

HUATAI US SELECT FUND

(A Sub-Fund of Huatai Global Investment Fund, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

REPORTS AND FINANCIAL STATEMENTS

**FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31
DECEMBER 2025**

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

CONTENTS

Pages

ADMINISTRATION AND MANAGEMENT

1

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

2

INDEPENDENT AUDITOR'S REPORT

3– 6

STATEMENT OF FINANCIAL POSITION

7

STATEMENT OF COMPREHENSIVE INCOME

8

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

9 – 11

STATEMENT OF CASH FLOWS

12

NOTES TO THE FINANCIAL STATEMENTS

13 - 33

INVESTMENT PORTFOLIO (UNAUDITED)

34

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

35

PERFORMANCE TABLE (UNAUDITED)

36

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

ADMINISTRATION AND MANAGEMENT

MANAGER

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road
Central
Hong Kong

DIRECTORS OF THE MANAGER

Zhou Yi
Wang Lei
Qiao Wei (Resigned on 22 October 2025)
Jiang Yu (Appointed on 22 October 2025)

TRUSTEE AND REGISTRAR

Bank of Communications Trustee Limited
1st Floor
Far East Consortium Building
121 Des Voeux Road Central
Hong Kong

SOLICITORS TO THE MANAGER

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

AUDITOR

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong SAR, China

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager has, in all material respects, managed Huatai Global Investment Fund - Huatai US Select Fund in accordance with the provisions of the Trust Deed dated 25 July 2023 and all its supplemental deeds for the period, from 30 May 2025 (date of inception) to 31 December 2025.

For and on behalf of
Bank of Communications Trustee Limited



Authorised Signatory

Hong Kong,
30 April 2026

Independent Auditor's Report

To the Unitholders of Huatai US Select Fund
(A sub-fund of Huatai Global Investment Fund)

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of Huatai US Select Fund (the "Sub-Fund"), a sub-fund of Huatai Global Investment Fund, which are set out on pages 7 to 33, comprise:

- the statement of financial position as at 31 December 2025;
- the statement of comprehensive income for the period from 30 May 2025 (date of inception) to 31 December 2025;
- the statement of changes in net assets attributable to unitholders for the period from 30 May 2025 (date of inception) to 31 December 2025;
- the statement of cash flows for the period from 30 May 2025 (date of inception) to 31 December 2025; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2025, and of its financial transactions and its cash flows for the period from 30 May 2025 (date of inception) to 31 December 2025 in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Sub-Fund in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

The Trustee and the Manager (the “Management”) of the Sub-Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Financial Statements

The Management of the Sub-Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management of the Sub-Fund is responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 25 July 2023 ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and Appendix E of the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Mok Shun Wah (practising certificate number: P07047).



PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 30 April 2026

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	Notes	2025 USD
CURRENT ASSETS		
Financial assets at fair value through profit or loss	3-1, 3-2, 3-4, 3-6	4,556,304
Dividend receivables		1,554
Cash and cash equivalents	3-4	<u>24,813</u>
TOTAL CURRENT ASSETS		<u>4,582,671</u>
CURRENT LIABILITIES		
Custodian fee payable	7-3	52
Establishment costs payable		40,669
Management fee payable	7-1	8,362
Transaction expense payable	7-4	26
Trustee fee payable	7-2	289
Other payables and accrued liabilities		25,732
Tax payable		<u>466</u>
TOTAL CURRENT LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>75,596</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		4,507,075
Adjustments for different bases adopted by the Sub-Fund in arriving at the net assets attributable to unitholders	5	<u>39,609</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (IN ACCORDANCE WITH THE SUB-FUND'S EXPLANATORY MEMORANDUM)		<u>4,546,684</u>

For and on behalf of
Bank of Communications Trustee Limited, Trustee

Authorised Signatory

For and on behalf of
Huatai Financial Holdings (Hong Kong) Limited,
Manager

Authorised Signatory

The accompanying notes on pages 13 to 33 are an integral part of these financial statements.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

	Notes	For the period from 30 May 2025 (date of inception) to 31 December 2025 USD
INCOME		
Interest income on cash and cash equivalents		15,466
Dividend income		23,298
Net gains on financial assets at fair value through profit or loss	6	557,147
Net foreign exchange losses		<u>(50)</u>
		<u>595,861</u>
EXPENSES		
Auditor's remuneration		25,000
Commission expense	7.4	908
Custodian fee	7.3	962
Establishment costs	5	45,465
Management fee	7.1	8,362
Transaction expense	7.4	91
Trustee fee	7.2	1,784
Other operating expenses		893
		<u>83,465</u>
PROFIT BEFORE TAXATION		512,396
Withholding taxes		<u>(5,833)</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		506,563
Adjustments for different bases adopted by the Sub-Fund in arriving at the net assets attributable to unitholders	5	<u>39,609</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (IN ACCORDANCE WITH THE SUB-FUND'S EXPLANATORY MEMORANDUM)		<u><u>546,172</u></u>

The accompanying notes on pages 13 to 33 are an integral part of these financial statements.

HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025

	Total USD
As at 30 May 2025 (date of inception)	-
Subscription of units	4,000,512
Redemption of units	-
	<u>4,000,512</u>
Increase in net assets attributable to unitholders	<u>506,563</u>
Net assets attributable to unitholders as at 31 December 2025	<u>4,507,075</u>
Adjustments for different bases adopted by the Sub-Fund in arriving at the net assets attributable to unitholders	<u>39,609</u>
Net assets attributable to unitholders as at 31 December 2025 (in accordance with the Sub-Fund's explanatory memorandum)	<u><u>4,546,684</u></u>

The accompanying notes on pages 13 to 33 are an integral part of these financial statements.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
(Continued)
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

Number of units issued and redeemed

	Class A HKD UNITS	Class A USD UNITS	Class I USD UNITS	Class S HKD UNITS	Class S USD UNITS	Total UNITS
As at 30 May 2025 (date of inception)	-	-	-	-	-	-
Subscription of units	1,000.0000	1,000.0000	10,000.0000	1,000.0000	28,750.0000	41,750.0000
Redemption of units	-	-	-	-	-	-
Number of units in issue as at 31 December 2025	<u>1,000.0000</u>	<u>1,000.0000</u>	<u>10,000.0000</u>	<u>1,000.0000</u>	<u>28,750.0000</u>	<u>41,750.0000</u>

The accompanying notes on pages 13 to 33 are an integral part of these financial statements.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
(Continued)
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

	For the period from 30 May 2025 (date of inception) to 31 December 2025
NET ASSET VALUE PER UNIT (IN ACCORDANCE WITH THE SUB-FUND'S EXPLANATORY MEMORANDUM)	
Class A HKD Units	HKD112.2557
Class A USD Units	USD113.0675
Class I USD Units	USD113.4697
Class S HKD Units	HKD112.9220
Class S USD Units	USD113.7387

The accompanying notes on pages 13 to 33 are an integral part of these financial statements.

HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025

	For the period from 30 May 2025 (date of inception) to 31 December 2025 USD
Cash flows from operating activities	
Increase in net assets attributable to unitholders before adjustment	506,563
Adjustments for:	
Interest income on cash and cash equivalents	(15,466)
Dividend income	(23,298)
Withholding taxes	5,833
Operating loss before working capital changes	<u>473,632</u>
Net increase in financial assets at fair value through profit or loss	(4,556,304)
Net increase in custodian fee payable	52
Net increase in establishment costs payable	40,669
Net increase in management fee payable	8,362
Net increase in transaction expense payable	26
Net increase in trustee fee payable	289
Net increase in other payables and accrued liabilities	25,732
Cash used in operations	<u>(4,007,542)</u>
Interest received	15,466
Dividend received	16,377
Net cash used in operating activities	<u>(3,975,699)</u>
Cash flows from financing activities	
Proceeds from subscription of units	4,000,512
Payments on redemption of units	-
Net cash generated from financing activities	<u>4,000,512</u>
Net increase in cash and cash equivalents	24,813
Cash and cash equivalents at beginning of the period	<u>-</u>
Cash and cash equivalents at the end of the period	<u><u>24,813</u></u>
Analysis of balances of cash and cash equivalents	
Cash at bank	<u>24,813</u>
	<u><u>24,813</u></u>

The accompanying notes on pages 13 to 33 are an integral part of these financial statements.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

1. General Information

Huatai Global Investment Fund (the “Fund”) is an open-ended unit trust established as an umbrella fund under the laws of Hong Kong by a trust deed dated 25 July 2023, as amended (the “Trust Deed”), between Huatai Financial Holdings (Hong Kong) Limited as Manager (the “Manager”) and Bank of Communications Trustee Limited as Trustee (the “Trustee”) (Collectively, “management”). As at 31 December 2025, the Trust has six Sub-Funds: Huatai HKD Money Market Fund, Huatai USD Money Market Fund, Huatai RMB Money Market Fund, Huatai Asia Pacific Target Income Fund, Huatai Global Select Bond Fund, and Huatai US Select Fund (the “Sub-Fund”) (collectively, the “Sub-Funds”). The date of commencement of operations of the Sub-Fund was 30 May 2025.

The Fund and the Sub-Fund are 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 established by the SFC (the “SFC Code”).

The Sub-Fund seek sustainable and stable capital gains over a medium-to-long term through investing primarily in a portfolio of equity and equity-related securities listed in the stock markets in the United States.

The Sub-Fund will invest primarily (i.e., not less than 70% of its Net Asset Value) in equity and equity-related securities denominated in USD which are listed in the stock markets in the United States. To achieve the exposure, the Sub-Fund may directly invest up to 100% of its Net Asset Value in equity securities (including, but are not limited to, stocks) and equity-related securities (including, but are not limited to, equity-based Qualified Exchange Traded Funds, i.e. Qualified Exchange Traded Funds which primarily invest in equity securities), that are denominated in USD and listed in the stock markets in the United States. The Sub-Fund may also invest less than 30% of its Net Asset Value in equity-based underlying collective investment schemes (other than Qualified Exchange Traded Funds) whose investment objectives are not to invest in other underlying collective investment schemes to gain indirect exposure to USD-denominated stocks listed in the United States.

These financial statements were only prepared for the Sub-Fund for the period from 30 May 2025 (date of inception) to 31 December 2025.

2. Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with HKFRS Accounting Standards as issued by Hong Kong Institute of Certified Public Accountants and the relevant disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds of the SFC Code.

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

2. Summary of material accounting policies (Continued)

2.1 Basis of preparation (Continued)

The financial statements of the Sub-Fund have been prepared on a going concern basis and have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the management to exercise their judgement in the process of applying the Sub-Fund's accounting policies.

These financial statements are presented in United States dollar ("USD") and all values are rounded to the nearest USD except where otherwise indicated.

New Standards and amendments to existing standards effective 30 May 2025 (date of inception)

There are no standards, amendments to standards or interpretations that are effective for financial periods beginning on 30 May 2025 (date of inception) that have a material effect on the annual financial statements of the Sub-Fund.

New standards, amendments and interpretations to standards effective after 30 May 2025 (date of inception) and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for financial periods beginning after 30 May 2025 (date of inception), and have not been early adopted in preparing these annual financial statements. The assessment of the impact of these new standards and amendments is set out below:

- i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7 (effective for annual periods beginning on or after 1 January 2026)

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the HKICPA clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

- ii) HKFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

The HKICPA issued the new standard on presentation and disclosure in financial statements, which replaces HKAS 1, with a focus on updates to the statement of comprehensive income.

The key new concepts introduced in HKFRS 18 relate to:

- the structure of the statement of comprehensive income with defined subtotals;
- the requirement to determine the most useful structured summary for presenting expenses in the statement of comprehensive income;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

2. Summary of material accounting policies (Continued)

2.1 Basis of preparation (Continued)

New standards, amendments and interpretations to standards effective after 18 December 2024 (date of inception) and have not been early adopted (Continued)

The Sub-Fund is currently still assessing the effect of the forthcoming standard and amendments.

No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Sub-Fund.

2.2 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the “functional currency”). The performance of the Sub-Fund is measured and reported to the unitholders in USD. Management considers USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in USD, which is the Sub-Fund’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within “Net foreign exchange gains/(losses)”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “Net gains/(losses) on financial assets at fair value through profit or loss”.

2.3 Financial assets at fair value through profit or loss

(i) Classification

The Sub-Fund classifies its investments based on both the Sub-Fund’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 Sub-Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Sub-Fund’s debt securities are solely principal and interest; however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Sub-Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

2. Summary of material accounting policies (Continued)

2.3 Financial assets at fair value through profit or loss (Continued)

(i) Classification (Continued)

The Sub-Fund's policy requires the Manager to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(ii) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Sub-Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Sub-Fund has transferred substantially all the risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the “Financial assets or financial liabilities at fair value through profit or loss” category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within “Dividend income”.

(iii) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Sub-Fund utilises the last traded market price for both financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, Manager will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Sub-Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent ordinary transactions between market participants, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

(iv) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

2. Summary of material accounting policies (Continued)

2.4 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities; (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors; (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Sub-Fund considers all of its investments in other funds ('Investee Funds') to be investments in unconsolidated structured entities. The Sub-Fund invests in Investee Funds whose are managed by the various investment manager who apply various investment strategies to accomplish the respective investment objectives of the Investee Funds. The Investee Funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitle the holder to a proportional stake in the respective fund's net assets. The Sub-Fund holds redeemable units in each of its Investee Funds.

The change in fair value of each Investee Fund is included in the statement of comprehensive income in "Net gains/(losses) on financial assets at fair value through profit or loss".

2.5 Expected credit losses on financial assets measured at amortised cost

At each reporting date, the Sub-Fund shall measure the loss allowance on financial assets measured at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that amounts may be credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount (after deduction of the loss allowance). A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

2. Summary of material accounting policies (Continued)

2.6 Cash and cash equivalents

“Cash and cash equivalents” includes cash in hand, deposits held at call with banks and brokers and other short-term investments in an active market with original maturities of three months or less.

For bank deposits with original maturities of more than three months is included in “Time deposits”.

2.7 Other payables and accrued liabilities

Other payables and accrued liabilities are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.8 Redeemable units

The Sub-Fund issues five classes of redeemable units, which are redeemable at the unitholder’s option and do not have identical rights. Such units are classified as financial liabilities. Redeemable units of the Sub-Fund can be issued and redeemed at any dealing date for cash equal to a proportionate share of the Sub-Fund’s net asset value attributable to the respective class. Units are redeemable daily.

The redeemable units are carried at amortised cost which corresponds to the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the unit back to the Sub-Fund.

Redeemable units are issued and redeemed at the unitholder’s option at prices based on the Sub-Fund’s net asset value per unit at the time of issue or redemption. The Sub-Fund’s net asset value per unit is calculated by dividing the net assets attributable to the unitholders of each class of redeemable units with the total number of outstanding redeemable units for each respective class. In accordance with the provisions of the Sub-Fund’s regulations, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

2.9 Interest income

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents.

2.10 Dividend Income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Sub-Fund, and the amount of the dividend can be measured reliably.

2.11 Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in statement of comprehensive income as an expense.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

2. Summary of material accounting policies (Continued)

2.12 Establishment costs

Establishment costs are recognised as expenses in the period in which they are incurred in accordance with HKFRS Accounting Standards.

2.13 Taxation

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income.

The Sub-Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the annual financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3. Financial risk management

The Sub-Fund is exposed to a variety of risks including but not limited to market price risk, cash flow and fair value interest rate risk, foreign currency risk, credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

The Sub-Fund's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Sub-Fund is exposed and seeks to minimise potential adverse effects on the Sub-Fund's financial performance.

All securities investments present a risk of loss of capital. Long equity and debt securities is limited to the fair value of those positions.

The following is a summary of the main risks and risk management policies.

3.1 Market price risk

Market price risk is the risk that the value of a financial instruments will fluctuate as a result of changes in market prices (other than those arising from cash flow and fair value interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual instruments or factors affecting all instruments in the market.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

3. Financial risk management (Continued)

3.1 Market price risk (Continued)

The following table discloses the financial assets at fair value through profit or loss of the Sub-Fund by product type as at 31 December 2025:

	2025 USD
Investment funds	
Investee Funds	4,556,304
Total financial assets at fair value through profit or loss	<u>4,556,304</u>

As at 31 December 2025, the Sub-Fund's investments in Investee Funds are subject to the terms and conditions of the respective Investee Fund's offering documents and are susceptible to market price risk arising from uncertainties about future values of those Investee Funds. The Manager makes investment decisions after extensive due diligence of the underlying fund, its strategy and the overall quality of the underlying fund's manager. All of the Investee Funds in the investment portfolio are managed by portfolio managers who are compensated by the respective Investee Funds for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee and is reflected in the valuation of the Sub-Fund's investment in each of the Investee Funds.

The right of the Sub-Fund to request redemption of its investments in Investee Funds is daily.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

3. Financial risk management (Continued)

3.1 Market price risk (Continued)

The exposure to investments in Investee Funds at fair value, by strategy employed, is disclosed in the following table. These investments are included in financial assets at fair value through profit or loss in the statement of financial position.

	Strategy	Net assets value of Investee Fund USD (in million)	Investment Fairvalue in Sub-Fund USD	% of net assets
As at 31 December 2025				
Investment funds				
United States				
Investco QQQ Trust, Series 1	Equity Index Tracking	407,694	387,015	8.59%
iShares Core S&P 500 ETF	Equity Index Tracking	761,240	361,648	8.02%
iShares S&P 100 ETF	Equity Index Tracking	29,173	294,268	6.53%
iShares SEMICONDUCTOR ETF	Equity Index Tracking	17,509	380,955	8.45%
Roundhill Magnificent Seven ETF	Equity linked	4,014	260,542	5.78%
State Street SPDR S&P 500 ETF TRUST	Equity Index Tracking	711,834	360,736	8.00%
State Street SPDR Portfolio S&P 500 ETF	Equity Index Tracking	96,928	360,589	8.00%
State Street SPDR Portfolio S&P 500 Growth ETF	Equity Index Tracking	45,296	388,708	8.62%
State Street SPDR S&P Biotech ETF	Equity Index Tracking	7,864	348,842	7.74%
State Street Technology Select Sector SPDR ETF	Equity Index Tracking	92,275	280,741	6.23%
VanEck Semiconductor ETF	Equity Index Tracking	37,304	393,262	8.73%
Vanguard Information Technology ETF	Equity Index Tracking	407,660	378,398	8.40%
Vanguard S&P 500 ETF	Equity Index Tracking	833,231	360,600	8.00%
Total			<u>4,556,304</u>	<u>101.09%</u>

The Sub-Fund's maximum exposure to loss from its interests in Investee Funds is equal to the total fair value of its investments in Investee Funds.

Once the Sub-Fund has disposed of its shares in an Investee Fund, the Sub-Fund ceases to be exposed to any risk from that Investee Fund.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

3. Financial risk management (Continued)

3.1 Market price risk (Continued)

The Sub-Fund's investment strategy entails trading in other funds on a regular basis. Total purchases in Investee Funds during the period from 30 May 2025 (date of inception) to 31 December 2025 was USD5,815,309. The Sub-Fund intends to continue opportunistic trading in other funds. As at 31 December 2025, there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

During the period from 30 May 2025 (date of inception) to 31 December 2025, total net gains on financial assets at fair value through profit or loss in Investee Funds were USD557,147.

As at 31 December 2025, the Sub-Fund invests in Investee Funds which are susceptible to market price risk arising from uncertainties about the future values of those investments

The table shown below summarises the impact on the Sub-Fund's net assets attributable to unitholders in response to theoretical increases/decreases of the S&P 500 Index to which the Sub-Fund is exposed. The analysis is based on the assumption that the index had increased/decreased by the respective percentage and the Sub-Fund's investments moved according to the historical correlation with the index. This analysis is dependent on historical data and forward looking factors therefore relies on the appropriateness of the data set being used. This represents management's best estimate of a reasonably possible shift in the S&P 500 Index.

Index	Reasonable possible shift	As at 31 December 2025	
		Effect on net assets attributable to redeemable participating units	
		USD	
S&P 500 Index	+/- 1.77%	58,925	

The Sub-Fund's market price risk is managed through diversification of the investment portfolio ratios by exposures to different investment funds.

No investments account for more than 10% of the Sub-Fund's net asset value as at 31 December 2025.

3.2 Cash flow and fair value interest rate risk

Cash flow and fair value 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 future cash flow

HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025

3. Financial risk management (Continued)

3.2 Cash flow and fair value interest rate risk (Continued)

The tables below summarise the Sub-Fund's exposure to cash flow and fair value interest rate risks at the reporting date. Included in the table are the Sub-Fund's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

	Maturity less than 1 year USD	Maturity between 1 year and 5 years USD	Maturity over 5 years USD	Non- interest bearing USD	Total USD
As at 31 December 2025					
Assets					
Financial assets at fair value through profit or loss	-	-	-	4,556,304	4,556,304
Dividend receivables	-	-	-	1,554	1,554
Cash and cash equivalents	24,813	-	-	-	24,813
	<u>24,813</u>	<u>-</u>	<u>-</u>	<u>4,557,858</u>	<u>4,582,671</u>
Liabilities					
Custodian fee payable	-	-	-	(52)	(52)
Establishment costs payable	-	-	-	(40,669)	(40,669)
Management fee payable	-	-	-	(8,362)	(8,362)
Transaction expense payable	-	-	-	(26)	(26)
Trustee fee payable	-	-	-	(289)	(289)
Other payables and accrued liabilities	-	-	-	(25,732)	(25,732)
Tax payable	-	-	-	(466)	(466)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,596)</u>	<u>(75,596)</u>
Total interest sensitivity gap	<u>24,813</u>	<u>-</u>	<u>-</u>		

As at 31 December 2025, the Sub-Fund has cash and cash equivalents of USD24,813. If the interest rates had been 75 basis points higher or lower with all variables held constant, net assets attributable to unitholders would have been USD186 higher or lower as a result of higher or lower interest income.

3.3 Foreign currency risk

Foreign currency risk, as defined in HKFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuates due to changes in foreign exchange rates. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk, and not foreign currency risk. However, management monitors the exposure on all foreign currency denominated/quoted assets and liabilities.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

3. Financial risk management (Continued)

3.3 Foreign currency risk (Continued)

The Sub-Fund is not exposed to foreign currency risk arising from balances and transactions in foreign currencies as its assets and liabilities are mainly denominated in USD, the Sub-Fund's functional and presentation currency. As a result, the Sub-Fund considered sensitivity analysis of foreign currency risk is not necessary to be presented.

3.4 Credit and counterparty risk

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund.

All transactions in securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The main concentration to which the Sub-Fund is exposed arises from the Sub-Fund's investments in investment funds. The Sub-Fund does not have explicit restrictions on the minimum credit ratings of securities it may hold. The Manager will actively manage the portfolio of the Sub-Fund. In case of credit rating downgrading, the Manager will adjust the positions in the portfolio using its credit analysis and rating systems that are designed to manage credit risks.

The Sub-Fund limits its exposure to credit risk by transacting the majority of its investments and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the Trustee and the Manager consider to be well established.

All transactions in listed securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the custodian has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Sub-Fund is exposed to credit and counterparty risk on cash and cash equivalents and financial assets at fair value through profit and loss. The table below summarises the net exposure to the Sub-Fund's counterparties as at 31 December 2025 together with its credit rating.

	USD	Credit rating	Source of credit rating
As at 31 December 2025			
Bank balances			
The Hongkong and Shanghai Banking Corporation Limited*	24,813	AA-	Standard & Poor's
Financial assets at fair value through profit or loss			
The Hongkong and Shanghai Banking Corporation Limited*	4,556,304	AA-	Standard & Poor's

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

3. Financial risk management (Continued)

3.4 Credit and counterparty risk (Continued)

*The Hongkong and Shanghai Banking Corporation Limited is the delegate of the custodian.

**The credit quality of bank deposits and financial assets at fair value through profit or loss placed with the above financial institutions that is neither past due nor impaired can be assessed by historical information about counterparties default rates. The Manager considers there is no significant risk on such bank deposits and financial assets at fair value through profit or loss placed with these financial institutions at the reporting date.

The maximum exposure to credit risk as at 31 December 2025 is the carrying amount of the financial assets as shown on the statement of financial position excluding financial assets at fair value through profit or loss.

The Sub-Fund applies the HKFRS 9 “Financial Instruments” (“HKFRS 9”) general model for other receivables to measure expected credit losses. Cash and cash equivalents is also subject to the impairment requirements of HKFRS 9.

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any expected credit loss. As at 31 December 2025, all cash and cash equivalents and financial assets at fair value through profit or loss are held with counterparties with a credit rating of AA- or above.

The Manager considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund.

3.5 Liquidity risk

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

The Sub-Fund is exposed to daily redemptions of units in the Sub-Fund. The Manager manages liquidity risk by maintaining sufficient cash and marketable securities to meet the normal operating commitments. Cash and cash equivalents have maturity of less than three months and the Sub-Fund invests the majority of its assets in investments that are traded in an active market which can be readily disposed of.

HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025

3. Financial risk management (Continued)

3.5 Liquidity risk (Continued)

The table below analyses the Sub-Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying balances, as the impact of discounting is not significant.

	Less than 1 month USD	1 month to 3 months USD	No stated maturity USD	Total USD
As at 31 December 2025				
Custodian fee payable	(52)	-	-	(52)
Establishment costs payable	(40,669)	-	-	(40,669)
Management fee payable	(8,362)	-	-	(8,362)
Transaction expense payable	(26)	-	-	(26)
Trustee fee payable	(289)	-	-	(289)
Other payables and accrued liabilities	(25,732)	-	-	(25,732)
Tax payable	(466)	-	-	(466)
Net assets attributable to unitholders (in accordance with the Sub-Fund's explanatory memorandum)	(4,546,684)	-	-	(4,546,684)
Contractual cash outflow	(4,622,280)	-	-	(4,622,280)

As at 31 December 2025, substantially all of its positions are in liquid instruments that can be liquidated within one month without any significant market impact.

Redeemable units are redeemed on demand at the unitholder's option. As at 31 December 2025, one institutional investor held 100% of the Sub-Fund's redeemable units.

3.6 Fair value estimation

The fair value of financial assets traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the period end date. The Sub-Fund utilises the last traded market price as its fair valuation inputs for financial assets.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if 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.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

3. Financial risk management (Continued)

3.6 Fair value estimation (Continued)

The assets and liabilities included in the statement of financial position, other than financial assets and liabilities at fair value through profit or loss, are carried at amortised cost. The carrying value (after the deduction of the loss allowance) of other receivables, cash and cash equivalents, other payables and accrued expenses and net assets attributable to unitholders of redeemable units are a reasonable approximation of their fair value, due to their short-term maturity.

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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 judgment, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgment by the Sub-Fund. The Sub-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 following table analyses within the fair value hierarchy the Sub-Fund’s financial assets and liabilities measured at fair value as at 31 December 2025:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
As at 31 December 2025				
Financial assets at fair value through profit or loss				
Investment funds				
- Investee Funds	4,556,304	-	-	4,556,304
	<u>4,556,304</u>	<u>-</u>	<u>-</u>	<u>4,556,304</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include listed investment funds. The Sub-Fund does not adjust the quoted price for these investments.

Investments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

3. Financial risk management (Continued)

3.6 Fair value estimation (Continued)

Investments classified within Level 3 have significant unobservable inputs, because they trade infrequently. Level 3 instruments include private equity and corporate debt securities. Since observable prices are not available for these securities, the Sub-Fund has used valuation techniques to derive the fair value.

As at 31 December 2025, there was no level 3 investment held by the Sub-Fund.

For the period from 30 May 2025 (date of inception) to 31 December 2025, there was no transfer between levels.

The Sub-Fund's other financial assets and liabilities as at 31 December 2025 were carried at amortised cost and their carrying values are a reasonable approximation of fair value.

3.7 Capital risk management

The Sub-Fund's capital is represented by the net assets attributable to unitholders. The amount of net assets attributable to unitholders can change significantly on a daily basis, since the Sub-Fund is subject to daily subscriptions and redemptions at the discretion of unitholders, as well as changes resulting from the Sub-Fund's performance. The Sub-Fund strives to invest the subscriptions in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

In order to maintain the capital structure, the Manager may:

- Redeem and issue new units in accordance with the constitutive documents of the Sub-Fund; and
- Exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders.

4. Financial instruments by category

Financial assets

Apart from investments which are classified as financial assets at fair value through profit or loss, all other financial assets as disclosed in the statement of financial position, including dividend receivable and cash and cash equivalents, are categorised as financial assets measured at amortised cost.

Financial liabilities

All financial liabilities as disclosed in the statement of financial position, including custodian fee payable, establishment costs payable, management fee payable, transaction expense payable, trustee fee payable, other payables and accrued liabilities, tax payable and net assets attributable to unitholders, are categorised as financial liabilities measured at amortised cost.

HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025

5. Number of units in issue and net assets attributable to unitholders per unit

Net assets attributable to unitholders are carried at the redemption amount that would be payable if the unitholder exercised the right to redeem the units in the Sub-Fund.

The following table details the net asset value per unit of each class of units as at 31 December 2025.

	Class A HKD Units HKD	Class A USD Units USD	Class I USD Units USD	Class S HKD Units HKD	Class S USD Units USD
As at 31 December 2025 Net assets attributable to unitholders per unit (in accordance with the Sub- Fund's explanatory memorandum)	112.2557	113.0675	113.4697	112.9220	113.7387

In accordance with the Sub-Fund's explanatory memorandum, the establishment costs of the Sub-Fund will be amortised over the first 5 accounting periods. The costs of establishment of the Sub-Fund are estimated to be approximately USD53,020. As at 31 December 2025, USD42,415 is unamortised for the Sub-Fund, with remaining amortisation period of 4 accounting periods.

However, the accounting policy of the Sub-Fund for the purpose of financial statements preparation in compliance with HKFRS Accounting Standards is to expense establishment costs in the statement of comprehensive income as incurred. The differences between expensing the establishment costs as incurred in accordance with HKFRS Accounting Standards and capitalisation and amortisation of the establishment costs indicated in the Sub-Fund's explanatory memorandum resulted in adjustment on the net asset value.

As at 31 December 2025, the above difference in establishment cost amortisation between the dealing net asset value ("Dealing NAV") and the accounting net asset value results an adjustment of USD39,609.

	As at 31 December 2025 USD
Net assets attributable to unitholders (in accordance with HKFRS Accounting Standards)	4,507,075
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders	39,609
Net assets attributable to unitholders (in accordance with the Sub-Fund's explanatory memorandum)	4,546,684

HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025

6. Net gains on investments at fair value through profit or loss

	For the period from 30 May 2025 (date of inception) to 31 December 2025 USD
Net change in unrealised gains/losses on investment	509,439
Net realised gain on investments	47,708
	<hr/>
	557,147
	<hr/> <hr/>

7. Transaction with related parties or connected persons

The following is a summary of transactions entered into during the period the period from 30 May 2025 (date of inception) to 31 December 2025 between the Sub-Fund and its related parties including the Manager, the investment delegate, the Trustee/custodian and their connected persons (the “Connected Persons”). Connected Persons are those as defined in the SFC Code. All such transactions were entered into in the ordinary course of business and on normal commercial terms. To the best of Management’s knowledge, the Sub-Fund does not have any other transactions with the Connected Persons except for those disclosed below.

7.1 Management fee

The Manager is entitled to receive a management fee of up to 2% per annum of the net asset value of Class A Units, up to 1% per annum of the net asset value of Class I Units, and up to 0.5% per annum of the net asset value of Class S Units.

For the period from 30 May 2025 (date of inception) to 31 December 2025, the Manager charged a management fee of 1.2% per annum of the net asset value of Class A Units, 0.6% per annum of the net asset value of Class I Units, and 0.2% per annum of the net asset value of Class S Units. Class S USD Units and Class S HKD Units are offered exclusively to (i) investors who are subject to a separate management fee payable to the Manager or its affiliates under the relevant investment management agreement between such investor and the Manager or its affiliates, (ii) employees of the Manager or its affiliates at the time of subscription and (iii) current or former investors of Class S USD Units and Class S HKD Units. The Manager will determine a person’s eligibility to subscribe for Class S USD Units and Class S HKD Units and will have the absolute discretion to reject any application for subscription of Class S USD Units and Class S HKD Units as it sees fit.

Management fee charged for the period from 30 May 2025 (date of inception) to 31 December 2025 was USD8,362 of which USD8,362 was payable to the Manager.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

7. Transaction with related parties or connected persons (Continued)

7.2 Trustee fee

The trustee is entitled to receive a trustee fee of up to 0.07% per annum of the net asset value of the Sub-Fund for the period from 30 May 2025 (date of inception) to 31 December 2025. The fee is calculated and accrued on each valuation day and payable monthly in arrears. Trustee fee is subject to a minimum monthly fee of USD3,500 (or equivalent) after six months from the launch of the Sub-Fund.

The minimum monthly fee shall be subject to an additional fee of USD2,300 for each additional share class in excess of 6 share classes for the period from 30 May 2025 (date of inception) to 31 December 2025.

Trustee fee charged for the period from 30 May 2025 (date of inception) to 31 December 2025 was USD1,784 of which USD289 was payable to the Trustee.

7.3 Custodian fee

The custodian, an affiliate of the Trustee, entitled to receive USD13 per transaction for the period from 30 May 2025 (date of inception) to 31 December 2025.

Custodian fee charged for the period from 30 May 2025 (date of inception) to 31 December 2025 was USD962 of which USD52 was payable to the custodian as at 31 December 2025.

7.4 Transaction expenses and commission expenses

The Sub-Fund utilises the investment transaction services of the Trustee and custodian.

The transaction expenses paid by the Sub-Fund for the period from 30 May 2025 (date of inception) to 31 December 2025 was USD91 of which USD26 was payable to the custodian as at 31 December 2025.

The commission expenses paid by the Sub-Fund for the period from 30 May 2025 (date of inception) to 31 December 2025 was USD908.

7.5 Holdings in the Sub-Fund

The Sub-Fund allows the Manager, its connected persons and other funds managed by the Manager to subscribe for and redeem units in the Sub-Fund. The holdings in the Sub-Fund by the Manager and its connected persons as at 31 December 2025 are detailed below.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

7. Transaction with related parties or connected persons (Continued)

7.5 Holdings in the Sub-Fund (Continued)

Units held by Huatai Capital Investment Limited

	Units outstanding as at 30 May 2025 (date of inception) 2025	Units subscribed during the period	Units redeemed during the period	Units outstanding as at 31 December 2025
Class A HKD Units	-	1,000.0000	-	1,000.0000
Class A USD Units	-	1,000.0000	-	1,000.0000
Class I USD Units	-	10,000.0000	-	10,000.0000
Class S HKD Units	-	1,000.0000	-	1,000.0000
Class S USD Units	-	28,750.0000	-	28,750.0000

As at 31 December 2025, Huatai Capital Investment Limited, a connected person of Manager, held 1,000.0000 units of Class A HKD, 1,000.0000 units of Class A USD, 10,000.0000 units of Class I USD, 1,000.0000 units of Class S HKD and 28,750.0000 units of Class I USD in the Sub-Fund, amounted to approximately USD14,422, USD113,068, USD1,134,698, USD14,508 and USD3,269,988 respectively of the net assets attributable to unitholders (in accordance with the Sub-Fund's explanatory memorandum) of the Sub-Fund. This represents approximately 0.32%, 2.49%, 24.95%, 0.32% and 71.92% respectively of the net assets attributable to unitholders (in accordance with the Sub-Fund's explanatory memorandum) of the Sub-Fund.

7.6 Sub-Fund's holding in related-parties

Units held in Huatai Global Investment Fund - Huatai USD Money Market Fund

	Units holding as at 30 May 2025 (date of inception) 2025	Units subscribed during the period	Units redeemed during the period	Units outstanding as at 31 December 2025
Class S USD	-	3,617,912.0779	(3,617,912.0779)	-

As at 31 December 2025, the Sub-Fund did not hold units in Huatai Global Investment Fund - Huatai USD Money Market Fund, having redeemed all units during from 30 May 2025 (date of inception) to 31 December 2025.

Interest income earned from Huatai USD Money Market Fund which is classified as cash and cash equivalents for the period from 30 May 2025 (date of inception) to 31 December 2025 was USD15,163.

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

7. Transaction with related parties or connected persons (Continued)

7.7 Related-party transactions

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 transactions were carried out in the normal course of the Sub-Fund's business and were on normal commercial terms.

Transactions with The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the related party of the Trustee and the delegate of the custodian. Total amount of purchase and sales for the period from 30 May 2025 (date of inception) to 31 December 2025 amounted to USD7,965,163 is through The Hongkong and Shanghai Banking Corporation Limited, which is aggregated to 62.77% of the total purchase and sales for the period from 30 May 2025 (date of inception) to 31 December 2025.

As at 31 December 2025, there was USD24,813 cash and cash equivalent held with The Hongkong and Shanghai Banking Corporation Limited.

8. Taxation

Hong Kong profits tax

No provision for Hong Kong profits tax has been made for the Sub-Fund as it was authorised as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

9. Distribution

No distribution was made during the period from 30 May 2025 (date of inception) to 31 December 2025.

10. Soft commission arrangements

The Manager confirms that there has been no soft commission arrangement existing during the period from 30 May 2025 (date of inception) to 31 December 2025 in relation to directing transactions of the Sub-Fund through a broker or dealer.

11. Approval of financial statements

The financial statements were approved by the Trustee and the Manager on 30 April 2026.

HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2025

	Holdings	Fair value USD	% of Net Assets
Investment funds			
United States			
Investco QQQ Trust, Series 1	630	387,015	8.59%
iShares Core S&P 500 ETF	528	361,648	8.02%
iShares S&P 100 ETF	858	294,268	6.53%
iShares SEMICONDUCTOR ETF	1,265	380,955	8.45%
Roundhill Magnificent Seven ETF	3,950	260,542	5.78%
State Street SPDR S&P 500 ETF TRUST	529	360,736	8.00%
State Street SPDR Portfolio S&P 500 ETF	4,495	360,589	8.00%
State Street SPDR Portfolio S&P 500 Growth ETF	3,643	388,708	8.62%
State Street SPDR S&P Biotech ETF	2,861	348,842	7.74%
State Street Technology Select Sector SPDR ETF	1,950	280,741	6.23%
VanEck Semiconductor ETF	1,092	393,262	8.73%
Vanguard Information Technology ETF	502	378,398	8.40%
Vanguard S&P 500 ETF	575	360,600	8.00%
Total investments (At cost: USD4,046,865)		4,556,304	101.09%
Other net assets/(liabilities)		(49,229)	(1.09%)
Total net assets as at 31 December 2025		4,507,075	100%

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

	As at 30 May 2025 (date of inception)	Additions	Disposals	As at 31 December 2025
State Street Consumer Discretionary Select Sector SPDR ETF	-	1,244	(1,244)	-
State Street Health Care Select Sector SPDR ETF	-	1,900	(1,900)	-
Investco QQQ Trust, Series 1	-	663	(33)	630
Investco S&P 500 Momentum ETF	-	3,257	(3,257)	-
iShares Core S&P 500 ETF	-	587	(59)	528
iShares Expanded Tech-Software Sector ETF IGV	-	2,756	(2,756)	-
iShares S&P 100 ETF	-	953	(95)	858
iShares SEMICONDUCTOR ETF	-	1,265	-	1,265
Roundhill Magnificent Seven ETF	-	3,950	-	3,950
State Street SPDR S&P 500 ETF TRUST	-	588	(59)	529
State Street SPDR Portfolio S&P 500 ETF	-	4,994	(499)	4,495
State Street SPDR Portfolio S&P 500 Growth ETF	-	3,838	(195)	3,643
State Street SPDR S&P Biotech ETF	-	2,861	-	2,861
State Street Technology Select Sector SPDR ETF	-	3,050	(1,100)	1,950
VanEck Semiconductor ETF	-	1,092	-	1,092
Vanguard Information Technology ETF	-	502	-	502
Vanguard S&P 500 ETF	-	639	(64)	575

**HUATAI US SELECT FUND
(A Sub-Fund of Huatai Global Investment Fund)**

**PERFORMANCE TABLE (UNAUDITED)
FOR THE PERIOD FROM 30 MAY 2025 (DATE OF INCEPTION) TO 31 DECEMBER 2025**

**Net asset value
(Calculated in accordance with Sub-Fund's Explanatory Memorandum)**

At the end of period date	Net asset value USD	Net asset value per unit				
		Class A HKD Units HKD	Class A USD Units USD	Class I USD Units USD	Class S HKD Units HKD	Class S USD Units USD
31 December 2025	4,546,684	112.2557	113.0675	113.4697	112.9220	113.7387

**Performance record
(Calculated in accordance with Sub-Fund's Explanatory Memorandum)**

Financial period ended	Highest issue price per unit	Lowest redemption price per unit
For the period from 30 May 2025 (date of inception) to 31 December 2025		
Class A HKD Units (in HKD)	114.4276	100.0178
Class A USD Units (in USD)	115.4673	99.9923
Class I USD Units (in USD)	115.7562	99.9940
Class S HKD Units (in HKD)	114.9162	100.0206
Class S USD Units (in USD)	115.9492	99.9950