of the FTSE TWSE Taiwan 50 Index (“the Index”) as at 30 June 2016 and 2015 are listed below.

	<i>Weighting in the Index</i>	
	<i>30 June 2016 %</i>	<i>30 June 2015 %</i>
Taiwan Semiconductor Manufacturing	<u>29.33</u>	<u>24.06</u>

**Investment portfolio
as at 30 June 2016 (unaudited)**
(Expressed in Hong Kong dollars)

<i>Investment</i>	<i>Holdings</i>	<i>Cost</i>	<i>Market value</i>	<i>% of total net asset attributable to unitholders</i>
<i>Taiwan listed</i>				
Yuanta/P-shares Taiwan Top 50 ETF	588,000	6,757,320	\$ 9,249,766	95.29
Total investments			\$ 9,249,766	
Other net assets			457,599	4.71
Total net assets attributable to unitholders			\$ 9,707,365	100.00

Statement of movements in portfolio holdings as at 30 June 2016 (unaudited)

	<i>% of total net assets attributable to unitholders</i>	
	<i>30 June 2016</i>	<i>31 December 2015</i>
Yuanta/P-shares Taiwan Top 50 ETF	95.29	97.36
Total investments	95.29	97.36
Other net assets	4.71	2.64
Total net assets	100.00	100.00

Performance table (unaudited)
(Expressed in Hong Kong dollars)

(a) Net asset value attributable to unitholders (in accordance with HKFRSs):

	<i>Net asset value</i>	<i>Net asset value per unit</i>
At 30 June 2016	<u>\$ 9,707,365</u>	<u>\$ 9.71</u>
At 31 December 2015	<u>\$ 9,855,850</u>	<u>\$ 9.85</u>
At 31 December 2014	<u>\$ 11,956,959</u>	<u>\$ 11.95</u>

(b) Price record (in accordance with Explanatory Memorandum):

	<i>Highest offer price during the period/year</i>	<i>Lowest bid price during the period/year</i>
1 January 2016 to 30 June 2016	<u>\$ 10.28</u>	<u>\$ 8.82</u>
2015	<u>\$ 13.06</u>	<u>\$ 9.42</u>
2014	<u>\$ 13.33</u>	<u>\$ 10.79</u>
2013	<u>\$ 11.87</u>	<u>\$ 10.51</u>
2012	<u>\$ 12.17</u>	<u>\$ 9.92</u>
2011	<u>\$ 14.52</u>	<u>\$ 10.03</u>
2010	<u>\$ 14.07</u>	<u>\$ 9.99</u>
2009	<u>\$ 11.88</u>	<u>\$ 9.68</u>