

# **Pando ETF Series OFC**

(An umbrella open-ended fund company established under the laws of Hong Kong)

Pando CMS Innovation ETF (Stock code: 3056)  
Pando CMS Blockchain ETF (Stock code: 3112)

## **Unaudited Semi-Annual Report** For the period ended 30 September 2024

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# Report of the Manager to the shareholders

## Pando CMS Innovation ETF

*a sub-fund of Pando ETF Series OFC*

### Introduction

Pando CMS Innovation ETF (the “Sub-Fund”) is a sub-fund of Pando ETF Series OFC (the “Company”), which is a public umbrella open-ended fund company established under Hong Kong law with variable capital with limited liability and segregated liability between sub-funds. The Sub-Fund is an actively managed exchange traded fund authorised under Chapter 8.10 of the Code on Unit Trusts and Mutual Funds. The shares of the Sub-Fund (the “Shares”) are listed on The Stock Exchange of Hong Kong Limited (the “SEHK”) under the stock code 3056. These Shares were traded on the SEHK on 8 December 2022.

The Sub-Fund’s investment objective is to achieve long term capital growth by primarily investing in companies which are directly or indirectly involved in the provision of innovative products and/or services (“Innovative Business”). In seeking to achieve the Sub-Fund’s investment objective, the Sub-Fund will invest primarily (i.e. at least 70% of its Net Asset Value) in equities of companies which are directly or indirectly involved in Innovative Business. Innovative Business refers to companies that are leaders in innovation which are able to take advantage of new technologies, led by a management team with the vision to identify market needs that have yet to be fully expressed, and benefit from new industry conditions (such as secular changes in the way people communicate and behave) in the dynamically changing global economy.

### Performance of the Sub-Fund

The Sub-Fund is an actively managed exchange traded fund. During the performance period under review, the Sub-Fund has benefitted from the strong share price performance of United States (“US”) technology stocks.

The returns are calculated on a NAV-to-NAV basis and in USD. The table below illustrates the performance of the Sub-Fund during the following period:

Returns (%)	3-month	6-month	1-year	Since date of inception <sup>(1)</sup>
Pando CMS Innovation ETF	2.69	15.65	75.97	100.72

<sup>(1)</sup> Date of inception is 8 December 2022.

### Calendar year performance summary

Returns (%)	2022 (from date of inception)	2023 (full calendar year)	2024 (up to 30 September 2024)
Pando CMS Innovation ETF	-3.32	41.87	46.35

## Report of the Manager to the shareholders (continued)

### Pando CMS Innovation ETF (continued)

#### Performance of the Sub-Fund (continued)

#### Activities of the Sub-Fund

For the Statement of Assets and Liabilities as at 30 September 2024, net asset value per unit of the Sub-Fund was USD 2.0291 (HKD 15.7610), and there were 3.1 million units outstanding. The net asset value was USD 6,290,063 (HKD 48,858,064).

### Pando CMS Blockchain ETF

*a sub-fund of Pando ETF Series OFC*

#### Introduction

Pando CMS Blockchain ETF (the “Sub-Fund”) is a sub-fund of Pando ETF Series OFC (the “Company”), which is a public umbrella open-ended fund company established under Hong Kong law with variable capital with limited liability and segregated liability between sub-funds. The Sub-Fund is an actively managed exchange traded fund authorised under Chapter 8.10 of the Code on Unit Trusts and Mutual Funds. The shares of the Sub-Fund (the “Shares”) are listed on The Stock Exchange of Hong Kong Limited (the “SEHK”) under the stock code 3112. These Shares were traded on the SEHK on 8 December 2022.

The Sub-Fund’s investment objective is to achieve long term capital growth by primarily investing in companies which engage in activities relating to or provide products, services or technologies that enable the development and operation of blockchain technology, or are positioned to benefit from the development, advancement and use of blockchain technology (“Blockchain Business”).

The term “blockchain” refers to a peer-to-peer distributed ledger that is secured using cryptography. A distributed ledger is a shared electronic database where information (such as transaction data) is recorded and stored across multiple computers; a blockchain is one type of distributed ledger. A blockchain may be open and permissionless or private and permissioned. The Bitcoin and Ethereum blockchains are examples of open, public, permissionless blockchains. Blockchain derives its name from the way it stores transaction data in blocks that are linked together to form a chain. As the number of transactions grows, so does the blockchain. Blocks record and confirm the time and sequence of transactions, which are then logged into the blockchain network, which is, with respect to public blockchains, governed by rules agreed on by the network participants. Blockchain technologies may be utilised to support or enhance a variety of businesses and their operations, e.g. to prevent fraud and unauthorised activities and to improve traceability of information by creating encrypted and immutable records.

In assessing whether a company is involved in Blockchain Business, the Manager takes into consideration multiple assessment criteria, including, among other things, the revenue/profit generated, the research and development expense, and the business plans in the Blockchain Business of the company.

## Report of the Manager to the shareholders (continued)

### Pando CMS Blockchain ETF (continued)

#### Performance of the Sub-Fund

The Sub-Fund is an actively managed exchange traded fund. During the performance period under review, the Sub-Fund has benefited from the strong share price performance of US technology companies (Blockchain infrastructure providers) as well as that of Blockchain businesses such as Bitcoin-related companies.

The returns are calculated on a NAV-to-NAV basis and in USD. The table below illustrates the performance of the Sub-Fund during the following period:

Returns (%)	3-month	6-month	1-year	Since date of inception <sup>(1)</sup>
Pando CMS Blockchain ETF	-5.89	0.48	71.14	85.41

<sup>(1)</sup> Date of inception is 8 December 2022.

#### Calendar year performance summary

Returns (%)	2022 (from date of inception)	2023 (full calendar year)	2024 (up to 30 September 2024)
Pando CMS Blockchain ETF	-5.08	71.95	13.60

#### Activities of the Sub-Fund

For the Statement of Assets and Liabilities as at 30 September 2024, net asset value per unit of the Sub-Fund was USD 1.8598 (HKD 14.4460), and there were 2.5 million units outstanding. The net asset value was USD 4,649,665 (HKD 36,116,273).

## Statement of Assets and Liabilities as at 30 September 2024 (unaudited) (Expressed in United States dollars)

	Pando ETF Series OFC	
	As at 30 September 2024 USD	As at 31 March 2024 USD
<b>Assets</b>		
Financial assets at fair value through profit or loss	-	-
Dividends receivable	-	-
Amount due from brokers	-	-
Prepayment and other receivables	-	-
Cash and cash equivalents	-	-
	-	-
<b>Total assets</b>	-	-
<b>Liabilities</b>		
Amount due to brokers	-	-
Management fees payable	-	-
Custodian fee payable	-	-
Preliminary expense payable	-	-
Other payable	-	-
	-	-
<b>Total liabilities (excluding net assets attributable to shareholders)</b>	-	-
<b>Net assets attributable to shareholders</b>	-	-

## Statement of Assets and Liabilities as at 30 September 2024 (unaudited) (continued) (Expressed in United States dollars)

	<i>Pando CMS Innovation ETF</i>		<i>Pando CMS Blockchain ETF</i>	
	As at 30 September 2024 USD	As at 31 March 2024 USD	As at 30 September 2024 USD	As at 31 March 2024 USD
<b>Assets</b>				
Financial assets at fair value through profit or loss	6,076,614	4,167,405	4,480,980	3,470,090
Dividends receivable	1,624	1,259	1,164	882
Amount due from brokers	-	44,689	-	-
Other receivables	44,512	37,944	87,844	68,297
Cash and cash equivalents	199,039	42,571	111,099	17,947
<b>Total assets</b>	<u>6,321,789</u>	<u>4,293,868</u>	<u>4,681,087</u>	<u>3,557,216</u>
<b>Liabilities</b>				
Amount due to brokers	-	43,230	-	-
Management fees payable	3,796	2,632	3,493	2,891
Custodian fee payable	4,645	4,500	4,645	4,500
Preliminary expense payable	12,446	12,636	12,446	12,636
Other payables	10,839	20,125	10,838	20,204
<b>Total liabilities (excluding net assets attributable to shareholders)</b>	<u>31,726</u>	<u>83,123</u>	<u>31,422</u>	<u>40,231</u>
<b>Net assets attributable to shareholders</b>	<u><u>6,290,063</u></u>	<u><u>4,210,745</u></u>	<u><u>4,649,665</u></u>	<u><u>3,516,985</u></u>

The semi-annual financial statements of the Sub-Funds have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements.

## Statement of comprehensive income for the period ended 30 September 2024 (unaudited) (Expressed in United States dollars)

	<i>Pando ETF Series OFC</i>	
	For the period from 1 April 2024 to 30 September 2024 USD	For the period from 3 November 2022 (date of Incorporation) to 30 September 2023 USD
<b>Income</b>		
Interest income	-	-
Dividend income	-	-
Other income	-	-
Net gain from financial assets at fair value through profit or loss	-	-
	<hr/>	<hr/>
<b>Total investment income</b>	-	-
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Expenses</b>		
Custodian fee		
Management fees	-	-
Auditor's remuneration		
Bank charges	-	-
Establishment cost		
Transaction cost	-	-
Broker commissions		
Net foreign exchange loss	-	-
Other operating expenses	-	-
	<hr/>	<hr/>
<b>Total operating expenses</b>	-	-
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Net profits from operations and before taxation</b>		
Taxation (including withholding tax)	-	-
	<hr/>	<hr/>
<b>Increase in net assets attributable to shareholders and total comprehensive income for the period</b>	-	-
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## Statement of comprehensive income for the period ended 30 September 2024 (unaudited) (continued) (Expressed in United States dollars)

	<i>Pando CMS Innovation ETF</i>		<i>Pando CMS Blockchain ETF</i>	
	For the period from 1 April 2024 to 30 September 2024 USD	For the period from 8 December 2022 (date of inception) to 30 September 2023 USD	For the period from 1 April 2024 to 30 September 2024 USD	For the period from 8 December 2022 (date of inception) to 30 September 2023 USD
<b>Income</b>				
Interest income	-	207	-	336
Dividend income	13,717	21,760	6,028	20,553
Other income	6,568	25,526	19,547	44,298
Net foreign exchange gain	456	-	64	-
Net gain from financial assets at fair value through profit or loss	753,734	571,949	26,508	470,794
<b>Total investment income</b>	<u>774,475</u>	<u>619,442</u>	<u>52,147</u>	<u>535,981</u>
<b>Expenses</b>				
Custodian fee	(27,000)	(37,015)	(27,000)	(37,015)
Management fees	(18,881)	(20,961)	(18,801)	(22,271)
Auditor's remuneration	(4,880)	(7,849)	(4,880)	(7,875)
Bank charges	(416)	(134)	(416)	(134)
Establishment cost	-	(5,263)	-	(5,298)
Transaction cost	(879)	(9,461)	(720)	(13,372)
Broker commissions	(760)	(5,320)	(196)	(15,595)
Net foreign exchange loss	-	(1,177)	-	(62)
Other operating expenses	(15,601)	(14,260)	(13,783)	(14,279)
<b>Total operating expenses</b>	<u>(68,417)</u>	<u>(101,440)</u>	<u>(65,796)</u>	<u>(115,901)</u>
<b>Net profits/ (losses) from operations and before taxation</b>	706,058	518,002	(13,649)	420,080
Taxation (including withholding tax)	(2,640)	(5,263)	(1,551)	(6,029)
<b>Increase/ (decrease) in net assets attributable to shareholders and total comprehensive income for the period</b>	<u>703,418</u>	<u>512,379</u>	<u>(15,200)</u>	<u>414,051</u>

The semi-annual financial statements of the Sub-Funds have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements.

## Statement of changes in net assets attributable to shareholders for the period ended 30 September 2024 (unaudited) (Expressed in United States dollars)

	<i>Pando ETF Series OFC</i>	
	For the period from 1 April 2024 to 30 September 2024 USD	For the period from 3 November 2022 (date of Incorporation) to 30 September 2023 USD
<b>Balance at the beginning of the period</b>	----- -	----- -
Increase in net assets attributable to shareholders and total comprehensive income for the period	----- -	----- -
<b>Subscriptions and redemptions by shareholders</b>		
Subscriptions of shares	-	-
Redemptions of shares	----- -	----- -
<b>Net subscriptions by shareholders</b>	----- -	----- -
<b>Balance at the end of the period</b>	=====	=====

## Statement of changes in net assets attributable to shareholders for the period ended 30 September 2024 (unaudited) (continued) (Expressed in United States dollars)

	<i>Pando CMS Innovation ETF</i>		<i>Pando CMS Blockchain ETF</i>	
	For the period from 1 April 2024 to 30 September 2024 USD	For the period from 8 December 2022 (date of inception) to 30 September 2023 USD	For the period from 1 April 2024 to 30 September 2024 USD	For the period from 8 December 2022 (date of inception) to 30 September 2023 USD
<b>Balance at the beginning of the period</b>	<u>4,210,745</u>	<u>-</u>	<u>3,516,985</u>	<u>-</u>
Increase/ (decrease) in net assets attributable to shareholders and total comprehensive income for the period	<u>703,418</u>	<u>512,379</u>	<u>(15,200)</u>	<u>414,051</u>
<b>Subscriptions and redemptions by shareholders</b>				
Subscriptions of shares	1,375,900	4,142,230	1,147,880	3,239,560
Redemptions of shares	<u>-</u>	<u>(1,080,000)</u>	<u>-</u>	<u>(1,262,950)</u>
<b>Net subscriptions by shareholders</b>	<u>1,375,900</u>	<u>3,062,230</u>	<u>1,147,880</u>	<u>1,976,610</u>
<b>Balance at the end of the period</b>	<u><u>6,290,063</u></u>	<u><u>3,574,609</u></u>	<u><u>4,649,665</u></u>	<u><u>2,390,661</u></u>

The semi-annual financial statements of the Sub-Funds have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements.

## Statement of changes in net assets attributable to shareholders for the period ended 30 September 2024 (unaudited) (continued) *(Expressed in shares)*

	<i>Pando ETF Series OFC</i>	
	For the period from 1 April 2024 to 30 September 2024	For the period from 3 November 2022 (date of Incorporation) to 30 September 2023
Number of shares at the beginning of the period	-	-
Number of shares subscribed during the period	-	-
Number of shares redeemed during the period	-	-
	<u>                    </u>	<u>                    </u>
Number of shares at the end of the period	<u>                    </u>	<u>                    </u>
Net asset value per share at the end of the period <sup>(1)</sup>	<u>                    </u>	<u>                    </u>

	<i>Pando CMS Innovation ETF</i>		<i>Pando CMS Blockchain ETF</i>	
	For the period from 1 April 2024 to 30 September 2024	For the period from 8 December 2022 (date of inception) to 30 September 2023	For the period from 1 April 2024 to 30 September 2024	For the period from 8 December 2022 (date of inception) to 30 September 2023
Number of shares at the beginning of the period	2,400,000	-	1,900,000	-
Number of shares subscribed during the period	700,000	4,100,000	600,000	3,200,000
Number of shares redeemed during the period	-	(1,000,000)	-	(1,000,000)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Number of shares at the end of the period	<u>3,100,000</u>	<u>3,100,000</u>	<u>2,500,000</u>	<u>2,200,000</u>
Net asset value per share at the end of the period <sup>(1)</sup>	<u>USD 2.0291</u>	<u>USD 1.1531</u>	<u>USD 1.8598</u>	<u>USD 1.0867</u>

<sup>(1)</sup> The net asset value per unit is rounded down to 4 decimal places in accordance with the Prospectus.

The semi-annual financial statements of the Sub-Funds have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements.

## Cash flow statement for the period ended 30 September 2024 (unaudited) (Expressed in United States dollars)

	<i>Pando CMS Innovation ETF</i>		<i>Pando CMS Blockchain ETF</i>	
	For the period from 1 April 2024 to 30 September 2024 USD	For the period from 8 December 2022 (date of inception) to 30 September 2023 USD	For the period from 1 April 2024 to 30 September 2024 USD	For the period from 8 December 2022 (date of inception) to 30 September 2023 USD
<b>Operating activities</b>				
Increase/ (decrease) in net assets attributable to shareholders and total comprehensive income for the period	703,418	512,379	(15,200)	414,051
Adjustments for:				
Interest income	-	(207)	-	(336)
Dividend income, net of withholding tax	(11,077)	(16,137)	(4,477)	(14,524)
Net gain from financial assets at fair value through profit or loss	(753,734)	(571,949)	(26,508)	(470,794)
<b>Operating losses before changes in working capital</b>	(61,393)	(75,914)	(46,185)	(71,603)
Net payments for purchase of investments against proceeds from sale of investments	(1,155,475)	(2,908,987)	(984,382)	(1,838,980)
Decrease in amount due from brokers	44,689	-	-	-
Increase in other receivables	(6,568)	(25,448)	(19,547)	(44,298)
Decrease in amount due to brokers	(43,230)	-	-	-
Increase in management fees payable	1,164	2,220	602	1,990
Increase in custodian fee payable	145	3,673	145	3,673
(Decrease)/ increase in preliminary expense payable	(190)	1,541	(190)	1,548
(Decrease)/ increase in other payables	(9,286)	16,171	(9,366)	16,112
<b>Net cash used in operations</b>	(1,230,144)	(2,986,744)	(1,058,923)	(1,931,558)
Interest received	-	207	-	336
Dividend received, net of withholding tax	10,712	15,290	4,195	14,182
<b>Net cash used in operating activities</b>	(1,219,432)	(2,971,247)	(1,054,728)	(1,917,040)

The semi-annual financial statements of the Sub-Funds have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements.

## Cash flow statement for the period ended 30 September 2024 (unaudited) (continued) (Expressed in United States dollars)

	<i>Pando CMS Innovation ETF</i>		<i>Pando CMS Blockchain ETF</i>	
	For the period from 1 April 2024 to 30 September 2024 USD	For the period from 8 December 2022 (date of inception) to 30 September 2023 USD	For the period from 1 April 2024 to 30 September 2024 USD	For the period from 8 December 2022 (date of inception) to 30 September 2023 USD
<b>Financing activities</b>				
Proceeds from subscription of shares against	1,375,900	4,142,230	1,147,880	3,239,560
Payments on redemption of shares	-	(1,080,000)	-	(1,262,950)
<b>Net cash generated from financing activities</b>	<u>1,375,900</u>	<u>3,062,230</u>	<u>1,147,880</u>	<u>1,976,610</u>
<b>Net increase in cash and cash equivalents</b>	156,468	90,983	93,152	59,570
<b>Cash and cash equivalents at the beginning of the period</b>	<u>42,571</u>	<u>-</u>	<u>17,947</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>199,039</u></u>	<u><u>90,983</u></u>	<u><u>111,099</u></u>	<u><u>59,570</u></u>

The semi-annual financial statements of the Sub-Funds have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements.

# Condensed Notes to the financial statements

(Expressed in United States dollar unless otherwise indicated)

## 1 General Information

Pando ETF Series OFC (the “Company”) is a public umbrella open-ended fund company with variable capital and limited liability regulated under the Hong Kong Securities and Futures Ordinance (“SFO”). The Company is established with an umbrella structure and the sub-funds of the Company have segregated liability. The Company was incorporated pursuant to an Instrument of Incorporation filed to the Companies Registry of Hong Kong dated 14 October 2022 (the “Instrument”), as subsequently amended by the Alteration of Instrument of Incorporation dated 14 June 2024, with registration number OF104.

There were two sub-funds (collectively the “Sub-funds”) created under the Company as at 31 March 2024. The names of the Sub-funds were changed effective as of 14 June 2024. These Sub-funds were launched on the date set out below:

<i>Name of Sub-funds before effective date</i>	<i>Name of Sub-funds after effective date</i>	<i>Launch date</i>
Pando Innovation ETF	Pando CMS Innovation ETF	8 December 2022
Pando Blockchain ETF	Pando CMS Blockchain ETF	8 December 2022

The investment objective of Pando CMS Innovation ETF is to achieve medium to long term capital growth by primarily investing in companies which are directly or indirectly involved in the provision of innovative products and/or services.

The investment objective of Pando CMS Blockchain ETF is to achieve medium to long term capital growth by primarily investing in companies which engage in activities relating to or provide products, services or technologies that enable the development and operation of blockchain technology, or are positioned to benefit from the development, advancement and use of blockchain technology.

The Sub-funds are governed by the relevant provisions of the Code on Open Ended Fund Companies (the “OFC Code”) issued by the SFC.

Pando Finance Limited (the “Manager”) is licensed to carry on Types 1 (Dealing in Securities), 4 (Advising on Securities), and 9 (Asset Management) Regulated Activities under Part V of the SFO.

The Company has appointed the Investment Manager to manage the assets of the Company and the sub-funds (i.e. to carry out investment management functions), pursuant to the Investment Management Agreement.

The Company has appointed BOCI-Prudential Trustee Limited (the “Custodian”), as the custodian for the Sub-funds.

The Custodian shall act as custodian of the assets of the Sub-funds in respect of which it has been so appointed, pursuant to the Custody Agreement. The Custodian is responsible for the safekeeping of all the investments, cash and other assets forming part of the assets of the Sub-funds, and such assets will be dealt with pursuant to the terms in the Custody Agreement. The Custodian must take reasonable care, skill and diligence to ensure the safekeeping of the relevant Sub-funds’ property entrusted to it.

## **2 Material accounting policies**

### **(a) Statement of compliance**

The financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by International Accounting Standards Board (“IASB”), the relevant disclosure provisions of the Company’s instrument of incorporation, Part 7 of the OFC Rules and the relevant disclosure provisions of the OFC Code and the UT Code issued by the SFC.

The International Accounting Standards Board (“IASB”) has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Sub-funds. The Company and its Sub-funds have not applied any new standard or interpretation that is not yet effective for current accounting period.

### **(b) Basis of preparation of the financial statements**

The financial statements have been presented in United States dollars (“USD”) and rounded to the nearest dollar.

The measurement basis used in the preparation of these financial statements is the historical cost basis except that financial instruments classified as designated at fair value through profit or loss are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### **(c) Income and expenses**

Interest income is recognised as it accrues using effective interest method. Interest on bank deposits is separately disclosed on the face of profit or loss. Interest income on debt securities is included in net gain from financial assets at fair value through profit or loss. All other income and expenses are accounted for on an accrual basis.



## 2 Material accounting policies (continued)

### (d) Investments

#### (i) Classification of financial assets

On initial recognition, the Sub-funds classify financial assets as measured at amortised cost or fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

All other financial assets of the Sub-funds are measured at FVTPL.

#### *Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held, the Sub-funds consider all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Sub-funds' management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Sub-funds' continuing recognition of the assets.

## 2 Material accounting policies (continued)

### (d) Investments (continued)

#### (i) Classification of financial assets (continued)

The Sub-funds have determined that it has two business models.

- Held-to-collect business model: this includes amounts due from brokers, dividends and other receivables, and cash and cash equivalents. These financial assets are held to collect contractual cash flow.
- Other business model: these financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

#### *Assessment whether contractual cash flows are SPPI*

For the purposes of this assessment, “principal” is defined as the fair value of the financial asset on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Sub-funds consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Sub-funds consider:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Sub-funds’ claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration for of the time value of money (e.g. periodical reset of interest rates).

The Sub-funds classify their investments based on the business model and contractual cash flows assessment. Accordingly, the Sub-funds classify all their investments into financial assets and liabilities at FVTPL category. Financial assets measured at amortised cost include amount due from brokers, cash and cash equivalents, dividends receivable, and other receivables.

#### *Reclassifications*

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

## 2 Material accounting policies (continued)

### (d) Investments (continued)

#### (ii) Classification of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is a derivative. Financial liabilities at FVTPL are measured at fair value and net gains and losses are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Foreign exchange gains and losses are recognised in profit or loss.

Any gain or loss on derecognition is also recognised in profit or loss.

Accordingly, financial liabilities measured at amortised cost include amount due to brokers, dividends payable, management fee payable, custodian fee payable, and other payables.

#### (iii) Recognition

The Sub-funds recognise financial assets and financial liabilities on the date they become a party to the contractual provisions of the instruments.

A regular way purchase or sale of financial assets or financial liabilities at fair value through profit or loss is recognised on a trade date basis. From this date, any gains or losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded.

Financial liabilities are not recognised unless one of the parties has performed their obligations under the contract or the contract is a derivative contract not exempted from the scope of HKFRS 9.

#### (iv) Measurement

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair values recognised in profit or loss.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method.

## 2 Material accounting policies (continued)

### (d) Investments (continued)

#### (v) Fair value measurement principles

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 in the principal or, in its absence, the most advantageous market to which the Sub-funds have access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Sub-funds measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Sub-funds use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Sub-funds recognise transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

Net gains or losses on investments are included in profit or loss. Realised gains or losses on investments and unrealised gains or losses on investments arising from a change in fair value. Net realised gains or losses from financial instruments at fair value through profit or loss is calculated using the average cost method.

#### (vi) Amortised cost measurement

The “amortised cost” of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

#### (vii) Impairment

The Sub-funds recognise loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost.

The Sub-funds measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

## 2 Material accounting policies (continued)

### (d) Investments (continued)

#### (vii) Impairment (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Sub-funds consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Sub-funds' historical experience and informed credit assessment and including forward-looking information.

The Sub-funds assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Sub-funds consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Sub-funds in full, without recourse by the Sub-funds to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Sub-funds consider a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Sub-funds consider this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Sub-funds are exposed to credit risk.

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Sub-funds expect to receive).

ECLs are discounted at the effective interest rate of the financial asset.

#### *Credit-impaired financial assets*

At each reporting date, the Sub-funds assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

## 2 Material accounting policies (continued)

### (d) Investments (continued)

#### (vii) Impairment (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of assets and liabilities

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### *Write-off*

The gross carrying amount of a financial asset is written off when the Sub-funds have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

#### (viii) Derecognition

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

Assets held for trading that are sold are derecognised and corresponding receivables from brokers are recognised as of the date the Sub-funds commit to sell the assets.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

On derecognition of a financial asset, the difference between the carrying value of the asset and the consideration received is recognised in profit or loss.

#### (ix) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when the Sub-funds have a legally enforceable right to offset the recognised amounts and the transactions are intended to be settled on a net basis or simultaneously, e.g. through a market clearing mechanism.

## 2 Material accounting policies (continued)

### (e) Translation of foreign currencies

Foreign currency transactions during the period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities of the Sub-funds denominated in foreign currencies are translated into USD at the foreign exchange rates ruling at the end of the reporting period. Differences arising on foreign currency translation are recorded in the statement of comprehensive income.

### (f) Related parties

- (a) A person, or a close member of that person's family, is related to the Company and its Sub-funds if that person:
- (i) has control or joint control over the Sub-funds;
  - (ii) has significant influence over the Sub-funds; or
  - (iii) is a member of the key management personnel of the Sub-funds or the Sub-funds' parent.
- (b) An entity is related to the Sub-funds if any of the following conditions applies:
- (i) The entity and the Sub-funds are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of an entity related to the Sub-funds.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group which it is a part, provides key management personnel services to the Sub-funds or to the Sub-funds' parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## 2 Material accounting policies (continued)

### (h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

### (i) Taxation

Taxation for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period. Current tax also includes non-recoverable withholding taxes on investment income, capital gains and share dividends.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

All deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable capital gains will be available against which the asset can be utilised, are recognised.

The amounts of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

### (j) Shares in issue

The Company and its Sub-funds classify capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument is classified as an equity instrument if it has all of the following features:

- It entitles the holder to a pro rata share of the Company's and its Sub-funds' net assets in the event of the Sub-funds' liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Company's and the Sub-funds' net assets.



## 2 Material accounting policies (continued)

### (j) Shares in issue (continued)

- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Company and its Sub-funds over the life of the instrument.

In addition to the instrument having all the above features, the Company and the Sub-funds must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-funds; and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

As the Company has more than one class of shares in issue, the shares are classified as financial liabilities.

## Portfolio statements as at 30 September 2024 (Unaudited)

### Pando CMS Innovation ETF Fund

	<i>Holdings</i>	<i>Fair Value USD</i>	<i>% of Net Assets</i>
<u>Listed equities</u>			
<b>United States</b>			
ADOBE INC	241	124,785	1.98
ADVANCED MICRO DEVICES INC	806	132,248	2.10
ALPHABET INC-CL A	1,520	252,092	4.01
AMAZON.COM INC	2,884	537,376	8.54
APPLE INC	2,537	591,121	9.39
BROADCOM INC	773	133,342	2.12
COINBASE GLOBAL INC-CL A	1,821	324,448	5.16
META PLATFORMS INC-CL A	249	142,538	2.27
MICROSOFT CORP	1,146	493,124	7.84
MICROSTRATEGY INC-CL A	2,598	438,023	6.97
NETFLIX INC	677	480,176	7.64
NVIDIA CORP	4,337	526,685	8.37
ORACLE CORP	1,521	259,178	4.12
QUALCOMM INC	995	169,200	2.69
SIGNATURE BANK/NEW YORK	203	406	0.01
SPOTIFY TECHNOLOGY SA	1,484	546,899	8.69
TESLA INC	1,396	365,235	5.81
<b>Taiwan</b>			
TAIWAN SEMICONDUCTOR MANUFACTURING CO-ADR	3,223	559,738	8.90
Total investments		6,076,614	96.61
Other net assets		213,449	3.39
Net assets attributable to shareholders		6,290,063	100.00
Total cost of investments		4,018,716	

## Portfolio statements as at 30 September 2024 (Unaudited) (continued)

### Pando CMS Blockchain ETF Fund

	<i>Holdings</i>	<i>Fair Value USD</i>	<i>% of Net Assets</i>
<u>Listed equities</u>			
<b>Canada</b>			
BITFARMS LTD	93,625	197,549	4.25
<b>United States</b>			
ACCENTURE PLC-CL A	309	109,225	2.35
ADVANCED MICRO DEVICES INC	1,318	216,257	4.65
AMAZON.COM INC	2,165	403,404	8.68
CLEANSARK INC	6,131	57,264	1.23
CME GROUP INC-CL A	651	143,643	3.09
COINBASE GLOBAL INC-CL A	1,504	267,968	5.76
HIVE DIGITAL TECHNOLOGIES LTD	64,397	201,563	4.34
HUT 8 MINING CORP	18,496	226,761	4.88
INTUIT INC	206	127,926	2.75
IRIS ENERGY LTD	34,495	291,138	6.26
MARATHON DIGITAL HOLDINGS INC	13,110	212,644	4.57
MICROSOFT CORP	952	409,646	8.81
MICROSTRATEGY INC-CL A	2,060	347,316	7.47
.NVIDIA CORP	3,501	425,161	9.14
RIOT BLOCKCHAIN INC	20,162	149,602	3.22
SIGNATURE BANK/NEW YORK	552	1,104	0.03
TESLA INC	773	202,240	4.35
VISA INC - A	195	53,615	1.15
<b>Taiwan</b>			
TAIWAN SEMICONDUCTOR MANUFACTURING CO-ADR	2,516	436,954	9.40
Total investments		4,480,980	96.38
Other net assets		168,685	3.62
Net assets attributable to shareholders		4,649,665	100.00
Total cost of investments		3,399,050	

## Statements of movements in portfolio holdings for the period ended 30 September 2024 (Unaudited)

### Pando CMS Innovation ETF Fund

	Movement in holdings				As at 30 Sep 2024
	As at 1 Apr 2024	Addition	Bonus/ Dividends	Disposal	
<b><u>Listed equities</u></b>					
<b>United States</b>					
ADOBE INC	-	241	-	-	241
ADVANCED MICRO DEVICES INC	-	806	-	-	806
ALPHABET INC-CL A	1,177	343	-	-	1,520
AMAZON.COM INC	2,103	781	-	-	2,884
APPLE INC	1,711	1,021	-	(195)	2,537
BROADCOM INC	-	773	-	-	773
COINBASE GLOBAL INC- CL A	1,409	412	-	-	1,821
IRIS ENERGY LTD	5,808	-	-	(5,808)	-
META PLATFORMS INC- CL A	-	249	-	-	249
MICROSOFT CORP	887	259	-	-	1,146
MICROSTRATEGY INC- CL A	203	2,395	-	-	2,598
NETFLIX INC	523	154	-	-	677
NVIDIA CORP	434	4,259	-	(356)	4,337
ORACLE CORP	1,178	343	-	-	1,521
QUALCOMM INC	771	224	-	-	995
SIGNATURE BANK/NEW YORK	203	-	-	-	203
SPOTIFY TECHNOLOGY SA	1,148	336	-	-	1,484
TESLA INC	1,081	315	-	-	1,396
<b>Hong Kong</b>					
ALIBABA GROUP HLDG LTD	12,275	-	-	(12,275)	-
MEITUAN-CLASS B	7,193	-	-	(7,193)	-
TENCENT HLDGS LTD	3,100	-	-	(3,100)	-
<b>Taiwan</b>					
TAIWAN SEMICONDUCTOR MANUFACTURING CO- ADR	2,879	732	-	(388)	3,223

## Statements of movements in portfolio holdings for the period ended 30 September 2024 (Unaudited) (continued)

### Pando CMS Blockchain ETF Fund

	Movement in holdings				As at 30 Sep 2024
	As at 1 Apr 2024	Addition	Bonus/ Dividends	Disposal	
<b><u>Listed Securities</u></b>					
<b>Canada</b>					
BITFARMS LTD	71,155	22,470	-	-	93,625
<b>United States</b>					
ACCENTURE PLC-CL A	237	72	-	-	309
ADVANCED MICRO DEVICES INC	1,000	318	-	-	1,318
AMAZON.COM INC	1,111	1,054	-	-	2,165
CLEANSARK INC	4,800	1,331	-	-	6,131
CME GROUP INC-CL A	495	156	-	-	651
COINBASE GLOBAL INC- CL A	1,264	360	-	(120)	1,504
HIVE DIGITAL TECHNOLOGIES LTD	48,942	15,455	-	-	64,397
HUT 8 MINING CORP	14,056	4,440	-	-	18,496
INTUIT INC	158	48	-	-	206
IRIS ENERGY LTD	31,238	6,900	-	(3,643)	34,495
MARATHON DIGITAL HLDGS INC	9,966	3,144	-	-	13,110
MICROSOFT CORP	670	282	-	-	952
MICROSTRATEGY INC- CL A	182	1,878	-	-	2,060
NVIDIA CORP	356	3,468	-	(323)	3,501
RIOT BLOCKCHAIN INC	15,326	4,836	-	-	20,162
SIGNATURE BANK/NEW YORK	552	-	-	-	552
TESLA INC	476	297	-	-	773
VISA INC - A	99	96	-	-	195
<b>Taiwan</b>					
TAIWAN SEMICONDUCTOR MANUFACTURING CO- ADR	2,017	772	-	(273)	2,516

## Performance record (Unaudited)

### 1. Highest and lowest net asset value

#### a) Pando CMS Innovation ETF Fund

	<i>Highest net asset value per unit USD</i>	<i>Lowest net asset value per unit USD</i>
<b>Listed Class</b>		
For the period ended 30 September 2024	2.0808	1.5961
During the period from 8 December 2022 (date of launch) to 31 March 2024	1.7913	0.9591

#### b) Pando CMS Blockchain ETF Fund

	<i>Highest net asset value per unit USD</i>	<i>Lowest net asset value per unit USD</i>
<b>Listed Class</b>		
For the period ended 30 September 2024	2.2422	1.5631
During the period from 8 December 2022 (date of launch) to 31 March 2024	1.8776	0.9302

### 2. Total net asset value and net asset value per unit

#### a) Pando CMS Innovation ETF Fund

	<i>Total net asset value USD</i>	<i>Net asset value per unit USD</i>
<b>Listed Class</b>		
As at 30 September 2024	6,290,063	2.0291
As at 31 March 2024	4,210,745	1.7545

#### b) Pando CMS Blockchain ETF Fund

	<i>Total net asset value USD</i>	<i>Net asset value per unit USD</i>
<b>Listed Class</b>		
As at 30 September 2024	4,649,665	1.8598
As at 31 March 2024	3,516,985	1.8510

## Performance record (Unaudited)

### 3. Performance of the Sub-funds

<i>For the period ended 30 September 2024</i>	<i>Performance</i>
<b>Pando CMS Innovation ETF Fund</b>	15.65%
<b>Pando CMS Blockchain ETF Fund</b>	0.48%

  

<i>For the period ended from 3 November 2022 (date of incorporation) to 31 March 2024</i>	<i>Performance</i>
<b>Pando CMS Innovation ETF Fund</b>	73.56%
<b>Pando CMS Blockchain ETF Fund</b>	84.53%

Investors should note that investments involve risks and not all investment risks are predictable. Prices of Sub-funds' units may go up as well as down and past performance information presented is not indicative of future performance. Investors should read the Prospectus of the Company and its Sub-funds including the full text of the risk factors stated therein in detail before making any investment decision.

## Administration

### Manager

Pando Finance Limited  
Suite 1408, 14/F, Two Exchange Square  
8 Connaught Place, Central  
Hong Kong

### Directors of the Company

Li Xiaolai  
Ren Junfei

### Directors of the Manager

Li Xiaolai  
Ren Junfei

### Custodian, Administrator and Registrar

BOCI-Prudential Trustee Limited  
1501-1507 & 1513-1516, 15/F  
1111 King's Road  
Taikoo Shing  
Hong Kong

### Auditor

KPMG  
8<sup>th</sup> Floor, Prince's Building,  
10 Chater Road, Central,  
Hong Kong

### Legal Adviser

Deacons  
5th Floor, Floor, Alexandra House  
18 Chater Road, Central  
Hong Kong

### Participating Dealers

Please refer to the Manager's website  
<https://www.pandofinance.com.hk>, for the latest list of participating dealers