

Audited Financial Statements

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND
(A fund of an open-ended unit trust established under the laws
of Hong Kong)

31 December 2024

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

CONTENTS

	Pages
ADMINISTRATION AND MANAGEMENT	1
REPORT OF THE MANAGER TO THE UNITHOLDERS	2
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	3
INDEPENDENT AUDITOR'S REPORT	4 - 6
AUDITED FINANCIAL STATEMENTS	
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in net assets attributable to unitholders	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 38
STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)	39 - 62
PERFORMANCE TABLE (UNAUDITED)	63 - 64
INVESTMENT PORTFOLIO (UNAUDITED)	65 - 71
DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)	72
INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)	72

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

ADMINISTRATION AND MANAGEMENT

MANAGER

China Life Franklin Asset Management Co., Limited
27/F, One Exchange Square,
8 Connaught Place Central,
Hong Kong

DIRECTORS OF THE MANAGER

Yu Yong (appointed on 23 February 2024)
Yan Ligang (appointed on 23 February 2024)
Liu Xiaodong (resigned on 23 February 2024)
Greg Eugene McGowan
Molina George H
Wei Xiaopeng
Chen Yingshun
Wang Yijiang
Liu Hui
Shang Gang

LEGAL ADVISER TO THE MANAGER

Simmons & Simmons
30/F One Tai Koo Place,
979 King's Road
Hong Kong

TRUSTEE, ADMINISTRATOR AND REGISTRAR

Room 801, 8/F, Tower A,
China Life Center,
One HarbourGate,
18 Hung Luen Road, Hung Hom,
Kowloon

AUDITOR

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

CUSTODIAN

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Hong Kong

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

REPORT OF THE MANAGER TO THE UNITHOLDERS

MARKET REVIEW & OUTLOOK

In 2024, the U.S. economy demonstrated resilience, avoiding recession while moderating inflation and maintaining low unemployment rate. Growth slowed due to tight monetary policy and external shocks, but consumer strength and labor market resilience provided stability. The Fed's gradual easing and fiscal constraints shaped a cautious outlook, with risks from trade policies and geopolitical tensions looming into 2025.

US treasury fluctuated amid evolving labor market, inflation and monetary policy. In Q1, yields climbed as markets repriced aggressive rate cut expectations, underpinned by strong non-farm payrolls, low unemployment, and persistent CPI increases, despite a dovish March FOMC. Q2 saw a marginal economic slowdown, with unemployment rising unexpectedly, payrolls softening, and inflation cooling. The Fed's June dot plot projected fewer rate cuts, with Powell noting a cooling labor market but emphasizing the need for sustained inflation progress. The inflation report in July showed more progress to the target, shifting focus to labor market concerns. The BOJ's unexpected rate hike in July and Ueda's hawkish comments, coupled with weak U.S. labor market data, triggered carry trade unwind - a spike in the yen - and stock market rout in early August. The market turned risk averse and immediately priced in 50bps rate cut in September as the recession concern rose. Global capital market experienced significant volatility but gradually stabilized as market sentiment improved. During last quarter in 2024, a strong October labor report reversed easing bets, and post-November election, Trump trades unwound, prompting yields elevated. The December FOMC delivered a hawkish 25bps rate cut to 4.25–4.50%, raised GDP and inflation forecasts, and projected only two 2025 cuts. Powell stated that the Fed is close to or has reached a point of slowing down or pausing rate cuts, and future rate cuts would require more progress in inflation. The rise in term premiums pushed the yield curve towards bearish steepening.

Looking forward to 2025, the market focus on Trump's tariff, tax cut, and immigration policies after his inauguration, and will reassess the impact on employment, inflation, and growth. The U.S. debt ceiling and the fiscal budgets of other major economies also remains key factor.

China Life Franklin Asset Management Co., Limited

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager, China Life Franklin Asset Management Co., Limited, has, in all material respects, managed China Life Franklin Diversified Income Fund for the year ended 31 December 2024, in accordance with the provisions of the Trust Deed dated 29 July 2014, its supplemental deeds dated 18 December 2019 and 1 January 2021.

On behalf of
China Life Trustees Limited, the Trustee

Independent auditor's report

To the unitholders of China Life Franklin Diversified Income Fund (A fund of an open-ended unit trust established under the laws of Hong Kong)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of China Life Franklin Diversified Income Fund (the "Trust") set out on pages 7 to 38, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Trust as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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 ("HKSAs") 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 are independent of the Trust in accordance with the *Code of Ethics for Professional Accountants* (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Manager and the Trustee of the Trust are responsible for the other information. The other information comprises 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.

Independent auditor's report (continued)

To the unitholders of China Life Franklin Diversified Income Fund (A fund of an open-ended unit trust established under the laws of Hong Kong)

Responsibilities of the Manager and the Trustee for the financial statements

The Manager and the Trustee of the Trust are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Manager and the Trustee determine are 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 Manager and the Trustee of the Trust are responsible for assessing the Trust'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 Manager and the Trustee either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Trustee of the Trust are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 29 July 2014, its supplemental deeds dated 18 December 2019 and 1 January 2021 (the "Trust Deed") and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds (the "SFC Code") issued by the Hong Kong Securities and Futures Commission.

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. Our report is made 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 HKSAAs 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 Trust have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

As part of an audit in accordance with HKSAAs, we exercise professional judgement 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 Trust's internal control.

Independent auditor's report (continued)

**To the unitholders of China Life Franklin Diversified Income Fund
(A fund of an open-ended unit trust established under the laws of Hong Kong)**

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.
- Conclude on the appropriateness of the Manager's and the Trustee'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 Trust'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 Trust 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 Manager and the Trustee 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 the relevant disclosure provisions of 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 the relevant disclosure provisions of Appendix E of the SFC Code.

Certified Public Accountants
Hong Kong

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 HKD	2023 HKD
INCOME			
Interest income		124,117,888	127,751,502
Dividend income		9,646,500	8,049,970
Foreign exchange difference, net		(2,774,693)	1,119,526
Other income	7	19,393	69,047
Net gains on financial assets and financial liabilities at fair value through profit or loss	5	50,301,796	20,612,236
		<u>181,310,884</u>	<u>157,602,281</u>
EXPENSES			
Trustee fee	4	(13,243,113)	(14,500,993)
Management fee	4	(26,486,226)	(29,009,590)
Transaction costs		(229,871)	(1,117,371)
Auditor's remuneration		(269,347)	(263,685)
Other expense		(106,286)	(478,412)
		<u>(40,334,843)</u>	<u>(45,370,051)</u>
PROFIT BEFORE TAX		140,976,041	112,232,230
Withholding tax expense	8	<u>(1,107,941)</u>	<u>(597,889)</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>139,868,100</u>	<u>111,634,341</u>

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 HKD	2023 HKD
ASSETS			
Financial assets at fair value through profit or loss	5, 6	2,946,550,869	3,378,271,144
Interest receivable		29,970,856	32,516,132
Amounts due from brokers	9	49,895,545	49,946,493
Cash and cash equivalents	10	115,806,567	28,497,137
Dividend receivable		14,347	382,321
TOTAL ASSETS		3,142,238,184	3,489,613,227
LIABILITIES			
Financial liabilities at fair value through profit or loss	5, 6	127,454	2,182,653
Amount due to brokers	9	78,064,552	606,300
Management fee payable	4	2,157,116	2,200,164
Trustee fee payable	4	1,078,558	1,100,082
Redemption payable		623,136	4,428,836
Subscription in advance		401,210	86,551
Other payables		264,271	277,876
TOTAL LIABILITIES		82,716,297	10,882,462
EQUITY			
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		3,059,521,887	3,478,730,765
TOTAL LIABILITIES AND EQUITY		3,142,238,184	3,489,613,227

China Life Franklin Asset Management Co., Limited

China Life Trustees Limited

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Year ended 31 December 2024

HKD CLASS	Number of units outstanding	HKD
At 1 January 2023	318,339,848	3,755,633,787
Reclassification of the redeemable units as equity	<u>(318,339,848)</u>	<u>(3,755,633,787)</u>
At 31 December 2023, 1 January 2024 and 31 December 2024	<u>-</u>	<u>-</u>

USD CLASS 2	Number of units outstanding	HKD
At 1 January 2023	500,000	34,107,246
Reclassification of the redeemable units as equity	<u>(500,000)</u>	<u>(34,107,246)</u>
At 31 December 2023, 1 January 2024 and 31 December 2024	<u>-</u>	<u>-</u>

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

	Note	Number of units outstanding	HKD
At 1 January 2023		-	-
Reclassification of the redeemable units as equity	11	318,839,848	3,789,741,033
Subscription of units			
- HKD Class	11	21,123,136	252,743,009
Redemption of units			
- HKD Class	11	(53,657,185)	(640,759,442)
- USD Class 2	11	(500,000)	(34,628,176)
		(54,157,185)	(675,387,618)
Profit and total comprehensive income for the year		-	111,634,341
At 31 December 2023 and 1 January 2024		285,805,799	3,478,730,765
Subscription of units			
- HKD Class	11	19,450,723	242,416,756
Redemption of units			
- HKD Class	11	(64,172,500)	(801,493,734)
Profit and total comprehensive income for the year		-	139,868,100
At 31 December 2024		241,084,022	3,059,521,887
		2024	2023
NUMBER OF UNITS IN ISSUE			
- HKD Class		241,084,022	285,805,799
NET ASSET VALUE PER UNIT			
- HKD Class		HKD 12.69	HKD 12.17

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Note	2024 HKD	2023 HKD
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		140,976,041	112,232,230
Adjustment for:			
Interest income		(124,117,888)	(127,751,502)
Dividend income		(9,646,500)	(8,049,970)
Net gains on financial assets and financial liabilities at fair value through profit or loss		(50,301,796)	(20,612,236)
Purchase of financial assets and financial liabilities at fair value through profit or loss		(23,831,842,209)	(25,320,939,373)
Proceeds from sale of financial assets and financial liabilities at fair value through profit or loss		24,311,809,081	25,528,129,046
Decrease in amounts due from brokers		50,948	43,087,718
Increase/(decrease) in amounts due to brokers		77,458,252	(6,436,204)
Decrease in management fee payable		(43,048)	(319,999)
Decrease in trustee fee payable		(21,524)	(158,626)
(Decrease)/increase in other payables		(13,605)	184,182
		<u>514,307,752</u>	<u>199,365,266</u>
Interest received		126,663,164	124,892,730
Dividend received		10,014,474	7,720,462
Withholding tax paid		(1,107,941)	(597,889)
Net cash flows from operating activities		<u>649,877,449</u>	<u>331,380,569</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in subscription in advance		314,659	(98,894)
Proceeds from issue of units		242,416,756	252,743,009
Payments for redemption of units		(805,299,434)	(672,284,994)
Net cash flows used in financing activities		<u>(562,568,019)</u>	<u>(419,640,879)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		87,309,430	(88,260,310)
Cash and cash equivalents at beginning of year		<u>28,497,137</u>	<u>116,757,447</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		<u>115,806,567</u>	<u>28,497,137</u>
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS			
Cash at bank	10	<u>115,806,567</u>	<u>28,497,137</u>

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

1. THE TRUST

China Life Franklin Diversified Income Fund (the "Trust") was constituted as an open-ended unit trust established under the laws of Hong Kong pursuant to a trust deed dated 29 July 2014, as amended (the "Trust Deed").

The Trust is an open-ended unit trust and is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") under Section 104(1) of the Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC (the "SFC Code"). Authorisation by the SFC does not imply official approval or recommendation.

The Manager of the Trust is China Life Franklin Asset Management Co., Limited (the "Manager") and the Trustee is China Life Trustees Limited (the "Trustee"). The Custodian is Bank of China (Hong Kong) Limited (the "Custodian").

The investment objective of the Trust is to achieve a high level of current income and to provide a steady capital growth to Unitholders by investing primarily in a portfolio of global and regional fixed income securities, including high-yield bonds, which normally carry below investment grade ratings and emerging market debt. The Trust may also invest in equity securities and other types of investments on an ancillary basis. These securities may be denominated in either local currencies or globally traded major currencies.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E to the SFC Code.

The financial statements have been prepared under the historical cost basis, except for financial assets and financial liabilities classified at fair value through profit or loss that have been measured at fair value. These financial statements are presented in Hong Kong dollars (HKD) and all values are rounded to the nearest dollar except where otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Trust has adopted the following revised HKFRSs, which are applicable to the Trust for the first time in the current year's financial statements.

Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the new and revised HKFRSs that are applicable to Trust are described below:

Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current* and Amendments to HKAS 1 *Non-current Liabilities with Covenants*

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Trust has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Trust.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The amended standards that are issued, but not yet effective, up to the date of the Trust's financial statements are disclosed below, except for those standards which, in the opinion of the Directors, will clearly not impact the Trust. The Trust intend to adopt these amended standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

31 December 2024

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS
(continued)

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Trust is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Trust's financial statements.

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Trust's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Trust are as follows:

HKFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Trust's financial statements.

31 December 2024

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Trust's financial statements.

HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Trust's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Financial instruments

(i) Classification

In accordance with HKFRS 9, the Trust classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Trust classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The Trust's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order 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 on the principal amount outstanding. The Trust includes in this category short-term non-financing receivables including cash and cash equivalents, amounts due from brokers, interest receivable and dividend receivable.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) **Classification (continued)**

Financial assets measured at fair value through profit or loss ("FVPL")

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Trust includes in this category:

- Instruments held for trading. This category includes equity instruments and debt instruments which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial liabilities measured at FVPL

A financial liability is measured at FVPL if it meets the definition of held for trading. The Trust includes in this category, derivative contracts in a liability position since they are classified as held for trading.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at FVPL. The Trust includes in this category management fee payable, trustee fee payable, redemption payable, subscription in advance, amount due to brokers and other payables.

(ii) **Recognition**

The Trust recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Trust commits to purchase or sell the financial asset.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iii) Initial measurement

Financial assets at FVPL are initially recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

After initial measurement, the Trust measures financial instruments which are classified as at FVPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets at FVPL in the statement of profit or loss and other comprehensive income. Interests and dividends earned or paid on these instruments are recorded separately in 'interest income' and 'dividend income' in the profit or loss.

Loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instruments, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(v) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Trust of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either.

- the Trust has transferred substantially all the risks and rewards of the asset, or
- the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Trust has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Trust's continuing involvement in the asset. In that case, the Trust also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Trust has retained.

The Trust derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Determination of fair value

The Trust measures its investments classified as financial assets at fair value through profit or loss, such as equities and bonds, at fair value at each reporting date.

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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Trust.

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Determination of fair value (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted prices or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques, such as, recent arm's length market transactions, quotes from brokers and market makers, deemed to be appropriate in the circumstances.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Trust determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

Impairment of financial assets

The Trust holds only receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore, the Trust does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Trust's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Trust uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Functional and presentation currency

The Trust's functional currency is HKD, which is the currency of the primary economic environment in which it operates. The Trust's performance is evaluated and its liquidity is managed in HKD. Therefore, the HKD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Trust's presentation currency is also HKD.

Foreign currency transactions

Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date.

Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in profit or loss as part of the 'net gains or losses on financial assets at fair value through profit or loss'. Exchange differences on other financial instruments are included in profit or loss as 'foreign exchange difference, net'.

Net asset value attributable to unitholders

The Trust issues redeemable units, namely HKD Class and USD Class 2, which were redeemable at the unitholder's option and were classified as financial liabilities prior to the redemption of all USD Class 2 units in 2023. As at 31 December 2024 and 2023, USD Class 2 units were fully redeemed and only HKD Class units were issued and were classified as equity.

Redeemable units are subscribed and redeemed during the Hong Kong business days of each calendar month or such other day or days determined by the Manager, in consultation with the Trustee, may determine from time to time for cash equal to a proportionate share of the Trust's net assets attributable to unitholders of the relevant classes. The Manager is entitled, with the approval of the Trustee, to limit the number of redeemable units of the Trust redeemed on any business day to 10% of the total number of redeemable units of the Trust in issue.

Redeemable units are issued and redeemed at the unitholder's option at prices based on the Trust's net assets attributable to unitholders per unit at the time of issue or redemption. The Trust's net assets attributable to unitholders per unit is calculated by dividing the net assets attributable to unitholders by the number of units in issue.

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Redeemable participating shares

Redeemable units are classified as an equity instrument when:

- (a) the redeemable units entitle the holder to a pro-rata share of the Sub-Fund's net assets in the event of the Trust's liquidation;
- (b) the redeemable units are in the class of instruments that is subordinate to all other classes of instruments;
- (c) all redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features;
- (d) the redeemable units do 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 Trust's net assets; or
- (e) the total expected cash flows attributable to the redeemable units 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 Sub-Fund over the life of the instrument.

In addition to the redeemable units having all the above features, the Trust must have no other financial instrument or contract that has:

- (a) the 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 Trust; and
- (b) the effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Trust continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Trust will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions. Upon issuance of redeemable units, the consideration received is included in equity. Transaction costs incurred by the Trust in issuing or its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Distributions to unitholders

Distributions are at the discretion of the Trust. A dividend distribution to the Trust's unitholders is accounted for as a deduction from net assets attributable to unitholders. No distribution was proposed or paid out during the current period.

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank s, and short-term deposits, as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Trust's cash management.

Interest income

Interest income is recognised in profit or loss for all interest-bearing financial instruments using the effective interest method.

Net gains or losses on financial assets and financial liabilities at fair value through profit or loss

This item includes changes in the fair value of financial assets and financial liabilities at fair value through profit or loss and excludes interest income.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Realised gains and losses on disposals of financial instruments classified as 'at fair value through profit or loss' are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount or cash payments.

Related parties

A party is considered to be related to the Trust if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Trust;
 - (ii) has significant influence over the Trust; or
 - (iii) is a member of the key management personnel of the Trust or of a parent of the Trust;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Trust are members of the same Trust;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Trust 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 either the Trust or an entity related to the Trust;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (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); and
 - (viii) the entity, or any member of a Trust of which it is a part, provides key management personnel services to the Trust or to the parent of the Trust.

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Taxes

In some jurisdiction, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Trust presents the withholding tax separately from the gross investment income in the statement of profit or loss and other comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Trust's financial statements requires management to make judgements, estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

As at 31 December 2024, there are no significant judgements and estimates involved in the preparation of the financial statements.

4. FEES

Management fee

The Manager is entitled to receive a management fee from the Trust, at a rate of 0.8% per annum for each of HKD Class, USD Class 1 and USD Class 2 with respect to the net asset value of the Trust which were calculated and accrued on a daily basis.

Performance fee

The Manager is entitled to receive a performance fee from the Trust, at a rate of 10% per annum for each of HKD Class, USD Class 1 and USD Class 2 with respect to the net asset value in excess of the high water mark of the Trust which was calculated and accrued on a daily basis.

Trustee fee

The Trustee is entitled to receive a trustee fee from the Trust, at a rate of 0.4% per annum for each of HKD Class and USD Class 1, and at a rate of 0.35% per annum for each of USD Class 2 with respect to the net asset value of the Trust which were calculated and accrued on a daily basis.

Custodian fee

The Custodian is entitled to receive custodian fee from the Trust, at a rate of 0.15% per annum for each of HKD Class, USD Class 1 and USD Class 2 with respect to the net asset value of the Trust which were calculated and accrued on a daily basis. The Custodian is also entitled to reimbursement for any out-of-pocket expenses or third-party charges incurred in the course of its duties.

Effective from 1 January 2018, the Trustee, in its own corporate capacity, agreed to pay the custodian fee on behalf of the Trust. The agreement remains effective up to 31 December 2024.

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HKD	2023 HKD
Financial assets		
- listed equity securities	183,591,556	442,808,385
- listed debt securities	2,762,292,548	2,935,462,759
- listed futures	666,765	-
Total financial assets at fair value through profit or loss	<u>2,946,550,869</u>	<u>3,378,271,144</u>
	2024 HKD	2023 HKD
Financial liabilities		
- listed futures	127,454	2,182,653
Total financial liabilities at fair value through profit or loss	<u>127,454</u>	<u>2,182,653</u>

Net gains or losses on financial assets and financial liabilities at fair value through profit or loss:

	2024 HKD	2023 HKD
Held for trading		
- realised gains/(losses)	54,351,875	(128,835,624)
- change in unrealised (losses)/gains	(4,050,079)	149,447,860
Total net gains on financial assets and liabilities at fair value through profit or loss	<u>50,301,796</u>	<u>20,612,236</u>

The fair value of financial assets and financial liabilities traded in active markets is based on quoted market prices at the close of trading on the period end date. The fair value of financial assets and financial liabilities not traded in active markets is based on broker quotes at the close of trading on the period end date.

The Trust utilises the last traded market price for financial assets and financial liabilities where the last traded prices fall within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
31 December 2024				
Financial assets:				
Equity securities	183,591,556	-	-	183,591,556
Debt securities	262,645,339	2,499,647,209	-	2,762,292,548
Listed futures	666,765	-	-	666,765
	<u>446,903,660</u>	<u>2,499,647,209</u>	<u>-</u>	<u>2,946,550,869</u>
Financial liabilities:				
Listed futures	127,454	-	-	127,454
	<u>127,454</u>	<u>-</u>	<u>-</u>	<u>127,454</u>

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
31 December 2023				
Financial assets:				
Equity securities	442,808,385	-	-	442,808,385
Debt securities	685,758,538	2,249,704,221	-	2,935,462,759
	<u>1,128,566,923</u>	<u>2,249,704,221</u>	<u>-</u>	<u>3,378,271,144</u>
Financial liabilities:				
Listed futures	2,182,653	-	-	2,182,653
	<u>2,182,653</u>	<u>-</u>	<u>-</u>	<u>2,182,653</u>

As at 31 December 2024 and 31 December 2023, the Trust's listed debt securities are classified as level 1 and level 2 while the listed equities and listed futures are classified as level 1.

During the years ended 31 December 2024 and 31 December 2023, there were no transfers between level 1 and level 2 or transfers into or out of level 3.

6. DERIVATIVE CONTRACTS

The Trust uses derivative financial instruments to economically hedge its risks associated primarily with interest rate and foreign currency fluctuations. Derivative financial instruments may also be used for trading purposes where the Manager believes this would be more effective than investing directly in the underlying financial instruments. The derivative contract that the Trust holds includes future contracts.

Futures contracts

Futures contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Futures contracts are transacted in standardised amounts on regulated exchanges and are subject to daily cash margin requirements. The credit risk related to future contracts is considered minimal because the exchange ensures that these contracts are always honoured. As at 31 December 2024, there were 390 future contracts held by the Trust in short position (2023: 650).

The following derivative contracts were unsettled as at 31 December 2024.

Type of contract	Initial margin requirement per contract HKD	Expiration	Notional amount HKD	Fair value HKD
<u>Financial assets</u>				
Future contracts				
US 10YR NOTE (CBT) Mar25	16,018	20 March 2025	139,397,816	13,960
US ULTRA BOND CBT Mar25	44,009	20 March 2025	69,280,161	652,805
Total				<u>666,765</u>

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

6. DERIVATIVE CONTRACTS (continued)

Futures contracts (continued)

Type of contract	Initial margin requirement per contract HKD	Expiration	Notional amount HKD	Fair value HKD
<u>Financial liabilities</u>				
Future contracts				
US 5YR NOTE (CBT) Mar25	10,681	31 March 2025	123,875,804	(127,454)
Total				<u>(127,454)</u>

The following derivative contracts were unsettled as at 31 December 2023:

Type of contract	Initial margin requirement per contract HKD	Expiration	Notional amount HKD	Fair value HKD
<u>Financial liabilities</u>				
Future contracts				
US 2YR NOTE (CBT) Mar24	9,881	1 March 2024	1,045,523,501	(2,182,653)
Total				<u>(2,182,653)</u>

7. OTHER INCOME

Other income includes consent fee receipts and other miscellaneous income recognised during the year.

8. INCOME TAX

Hong Kong Tax

No provision for Hong Kong profits tax has been made as the Trust is authorised as collective investment schemes under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempted from Hong Kong profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

PRC Tax

Under PRC laws and regulations, foreign investors (such as the Trust) may be subject to a 10% withholding tax on income (such as dividend/interest and capital gains) imposed on securities issued by PRC tax resident enterprises.

Capital Gains Tax

On 14 November 2014, Ministry of Finance of the PRC ("MOF"), State Taxation Administration of the PRC ("STA") and CSRC jointly issued Caishui [2014] 79 "the Notice on the issues of temporary exemption from the imposition of corporate income tax arising from gains from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII" ("Circular 79") to clarify the PRC Withholding Income Tax ("WHT") treatment with respect to gains derived by the Trust from the trading of equity investments.

31 December 2024

8. INCOME TAX (continued)

PRC Tax (continued)

Capital Gains Tax (continued)

The PRC income tax treatment should be governed by the general tax provisions of the Corporate Income Tax Law, which stipulates a 10% tax on a withholding basis for capital gains derived on disposal of PRC securities. Therefore, in light of the Circular 79, the Trust has elected to withhold a 10% tax provision on capital gains realised on the PRC equity securities derived on or before 17 November 2014.

The Notice also states that RQFIs without an establishment or a place of business in the PRC will be temporarily exempt from corporate income tax on gains derived from the trading of PRC securities effective from 17 November 2014. Based on the current interpretation of the STA and the local tax authorities, gains derived by foreign investors (including the Trust) from investment in PRC debt securities should not be treated as PRC sourced income thus should not be subject to PRC WHT. The Trust therefore did not accrue any PRC WHT provisions related to the capital gains on disposal of PRC debt securities.

During the year, the Trust had not made any provision for PRC WHT on capital gain derived from disposal of PRC equity securities before 17 November 2014 and no settlement was made.

Distribution Tax

PRC withholding tax has been levied on dividend and interest payments from PRC companies to foreign investors. As such, the RQFII will pass on this tax liability to the Trust in the form of a distribution tax and therefore, the Trust is subject to a distribution tax of 10%.

According to Circular Caishui [2018] 108 ("Circular 108"), foreign institutional investors are temporarily exempt from PRC WHT with respect to bond interest income derived in the PRC bond market for the period from 7 November 2018 to 6 November 2021. On 27 October 2021, the PRC State Council meeting has announced the extension of the exemption policy under Circular 108 till the end of the 14th Five-Year Plan, which is the end of 2025. Since 7 November 2018, no provision for PRC withholding income tax on the interest income derived from the PRC debt securities has been made.

There was HKD1,107,941 distribution tax arising from dividend income and bank deposit interest for the year ended 31 December 2024 (2023: HKD597,889).

Value-Added Tax

According to Circular Caishui [2016] 36 ("Circular 36"), interest income received from investment in non-government bonds is subject to PRC Value-Added Tax ("VAT") at 6% from 1 May 2016 onwards. If the investors are non-PRC residents, the PRC VAT should technically be withheld by PRC bond issuers, unless the PRC authorities would clarify otherwise. Circular 36 does not mention whether asset management products should be subject to VAT. Then Circular Caishui [2016] 140 ("Circular 140") is issued to stipulate that asset managers are the VAT payers with respect to taxable income derived by asset management products since 1 May 2016. Shortly after, Circular Caishui [2017] 2 is issued to clarify that PRC VAT is only applicable to the taxable income derived by asset management products on or after 1 July 2017. The State Administration of Taxation is working on the implementation rule for the VAT collection in relation to asset management products.

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

8. INCOME TAX (continued)

PRC Tax (continued)

Value-Added Tax (continued)

There is lack of clarification under the above circulars on whether PRC VAT shall apply to non-government bond interest received by offshore asset management products on or after 1 May 2016 or 1 July 2017. Where there is PRC VAT payable, local surcharges shall be imposed at the rate up to 12% of VAT payable. Currently, in practice, PRC bond issuers have not withheld PRC VAT and local surcharges when paying non-government bond interest to offshore asset management products.

According to Circular 108, foreign institutional investors are temporarily exempt from PRC VAT with respect to bond interest income derived in the PRC bond market for the period from 7 November 2018 to 6 November 2021. On 27 October 2021, the PRC State Council meeting has announced the extension of the exemption policy under Circular 108 till the end of the 14th Five-Year Plan, which is the end of 2025. There is no provision made for PRC VAT on the interest income derived from the PRC debt securities since 7 November 2018.

9. AMOUNTS DUE FROM/TO BROKERS

	2024 HKD	2023 HKD
Amounts due from brokers		
- Cash held by brokers	49,895,545	49,946,493
	<u>49,895,545</u>	<u>49,946,493</u>
Amounts due to brokers		
- Cash overdrafts with brokers	592,007	606,300
- Payables for securities purchased but not yet settled	77,472,545	-
	<u>78,064,552</u>	<u>606,300</u>

As at 31 December 2024 and 2023, the balances were bearing interests at prevailing rate and repayable on demand.

10. CASH AND CASH EQUIVALENTS

The balances represent cash held with Bank of China (Hong Kong), a creditworthy bank with no recent history of default. The bank balances are interest-bearing.

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

11. UNITS IN ISSUE

As at 31 December 2024, the Trust has issued one class of unit in issue (2023: one). The unit can be issued and redeemed on each valuation day, i.e. every business day of the calendar year. The holders of unit may redeem the units on any valuation day by no later than the dealing deadline, i.e. no later than the 5:00 p.m. (Hong Kong time) of the business day of the calendar year. Redemption requests received after such time will be deemed to have been received on the next business day.

The calculation of net asset value per unit for HKD Class is based on the total net assets attributable to unitholders of HKD3,059,521,887 (2023: HKD3,478,730,765) and the total number of 241,084,022 (2023: 285,805,799) units in issue at the end of the reporting period.

The number of units in issue of the Trust is classified as equity. All issued redeemable units are fully paid.

	Number of Units	
	USD Class 2	HKD Class
2024		
At beginning of the year	-	285,805,799
Issued during the year	-	19,450,723
Redeemed during the year	-	(64,172,500)
At the end of the year	-	241,084,022

	Number of Units	
	USD Class 2	HKD Class
2023		
At beginning of the year	500,000	318,339,848
Issued during the year	-	21,123,136
Redeemed during the year	(500,000)	(53,657,185)
At the end of the year	-	285,805,799

Capital management

The Trust's objectives for managing capital are to invest the capital in investments in order to achieve its investment objective while maintaining sufficient liquidity to meet the expenses of the Trust, and to meet redemption requests as they arise.

31 December 2024

12. SHARE CAPITAL

During the year ended 31 December 2023, USD Class 2 units were fully redeemed, and thus only HKD Class units were in issue. The Trust concluded that these units had identical features and met all the conditions for classification as equity instruments. Therefore, the Trust had prospectively reclassified the redeemable units as equity. The reclassification was deemed to have occurred at the beginning of the reporting period, and thus amount reclassified was the entire financial liabilities balance which was determined to be the fair value of the equity to unitholders at the date of the reclassification.

For the year ended 31 December 2024 and 31 December 2023, only HKD Class units were in issue.

13. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES

Investment in the Trust is subject to market fluctuations and other risks inherent in investing in securities and there can be no assurance that any appreciation in value will occur. The performance of the Trust will be affected by a number of risk factors, including the following:

Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and indirectly observable variables such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investors' expectation, etc., which may have significant impact on the value of the investments. Market movement may therefore result in substantial fluctuation in the net asset value of redeemable units of the Trust.

The maximum risk resulting from financial instruments equals their fair value.

The Trust assumes market risk in trading activities. The Trust distinguishes market risk as price risk, interest rate risk, and foreign exchange risk.

31 December 2024

13. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Market risk (continued)Price risk

The Trust's market price risk is managed through diversification of the investment portfolio as well as investing in securities with strong fundamentals. The table below summarises the sensitivity of the Trust's net assets value to equity price movements and the overall market exposures of the Trust. For the years ended 31 December 2024 and 2023, the analysis is based on the assumptions that the Hang Seng Index increased/decreased by 5%, with all other variables held constant. The analysis is also based on the assumption that the underlying debt securities in collective investment scheme increased/decreased by 5%, with all other variables held constant. The Trust is not directly correlated with any Asian market indices. The indices should be used only for guidance and performance comparison purposes. The Manager does not manage market price risk to any market index.

	Carrying value of financial instruments at fair value through profit or loss HKD	% of net assets %	Hang Seng Index percentage change % +/-	Estimated possible change in net asset value HKD +/-
<u>Equity securities</u>				
As at 31 December 2024	183,591,556	6.00%	5%	9,179,578
As at 31 December 2023	442,808,385	12.73%	5%	22,140,419

	Carrying value of financial instruments at fair value through profit or loss HKD	% of net assets %	Shift in underlying securities % +/-	Estimated possible change in net asset value HKD +/-
<u>Debt securities</u>				
As at 31 December 2024	2,623,984,162	85.76%	5%	131,199,208
As at 31 December 2023	2,596,976,837	74.65%	5%	129,848,842

Interest rate risk

The Trust also has interest-bearing bank deposits which the interest rates movement will not have significant cash flow impact on the net asset value and therefore no sensitivity analysis on bank deposit is presented.

As the Trust has invested in debt securities whose values are driven significantly by changes in interest rates, the Trust is subject to interest rate risk. When interest rates rise, the value of previously acquired debt securities will normally fall because new debt securities acquired will pay a higher rate of interest. In contrast, if interest rates fall, then the value of the previously acquired debt securities will normally rise. The Manager regularly assesses the economic condition and monitor changes in interest rates outlook to control the impact of interest rate risk.

The majority of interest rate exposure arises on investments in debt securities. Most of the Trust's investments in debt securities carry fixed interest rates and mature within an average of 1 to 5 years.

31 December 2024

13. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Market risk (continued)**Interest rate risk** (continued)

The following table demonstrates the sensitivity of the Trust's profit or loss for the year to a reasonably possible change in interest rates, with all other variables held constant.

	Change in basis points	Sensitivity of change in fair value of investments (decrease)/increase HKD
As at 31 December 2024		
- Debt securities	+25/-25	2,872,152/(2,872,152)
As at 31 December 2023		
- Debt securities	+25/-25	3,852,027/(3,852,027)

These exposures are not actively managed as the management considers the Trust's exposure to interest rate risk is minimal.

Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Trust holds assets and liabilities mainly denominated in HKD and United States dollars ("USD") while HKD is the functional currency of the Trust. USD is pegged with HKD and hence, the Manager considers the Trust is not exposed to significant currency risk and therefore no sensitivity analysis is presented.

Liquidity risk

Liquidity risk is the risk that the Trust 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 to the Trust.

The Trust is exposed to liquidity risk through its investments, including listed equities, bonds and futures. The Trust restricts its concentration risk by its investment restriction policy as per its Explanatory Memorandum.

The price at which the fixed income securities are traded may be higher or lower than the initial subscription price due to many factors including the prevailing interest rates. Further, the bid and offer spreads of the price of fixed income securities in which the Trust invests may be large, and hence, the Trust may incur significant trading and realisation costs and losses may be suffered.

When the Trust is not able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other uncontrollable factors, the Trust may be forced to sell investments, at an unfavourable time and/or conditions.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Trust can be required to pay.

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Liquidity risk (continued)**Financial assets**

Analysis of debt securities at fair value through profit or loss into maturity groups is based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groups is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date on which the assets will be realised.

The following table summarises the maturity profile of the Trust's financial liabilities based on contractual undiscounted cash flows. Balances due within 1 year equal their carrying amounts, as the impact of discounting is insignificant. The table also analyses the maturity profile of the Trust's financial assets in order to provide a complete view of the Trust's contractual commitments and liquidity.

	On demand HKD	Within 1 month HKD	1 month to 1 year HKD	Total HKD
As at 31 December 2024				
<u>Financial assets</u>				
Cash and cash equivalents	115,806,567	-	-	115,806,567
Amounts due from brokers	49,895,545	-	-	49,895,545
Dividend receivable	-	-	14,347	14,347
Interest receivable	-	-	29,970,856	29,970,856
Financial assets at FVPL	-	-	2,946,550,869	2,946,550,869
Total financial assets	<u>165,702,112</u>	<u>-</u>	<u>2,976,536,072</u>	<u>3,142,238,184</u>
<u>Financial liabilities</u>				
Management fee payable	-	2,157,116	-	2,157,116
Trustee fee payable	-	1,078,558	-	1,078,558
Redemption payable	-	623,136	-	623,136
Subscription in advance	-	401,210	-	401,210
Other payables	-	-	264,271	264,271
Amount due to broker	78,064,552	-	-	78,064,552
Financial liabilities at FVPL	-	-	127,454	127,454
Total financial liabilities	<u>78,064,552</u>	<u>4,260,020</u>	<u>391,725</u>	<u>82,716,297</u>

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Liquidity risk (continued)**Financial assets** (continued)

	On demand HKD	Within 1 month HKD	1 month to 1 year HKD	Total HKD
As at 31 December 2023				
Financial assets				
Cash and cash equivalents	28,497,137	-	-	28,497,137
Amounts due from brokers	49,946,493	-	-	49,946,493
Dividend receivable	-	-	382,321	382,321
Interest receivable	-	-	32,516,132	32,516,132
Financial assets at FVPL	-	-	3,378,271,144	3,378,271,144
Total financial assets	<u>78,443,630</u>	<u>-</u>	<u>3,411,169,597</u>	<u>3,489,613,227</u>
Financial liabilities				
Management fee payable	-	2,200,164	-	2,200,164
Trustee fee payable	-	1,100,082	-	1,100,082
Redemption payable	-	4,428,836	-	4,428,836
Subscription in advance	-	86,551	-	86,551
Other payables	-	-	277,876	277,876
Amount due to broker	606,300	-	-	606,300
Financial liabilities at FVPL	-	-	2,182,653	2,182,653
Total financial liabilities	<u>606,300</u>	<u>7,815,633</u>	<u>2,460,529</u>	<u>10,882,462</u>

Credit and counterparty risk

The Trust is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

The Trust invests in a diversified portfolio of debt securities issued by issuers with wide range of credit ratings. If the issuer of any of the debt securities in which the Trust invested defaults, the performance of the Trust will be adversely affected. The credit ratings are reviewed regularly by the Manager.

The Trust's financial assets subject to the expected credit loss model (ECL) within HKFRS 9 are interest receivable, amounts due from brokers and cash and cash equivalents. At 31 December 2024, the total of interest receivable, dividend receivable, amounts due from brokers and cash and cash equivalents are HKD195,687,315 (2023: HKD111,342,083) on which no impairment allowance (2023: Nil) had been provided.

The Trust is exposed to credit risk on debt securities. These classes of financial assets are not subject to HKFRS 9's impairment requirements as they are measured at FVPL. The carrying value of these assets represents the Trust's maximum exposure to credit risk on financial instruments not subject to the HKFRS 9 impairment requirements on the respective reporting dates.

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Credit and counterparty risk (continued)

The Trust's financial assets which are potentially subject to concentrations of counterparty risk consist principally of bank balances and investments held with the Custodian. The exposures and credit rating from Standard & Poor's ("S&P") are summarised below while certain numbers of the investments are not rated by S&P:

As at 31 December 2024

<u>Bank</u>	Credit rating	HKD	Source of credit rating
Bank of China (Hong Kong)	A+	115,806,567	S&P
<u>Custodian</u>	Credit rating	HKD	% of Net assets
Bank of China (Hong Kong)			
Listed bonds denominated in USD	AA	7,516,121	0.25%
	A+	62,872,154	2.05%
	A	31,915,786	1.04%
	A-	137,665,627	4.50%
	BBB+	233,035,098	7.62%
	BBB+p	8,353,343	0.27%
	BBB	123,440,450	4.03%
	BBB-	157,565,563	5.15%
	BB+	81,163,225	2.65%
	BB	106,200,833	3.47%
	BB-	92,861,960	3.04%
	B+	31,004,871	1.01%
	No rating	1,662,556,017	54.35%
		<u>2,736,151,048</u>	<u>89.43%</u>
Listed bonds denominated in EUR	A-	8,180,374	0.27%
	B+	6,660,570	0.22%
		<u>14,840,944</u>	<u>0.49%</u>
Listed bonds denominated in HKD	No rating	5,758,440	0.19%
		<u>5,758,440</u>	<u>0.19%</u>
Listed bonds denominated in CNY	AA+	2,358,296	0.08%
	A+	3,183,820	0.10%
		<u>5,542,116</u>	<u>0.18%</u>

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

13. FINANCIAL RISK AND MANAGEMENT OBJECTIVE AND POLICIES (continued)

Credit and counterparty risk (continued)

As at 31 December 2023

<u>Bank</u>	Credit rating	HKD	Source of credit rating
Bank of China (Hong Kong)	A+	28,497,137	S&P
<u>Custodian</u>	Credit rating	HKD	% of Net assets
Bank of China (Hong Kong)			
Listed bonds denominated in USD	AA+	78,479,328	2.26%
	AA	66,933,226	1.92%
	AA-	68,027,963	1.96%
	A+	287,819,158	8.27%
	A	42,441,692	1.22%
	A-	365,911,231	10.52%
	BBB+	514,262,730	14.78%
	BBB	152,523,391	4.38%
	BBB-	135,493,541	3.89%
	BB+	2,407,215	0.07%
	BB	40,379,362	1.16%
	B+	18,083,818	0.52%
	No rating	1,088,726,677	31.30%
		<u>2,861,489,332</u>	<u>82.25%</u>
Listed bonds denominated in EUR	BBB-	13,773,627	0.40%
		<u>13,773,627</u>	<u>0.40%</u>
Listed bonds denominated in HKD	AA+	19,990,800	1.16%
	No rating	40,209,000	0.57%
		<u>60,199,800</u>	<u>1.73%</u>

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

14. TRANSACTIONS WITH THE TRUSTEE AND MANAGER AND THEIR CONNECTED PERSONS

Connected persons of the Manager are those as defined in the SFC Code. All transactions entered into during the year between the Trust and the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Trust does not have any other transactions with connected persons except for what is disclosed in Note 4 except for custodian fee to the financial statements and below.

Holding in the Trust

As of 31 December 2024, the China Life Trustees Limited, Trustee of the Trust, holds 27,025,769 (2023: 28,205,304 units) HKD Class of the Trust on behalf of the trust funds that appointed China Life Trustees Limited as their Trustee. The beneficial owners of the units are the trust funds which are wholly owned by China Life Insurance (Overseas) Company Limited, a fellow subsidiary of the Manager.

As of 31 December 2024, China Life Insurance (Overseas) Company Limited, a fellow subsidiary of the Manager, holds 214,058,253 (2023: 257,600,495 units) HKD Class of the Trust.

The following table summarises the movement of the relevant holding during the year:

	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2024
<u>2024</u>			
China Life Trustees Limited	-	(1,179,535)	27,025,769
China Life Insurance (Overseas) Company Limited	19,450,723	(62,992,965)	214,058,253
	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2023
<u>2023</u>			
China Life Trustees Limited	-	-	28,205,304
China Life Insurance (Overseas) Company Limited	21,123,136	(53,657,185)	257,600,495

31 December 2024

15. SOFT COMMISSION ARRANGEMENTS

The Manager and its connected persons may enter into soft commission arrangements with brokers under which certain goods and services used to support investment decision making will be received. The Manager and its connected persons will not make direct payment for these services but will transact an agreed amount of business with the brokers on behalf of the Trust and commission will be paid on these transactions.

The goods and services must be of demonstrable benefit to the Trust and may include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis and data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications.

Neither the Manager nor any of its connected persons has entered into any soft commission arrangements with brokers or dealers in respect of the transactions for the account of the Trust during the year (2023: Nil).

16. DISTRIBUTION TO UNITHOLDERS

There was no declared distribution for the years ended 31 December 2024 and 31 December 2023.

The Manager has discretion as to whether or not to make any distribution, the frequency of distribution and the amount of distribution. The Manager currently intends not to make any distribution for the Trust. It is the current intention of the Manager that income earned by the Trust will be reinvested in the Trust and reflected in the increased value of units.

17. EVENTS AFTER THE REPORTING PERIOD

Subsequent to period end date and up to the date of the financial statements, 7,153,148 units for HK Class in a total amount of HKD91,709,145 were subscribed to the Trust, while 14,416,791 units for HK Class in a total amount of HKD184,923,496 were redeemed from the Trust.

18. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Trustee and the Manager on 29 April 2025.

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

<u>Listed Debt Securities</u>	At 31	<u>Movement</u>		At 31
	December 2023	Additions	Disposals	December 2024
Denominated in USD				
<i>Euronext</i>				
CNPFP V4.875 PERP	-	3,000,000	-	3,000,000
CNPFP 6 01/22/49	3,000,000	-	-	3,000,000
BNP V9.25 PERP REGS	500,000	500,000	(1,000,000)	-
ACAFP V7.875 PERP REGS	3,000,000	-	(3,000,000)	-
ACAFP V8.125 PERP REGS	-	4,000,000	(4,000,000)	-
ACAFP V6.875 PERP REGS	-	4,000,000	(4,000,000)	-
BNP V4.625 PERP REGS	-	500,000	(500,000)	-
BNP V7.375 PERP REGS	-	3,000,000	(3,000,000)	-
<i>Frankfurt</i>				
BATSLN 6 02/20/34	-	1,730,000	(230,000)	1,500,000
CCAMCL 5.5 01/23/30 EMTN	-	1,500,000	-	1,500,000
CKHH 4.75 09/13/34 REGS	-	3,000,000	(2,000,000)	1,000,000
CPREIT 2.95 06/15/30 EMTN	-	2,000,000	-	2,000,000
D V7 06/01/54 B	-	1,000,000	-	1,000,000
DUK V6.45 09/01/54	-	1,370,000	-	1,370,000
GRWALL V7.15 PERP	-	5,300,000	(4,300,000)	1,000,000
HSBC V6.375 PERP	-	5,000,000	-	5,000,000
ICBCAS V3.58 PERP	-	7,600,000	(2,600,000)	5,000,000
MEITUA 4.5 04/02/28 REGS	-	4,720,000	(1,720,000)	3,000,000
MET V3.85 PERP G	-	713,000	-	713,000
MPEL 4.875 06/06/25 REGS	-	3,600,000	(1,600,000)	2,000,000
MUTHIN 7.125 02/14/28 REGS	-	15,000,000	(15,000,000)	-
MYLIFE V5.2 10/20/45 REGS	-	3,000,000	-	3,000,000
NI V6.375 03/31/55	-	500,000	-	500,000
NWG V8 PERP	-	3,000,000	(1,000,000)	2,000,000
PIELIN 7.8 01/29/28 EMTN	-	15,000,000	(15,000,000)	-
PRU V6.5 03/15/54	-	3,020,000	-	3,020,000
SANLTD 3.25 08/08/31	-	5,000,000	(3,500,000)	1,500,000
SANLTD 3.8 01/08/26	-	3,500,000	(1,500,000)	2,000,000
SCGAU V4.75 09/24/80 REGS	-	2,193,000	(700,000)	1,493,000
SCOR V5.25 PERP .	-	3,000,000	-	3,000,000
SRENVX V5.75 08/15/50	-	3,000,000	-	3,000,000
STANLN V6 PERP REGS	-	3,000,000	-	3,000,000
ZJMGCL 1 06/25/29	-	2,000,000	(500,000)	1,500,000
AXP 3.95 08/01/25	3,000,000	-	(3,000,000)	-
BATSLN 6.421 08/02/33	2,000,000	-	-	2,000,000
BATSLN 5.931 02/02/29	1,500,000	-	(1,500,000)	-
SANTAN 3.892 05/24/24	3,600,000	-	(3,600,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

<u>Listed Debt Securities</u> (continued)	At 31	<u>Movement</u>		At 31
	December 2023	Additions	Disposals	December 2024
Denominated in USD (continued)				
<i>Frankfurt</i> (continued)				
BAC V2.482 09/21/36	2,000,000	-	(2,000,000)	-
BAC V2.299 07/21/32	1,500,000	-	(1,500,000)	-
BAC V3.841 04/25/25	3,000,000	-	(3,000,000)	-
BMO 3.7 06/07/25 MTN	3,000,000	-	(3,000,000)	-
BK V5.224 11/21/25 MTN	4,200,000	-	(4,200,000)	-
BNP V2.871 04/19/32 REGS	2,000,000	-	(2,000,000)	-
BNP V2.588 08/12/35 REGS	2,000,000	-	(2,000,000)	-
C V3.352 04/24/25	4,000,000	-	(4,000,000)	-
C V2.52 11/03/32	1,500,000	-	(1,500,000)	-
C 5.488 12/04/26 BKNT	1,000,000	-	(1,000,000)	-
DB V6.819 11/20/29	3,000,000	-	(3,000,000)	-
DB V3.742 01/07/33	2,200,000	-	(2,200,000)	-
GM 6.1 01/07/34	1,500,000	-	(1,500,000)	-
GS V2.65 10/21/32	1,000,000	-	(1,000,000)	-
HSBC V4.18 12/09/25	1,000,000	-	(1,000,000)	-
HSBC V8 PERP	1,000,000	1,000,000	(2,000,000)	-
JPM V2.545 11/08/32	1,500,000	-	(500,000)	1,000,000
JPM V6.07 10/22/27	1,850,000	-	(1,850,000)	-
MS 5.479 07/16/25	10,000	-	-	10,000
MS V2.484 09/16/36	2,000,000	-	(2,000,000)	-
MS V2.511 10/20/32 MTN	1,000,000	-	(1,000,000)	-
MS V3.62 04/17/25	4,000,000	-	(4,000,000)	-
MS V5.449 07/20/29	1,170,000	-	(1,170,000)	-
CNOOC 5.875 03/10/35	3,000,000	-	(3,000,000)	-
RY 3.97 07/26/24 GMTN	1,980,000	-	(1,980,000)	-
RY 5.2 08/01/28 GMTN	2,130,000	-	(2,130,000)	-
SOCGEN V3.653 07/08/35 REGS	1,500,000	-	(1,500,000)	-
T 4.75 11/15/53	8,000,000	13,250,000	(21,250,000)	-
WFC V3.35 03/02/33 MTN	1,000,000	-	(1,000,000)	-
WSTP V2.668 11/15/35	2,000,000	1,000,000	(3,000,000)	-
WSTP 5.535 11/17/28	3,400,000	-	(3,400,000)	-
BNP V8.5 PERP REGS	500,000	1,000,000	(1,500,000)	-
ACAFP V4 01/10/33 REGS	1,500,000	500,000	(2,000,000)	-
MGMCHI 5.375 05/15/24 REGS	500,000	1,500,000	(2,000,000)	-
MGMCHI 4.75 02/01/27 REGS	500,000	-	(500,000)	-
STCITY 5 01/15/29 REGS	1,000,000	3,300,000	(4,300,000)	-
UBS V9.25 PERP REGS	1,000,000	1,500,000	(2,500,000)	-
ANZ 2.57 11/25/35 REGS	2,500,000	-	(2,500,000)	-
NAB V3.347 01/12/37 REGS	1,500,000	500,000	(2,000,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

<u>Listed Debt Securities</u> (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in USD (continued)				
<i>Frankfurt</i> (continued)				
B 0 02/22/24	-	5,000,000	(5,000,000)	-
B 0 05/02/24	-	20,000,000	(20,000,000)	-
B 0 05/16/24	-	15,000,000	(15,000,000)	-
B 0 06/13/24	-	20,000,000	(20,000,000)	-
B 0 06/20/24	-	15,000,000	(15,000,000)	-
B 0 06/27/24	-	20,000,000	(20,000,000)	-
B 0 07/05/24	-	30,000,000	(30,000,000)	-
B 0 07/11/24	-	30,000,000	(30,000,000)	-
LLOYDS V5.679 01/05/35	-	500,000	(500,000)	-
BPLN 4.989 04/10/34	-	2,000,000	(2,000,000)	-
INDON 5.1 02/10/54	-	500,000	(500,000)	-
KSA 5 01/16/34 REGS	-	2,530,000	(2,530,000)	-
KSA 5.75 01/16/54 REGS	-	3,000,000	(3,000,000)	-
SUMILF V5.875 PERP REGS	-	4,890,000	(4,890,000)	-
SHFLIN 6.625 04/22/27 REGS	-	3,000,000	(3,000,000)	-
POHANG 4.875 01/23/27 REGS	-	850,000	(850,000)	-
STANLN V6.097 01/11/35 REGS	-	2,000,000	(2,000,000)	-
BZLNZ 5.076 01/30/29 REGS	-	3,810,000	(3,810,000)	-
PETMK 4.5 03/18/45 REGS	-	1,000,000	(1,000,000)	-
TENCNT 3.68 04/22/41 REGS	-	1,000,000	(1,000,000)	-
WYNMAC 5.125 12/15/29 REGS	-	2,000,000	(2,000,000)	-
IBM 5.3 02/05/54	-	690,000	(690,000)	-
C V5.827 02/13/35	-	3,000,000	(3,000,000)	-
T 4.25 02/15/54	-	7,000,000	(7,000,000)	-
RAKUTN 11.25 02/15/27 REGS	-	1,500,000	(1,500,000)	-
BATSLN 5.834 02/20/31	-	1,730,000	(1,730,000)	-
MIZUHO 5.376 05/26/30	-	2,520,000	(2,520,000)	-
BPLN V6.45 PERP	-	920,000	(920,000)	-
NEE V6.7 09/01/54	-	3,930,000	(3,930,000)	-
ADGREG 6.7 03/12/42 REGS	-	1,300,000	(1,300,000)	-
DELL 5.4 04/15/34	-	2,050,000	(2,050,000)	-
F 5.8 03/08/29	-	4,200,000	(4,200,000)	-
F 6.125 03/08/34	-	3,200,000	(3,200,000)	-
MQGAU V3.052 03/03/36 REGS	-	1,000,000	(1,000,000)	-
CBAAU 5.837 03/13/34 REGS	-	3,000,000	(3,000,000)	-
T 4.5 02/15/44	-	21,250,000	(21,250,000)	-
SANTAN 6.35 03/14/34	-	4,000,000	(4,000,000)	-
ANZ V5.731 09/18/34 REGS	-	3,320,000	(3,320,000)	-
MEDCIJ 6.95 11/12/28 REGS	-	500,000	(500,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

<u>Listed Debt Securities</u> (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in USD (continued)				
<i>Frankfurt</i> (continued)				
MCAIRH 6.4 03/26/29 REGS	-	300,000	(300,000)	-
ACAFP V6.251 01/10/35 REGS	-	1,000,000	(1,000,000)	-
DB V7.079 02/10/34	-	1,000,000	(1,000,000)	-
ICBPIJ 3.541 04/27/32	-	1,500,000	(1,500,000)	-
ISPIM 6.625 06/20/33 REGS	-	1,000,000	(1,000,000)	-
SOCGEN V6.221 06/15/33 REGS	-	1,000,000	(1,000,000)	-
STOAU 3.649 04/29/31 REGS	-	5,000,000	(5,000,000)	-
BBLTB V3.733 09/25/34 REGS	-	3,000,000	(3,000,000)	-
LLOYDS V8 PERP	-	500,000	(500,000)	-
CSLAU 5.106 04/03/34 REGS	-	1,370,000	(1,370,000)	-
AIA 5.375 04/05/34 REGS	-	3,000,000	(3,000,000)	-
MPEL 7.625 04/17/32 REGS	-	2,500,000	(2,500,000)	-
MQGAU 6.798 01/18/33 REGS	-	2,000,000	(2,000,000)	-
MS V5.656 04/18/30	-	4,000,000	(4,000,000)	-
MS V5.831 04/19/35	-	3,000,000	(3,000,000)	-
C F 04/30/26 BKNT	-	640,000	(640,000)	-
CDEP 5.875 04/30/29 REGS	-	1,640,000	(1,640,000)	-
TATAIN 5.95 07/31/24	-	1,000,000	(1,000,000)	-
FWDGHD 5.75 07/09/24	-	1,500,000	(1,500,000)	-
ALVGR V6.35 09/06/53 REGS	-	1,400,000	(1,400,000)	-
SHNHAN 5.75 04/15/34 REGS	-	1,500,000	(1,500,000)	-
NIPLIF V6.25 09/13/53 REGS	-	1,750,000	(1,750,000)	-
DB 5.414 05/10/29	-	1,720,000	(1,720,000)	-
STANLN V5.688 05/14/28 REGS	-	700,000	(700,000)	-
STANLN V5.905 05/14/35 REGS	-	1,310,000	(1,310,000)	-
NI V6.95 11/30/54	-	3,000,000	(3,000,000)	-
TOYOTA F 05/15/26	-	2,000,000	(2,000,000)	-
NIPLIF V5.1 10/16/44 REGS	-	2,387,000	(2,387,000)	-
NWG F 05/17/27 REGS	-	3,330,000	(3,330,000)	-
ACAFP V4.75 PERP REGS	-	500,000	(500,000)	-
ETR V7.125 12/01/54	-	3,000,000	(3,000,000)	-
T 4.375 05/15/34	-	64,500,000	(64,500,000)	-
C V7.125 PERP CC	-	5,100,000	(5,100,000)	-
SLB 5 06/01/34	-	3,000,000	(3,000,000)	-
SLB 5 11/15/29 REGS	-	830,000	(830,000)	-
T 4.625 05/15/44	-	51,500,000	(51,500,000)	-
T 4.5 05/31/29	-	5,000,000	(5,000,000)	-
GM 5.35 07/15/27	-	4,300,000	(4,300,000)	-
HYNMTR 5.3 06/24/29 REGS	-	3,000,000	(3,000,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

<u>Listed Debt Securities</u> (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in USD (continued)				
<i>Frankfurt</i> (continued)				
HYNMTR 5.45 06/24/26 REGS	-	4,000,000	(4,000,000)	-
MGMCHI 7.125 06/26/31 REGS	-	800,000	(800,000)	-
GRWALL 6.375 01/02/28	-	11,000,000	(11,000,000)	-
GRWALL 3.125 07/31/24	-	3,000,000	(3,000,000)	-
SUMIBK 5.836 07/09/44	-	1,200,000	(1,200,000)	-
MSSIN 5.625 07/11/29 REGS	-	1,300,000	(1,300,000)	-
HNDA F 07/09/27 GMTN	-	4,000,000	(4,000,000)	-
KRA 5 07/15/27 REGS	-	6,000,000	(6,000,000)	-
ANZ F 07/16/27 REGS	-	3,000,000	(3,000,000)	-
BMO V7.3 11/26/84	-	1,150,000	(1,150,000)	-
CHALHK 1.55 07/28/24	-	3,000,000	(3,000,000)	-
MITHCC 5.15 10/24/29 REGS	-	2,380,000	(2,380,000)	-
WOORIB V6.375 PERP REGS	-	1,580,000	(1,580,000)	-
FWDGHD V6.375 PERP	-	3,000,000	(3,000,000)	-
MBGGR F 07/31/26 REGS	-	3,000,000	(3,000,000)	-
MCO 5 08/05/34	-	1,800,000	(1,800,000)	-
T 4.375 07/31/26	-	5,000,000	(5,000,000)	-
CNP V7 02/15/55 A	-	500,000	(500,000)	-
LLY 5.2 08/14/64	-	750,000	(750,000)	-
NWG V4.964 08/15/30	-	1,090,000	(1,090,000)	-
CAT 4.375 08/16/29	-	1,500,000	(1,500,000)	-
CAT 4.4 10/15/27	-	1,000,000	(1,000,000)	-
T 3.875 08/15/34	-	50,500,000	(50,500,000)	-
STT V4.53 02/20/29	-	2,110,000	(2,110,000)	-
SCGAU V5.125 09/24/80 REGs	-	300,000	(300,000)	-
KR 5 09/15/34	-	1,000,000	(1,000,000)	-
KR 5.5 09/15/54	-	3,000,000	(3,000,000)	-
KR 5.65 09/15/64	-	3,000,000	(3,000,000)	-
ALVGR V5.6 09/03/54 REGS	-	1,800,000	(1,800,000)	-
NANFUN 5 09/05/28 EMTN	-	7,960,000	(7,960,000)	-
TGT 4.5 09/15/34	-	3,750,000	(3,750,000)	-
ORIX 4.65 09/10/29	-	3,700,000	(3,700,000)	-
TTEFP 4.724 09/10/34	-	700,000	(700,000)	-
CIMAU 7 03/25/34 REGS	-	5,200,000	(5,200,000)	-
UBER 4.3 01/15/30	-	730,000	(730,000)	-
HSBC V6.875 PERP ***	-	3,620,000	(3,620,000)	-
HSBC V6.95 PERP	-	2,170,000	(2,170,000)	-
MYLIFE V5.8 09/11/54 REGS	-	2,490,000	(2,490,000)	-
UBS V6.85 PERP REGS	-	4,000,000	(4,000,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

<u>Listed Debt Securities</u> (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in USD (continued)				
<i>Frankfurt</i> (continued)				
T 4.125 08/15/44	-	26,500,000	(26,500,000)	-
PSX 4.95 03/15/35	-	3,000,000	(3,000,000)	-
C V5.411 09/19/39	-	2,000,000	(2,000,000)	-
AL V6 PERP D	-	430,000	(430,000)	-
ATO 5 12/15/54	-	190,000	(190,000)	-
MPEL 5.625 07/17/27 REGS	-	1,000,000	(1,000,000)	-
NDAFH V6.3 PERP REGS	-	750,000	(750,000)	-
GS V6.125 PERP Y	-	1,150,000	(1,150,000)	-
ANZ V5.204 09/30/35 REGS	-	3,000,000	(3,000,000)	-
ACAFP V6.7 PERP REGS	-	1,500,000	(1,500,000)	-
MEITUA 4.625 10/02/29 REGS	-	2,180,000	(2,180,000)	-
LLOYDS V7.5 PERP	-	1,500,000	(1,500,000)	-
BIOLIN 6.67 10/09/29 REGs	-	2,000,000	(2,000,000)	-
KOGRGF F 10/29/27	-	1,590,000	(1,590,000)	-
NORBK 5.094 10/16/29 REGS	-	1,090,000	(1,090,000)	-
JPM V4.946 10/22/35	-	3,000,000	(3,000,000)	-
GS V5.016 10/23/35	-	3,000,000	(3,000,000)	-
MUTHIN 6.375 04/23/29 REGS	-	1,000,000	(1,000,000)	-
CM V6.95 01/28/85	-	2,000,000	(2,000,000)	-
DNBNO F 11/05/30 REGS	-	3,000,000	(3,000,000)	-
DNBNO V4.853 11/05/30 REGS	-	3,000,000	(3,000,000)	-
HSBC F 11/19/30	-	4,000,000	(4,000,000)	-
T 4.5 11/15/54	-	4,000,000	(4,000,000)	-
LLOYDS F 11/26/28	-	2,420,000	(2,420,000)	-
NAB F 10/26/27 REGS	-	3,000,000	(3,000,000)	-
ABNANV F 12/03/28 REGS	-	2,000,000	(2,000,000)	-
COP 5 01/15/35	-	3,000,000	(3,000,000)	-
COP 5.5 01/15/55	-	1,250,000	(1,250,000)	-
VW 6.2 11/16/28 REGS	3,200,000	-	(3,200,000)	-
VW 6.45 11/16/30 REGS	3,000,000	-	(3,000,000)	-
ADSEZ 4.375 07/03/29 REGS	2,500,000	3,000,000	(5,500,000)	-
HRINTH 3.25 11/13/24 EMTN	1,000,000	2,200,000	(3,200,000)	-
ISPIM 7.2 11/28/33 REGS	1,000,000	-	(1,000,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

<u>Listed Debt Securities</u> (continued)	At 31	<u>Movement</u>		At 31
	December 2023	Additions	Disposals	December 2024
Denominated in USD (continued)				
<i>Hong Kong</i>				
AACTEC 3.75 06/02/31	-	1,000,000	-	1,000,000
AIA 5.4 09/30/54 REGS	-	3,500,000	-	3,500,000
AIA V2.7 PERP GMTN	-	5,000,000	(2,000,000)	3,000,000
BCHINA V3.6 PERP	-	7,000,000	(2,000,000)	5,000,000
BNKEA V5.825 PERP EMTN	-	2,500,000	-	2,500,000
BNKEA V6.75 06/27/34 EMTN	-	7,850,000	(5,850,000)	2,000,000
BOCOM V3.8 PERP	-	7,000,000	(2,000,000)	5,000,000
CCAMCL 3.125 03/18/30 EMTN	-	2,375,000	(875,000)	1,500,000
CCB V2.45 06/24/30	-	3,000,000	-	3,000,000
CHINLP V3.55 PERP	-	1,572,000	-	1,572,000
CHIOLI 3.05 11/27/29 EMTN	-	1,000,000	-	1,000,000
CHIOLI 3.125 03/02/35 EMTN	-	5,400,000	(2,400,000)	3,000,000
CHIOLI 5.35 11/15/42 B	-	2,500,000	-	2,500,000
CHJMAO 3.2 04/09/26	-	1,000,000	-	1,000,000
CHOHIN V5.5 PERP EMTN	-	1,000,000	-	1,000,000
CHPWCN V3.45 PERP	-	300,000	-	300,000
CMHI V3.875 PERP *	-	3,660,000	-	3,660,000
COFCHK V3.1 PERP	-	3,654,000	-	3,654,000
FRESHK 4.25 10/26/26 EMTN	-	1,850,000	(700,000)	1,150,000
FWDGHD 7.635 07/02/31 EMTN	-	5,000,000	(2,000,000)	3,000,000
GRNCH 5.65 07/13/25	-	1,500,000	(500,000)	1,000,000
GRWALL 2.375 08/18/30	-	2,395,000	(1,395,000)	1,000,000
HKAA V2.1 PERP	-	1,000,000	-	1,000,000
HRINTH 5 11/19/25	-	1,194,000	-	1,194,000
HRINTH 5.5 01/16/25 EMTN	-	5,500,000	(500,000)	5,000,000
HUADIA V3.375 PERP	-	1,500,000	-	1,500,000
MEITUA 3.05 10/28/30 REGS	-	7,500,000	(4,500,000)	3,000,000
MGMCHI 5.875 05/15/26 REGS	-	1,000,000	-	1,000,000
ORIEAS 2.75 11/17/30	-	6,700,000	(5,200,000)	1,500,000
TENCNT 3.925 01/19/38 REGS	-	5,000,000	(2,000,000)	3,000,000
VEYONG 3.375 05/12/26 REGS	-	2,000,000	-	2,000,000
WYNMAC 5.5 01/15/26 REGS	-	3,000,000	-	3,000,000

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

<u>Listed Debt Securities</u> (continued)	At 31	<u>Movement</u>		At 31
	December 2023	Additions	Disposals	December 2024
Denominated in USD (continued)				
<i>Hong Kong</i> (continued)				
ZHONAN 3.125 07/16/25	-	3,500,000	(1,500,000)	2,000,000
AIA 3.2 09/16/40 REGS	1,703,000	-	(1,703,000)	-
AIA 5.625 10/25/27 REGS	3,000,000	-	(3,000,000)	-
AIA 4.95 04/04/33 REGS	3,000,000	-	(3,000,000)	-
TENCNT 3.595 01/19/28 REGS	1,000,000	-	(1,000,000)	-
TENCNT 2.39 06/03/30 REGS	3,000,000	-	(3,000,000)	-
HKAA 3.25 01/12/52 REGS	1,000,000	-	(1,000,000)	-
HKAA 4.875 01/12/33 REGS	6,000,000	-	(6,000,000)	-
MALAYS 3.075 04/28/51 REGS	3,000,000	-	(3,000,000)	-
CHIOLI 6.375 10/29/43	2,000,000	500,000	(1,000,000)	1,500,000
CRHZCH 6 02/27/24 EMTN	2,700,000	-	(2,700,000)	-
CHIOLI 5.95 05/08/24	2,700,000	-	(2,700,000)	-
SHENGY 3.875 01/20/25	1,000,000	-	-	1,000,000
COSL 4.5 07/30/25 EMTN	4,000,000	-	-	4,000,000
CHGDNU 4 11/05/25	3,561,000	-	-	3,561,000
MINMET 4.2 07/27/26	5,409,000	-	(3,409,000)	2,000,000
GENTMK 4.25 01/24/27	3,000,000	-	-	3,000,000
HRAM 4.25 11/07/27 EMTN	500,000	1,800,000	(2,300,000)	-
FWDINS V5.5 PERP	2,946,000	-	(946,000)	2,000,000
CMHI 5 08/06/28	4,000,000	-	(4,000,000)	-
CRHZCH 3.75 08/26/24 EMTN	464,000	-	(464,000)	-
HUADIA V4 PERP	3,000,000	715,000	(3,715,000)	-
HRINTH 3.75 05/29/24 EMTN	2,600,000	3,000,000	(5,600,000)	-
CHPWCN V4.3 PERP EMTN	2,093,000	-	(2,093,000)	-
CHJMAO 4 06/21/24	500,000	-	(500,000)	-
RLCONS V3.97 PERP	3,000,000	2,000,000	(5,000,000)	-
CNBG 3.375 07/16/24	1,000,000	-	(1,000,000)	-
CHMEDA 3 07/18/24	3,600,000	-	(3,600,000)	-
CHJMAO 4.25 07/23/29	500,000	1,500,000	(1,500,000)	500,000
CSSSHI 2.5 02/13/25	3,000,000	-	-	3,000,000
FRESHK 3.375 02/18/25 EMTN	1,000,000	3,150,000	-	4,150,000
CHIOLI 2.375 03/02/25 EMTN	3,200,000	-	(3,200,000)	-
SHPORT 2.375 07/13/30	2,200,000	-	(2,200,000)	-
CDBFLC V2.875 09/28/30	1,000,000	-	(1,000,000)	-
HKAA V2.4 PERP	1,000,000	-	(1,000,000)	-
CCAMCL 3 01/20/31 EMTN	1,000,000	4,005,000	(5,005,000)	-
FRESHK 2.625 03/03/24 EMTN	2,500,000	-	(2,500,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

	At 31	Movement		At 31
	December			December
Listed Debt Securities (continued)	2023	Additions	Disposals	2024
Denominated in USD (continued)				
<i>Hong Kong (continued)</i>				
CHMETL V2.95 PERP	2,300,000	-	(2,300,000)	-
CATHAY 4.875 08/17/26 EMTN	3,200,000	-	(3,200,000)	-
CCAMCL V4.4 PERP .	1,800,000	4,000,000	(2,800,000)	3,000,000
CHITRA 2.95 03/01/27	4,700,000	-	(4,700,000)	-
CHALUM 2.95 02/24/27	9,000,000	-	(7,500,000)	1,500,000
CITLTD 2.875 02/17/27 EMTN	4,300,000	-	(2,800,000)	1,500,000
CHGRID 3.125 04/07/25	5,000,000	-	(2,000,000)	3,000,000
CMHI 4 06/01/27	12,000,000	-	(10,500,000)	1,500,000
CICCHK 5.493 03/01/26 EMTN	1,600,000	-	(1,600,000)	-
VNKRLE 3.975 11/09/27 EMTN	-	2,200,000	(2,200,000)	-
CICCHK 5.012 01/18/27 EMTN	-	1,000,000	(1,000,000)	-
CICCHK F 01/18/27 EMTN	-	13,300,000	(13,300,000)	-
ORIEAS 5.5 02/01/27 EMTN	-	2,000,000	(2,000,000)	-
HRINTH 3.375 02/24/30 EMTN	-	1,500,000	(1,500,000)	-
HRINTH 3.875 11/13/29 EMTN	-	2,500,000	(2,500,000)	-
ZHONAN 3.5 03/08/26	-	1,000,000	(1,000,000)	-
BNKEA V4.875 04/22/32 EMTN	-	5,625,000	(5,625,000)	-
BNKEA V5.875 PERP	-	5,000,000	(5,000,000)	-
BNKEA V6.625 03/13/27 EMTN	-	2,180,000	(2,180,000)	-
AVIILC 5.15 03/18/27 EMTN	-	3,200,000	(3,200,000)	-
BNKEA V4 05/29/30 EMTN	-	3,000,000	(3,000,000)	-
DAHSIN V7.375 11/15/33 EMTN	-	3,000,000	(3,000,000)	-
WYNMAC 4.875 10/01/24 REGS	-	5,000,000	(5,000,000)	-
FRESHK 6.625 04/16/27 EMTN	-	3,650,000	(3,650,000)	-
CCAMCL 5.625 05/14/24 REGS	-	3,390,000	(3,390,000)	-
CHIOLI 3.45 07/15/29 EMTN	-	1,500,000	(1,500,000)	-
GRWALL 2.875 11/23/26	-	624,000	(624,000)	-
GRWALL 4.25 04/28/25	-	1,000,000	(1,000,000)	-
WYNMAC 5.625 08/26/28 REGS	-	5,000,000	(5,000,000)	-
MEITUA 0 04/27/27	-	1,500,000	(1,500,000)	-
SOCJOG 4.85 01/27/28	-	1,500,000	(1,500,000)	-
CRHZCH V3.75 PERP EMTN	-	5,000,000	(5,000,000)	-
CCAMCL 5.75 05/28/29 EMTN	-	5,070,000	(5,070,000)	-
VNKRLE 3.5 11/12/29 EMTN	-	500,000	(500,000)	-
TIANFS 6.25 05/31/26 EMTN	-	3,090,000	(3,090,000)	-
ORIEAS 5.75 06/06/29 EMTN	-	3,500,000	(3,500,000)	-
MGMCHI 5.25 06/18/25 REGS	-	1,000,000	(1,000,000)	-
YUEXIU 3.8 01/20/31 EMTN	-	500,000	(500,000)	-
MINMET V3.375 PERP	-	5,000,000	(5,000,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

		<u>Movement</u>		
	At 31 December 2023			At 31 December 2024
<u>Listed Debt Securities</u> (continued)		Additions	Disposals	
Denominated in USD (continued)				
<i>Hong Kong</i> (continued)				
GRWALL V3.95 PERP	-	5,000,000	(5,000,000)	-
CHOHIN V5.7 PERP EMTN	-	2,906,000	(2,906,000)	-
CHSCOI V4 PERP	-	6,064,000	(6,064,000)	-
YGCZCH 2.9 11/30/24	-	2,600,000	(2,600,000)	-
HUANEN V5.3 PERP	-	2,500,000	(2,500,000)	-
NANYAN V3.8 11/20/29	-	5,000,000	(5,000,000)	-
CHCOMU V3.425 PERP	-	6,950,000	(6,950,000)	-
ZHOSHK 5.98 01/30/28	-	3,490,000	(3,490,000)	-
ZHHFGR V4.25 PERP	-	5,000,000	(5,000,000)	-
ORIEAS 5 09/03/24 EMTN	-	1,200,000	(1,200,000)	-
NANYAN V6 08/06/34	-	6,750,000	(6,750,000)	-
NWDEVL 4.125 07/18/29	-	300,000	(300,000)	-
NWDEVL 4.5 05/19/30 EMTN	-	700,000	(700,000)	-
NWDEVL V6.15 PERP	-	3,000,000	(3,000,000)	-
NWDEVL 8.625 02/08/28	-	5,300,000	(5,300,000)	-
CHALUM V4.1 PERP	-	900,000	(900,000)	-
SDGOLD 2.4 08/25/24	-	3,000,000	(3,000,000)	-
HRAM 4.75 04/27/27	-	1,000,000	(1,000,000)	-
FRESHK 5.875 03/05/28 EMTN	-	8,200,000	(8,200,000)	-
WYNMAC 5.5 10/01/27 REGS	-	1,000,000	(1,000,000)	-
CINDBK V6 12/05/33 EMTN	-	1,700,000	(1,700,000)	-
HRAM 4.625 06/03/26 EMTN	-	5,000,000	(5,000,000)	-
HRINTH 4.5 05/29/29 EMTN	-	800,000	(800,000)	-
YGCZCH 3.5 10/03/29	-	4,800,000	(4,800,000)	-
XIAOMI 0 12/17/27	-	4,800,000	(4,800,000)	-
MEITUA 0 04/27/28	-	2,000,000	(2,000,000)	-
NWDEVL V5.25 PERP	-	500,000	(500,000)	-
COGO 2.45 02/09/26	-	1,300,000	(1,300,000)	-
WUXAPP 0 10/19/25	-	800,000	(800,000)	-
HKMTGC 4.125 10/18/27 EMTN	-	2,000,000	(2,000,000)	-
CHINA 4.125 11/20/27 REGS	-	5,010,000	(5,010,000)	-
CHINA 4.25 11/20/29 REGS	-	2,140,000	(2,140,000)	-
<i>London</i>				
EIBKOR 5.125 01/11/33	3,000,000	-	(3,000,000)	-
EXIMBK 3.25 01/15/30 REGS	3,000,000	-	(3,000,000)	-
INRCIN 2.8 02/10/31 REGS	1,500,000	500,000	(2,000,000)	-
STANLN V7.776 11/16/25 REGS	2,000,000	-	(2,000,000)	-
HKINTL 4.625 01/11/33 REGS	3,000,000	-	(3,000,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

Listed Debt Securities (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in USD (continued)				
<i>London</i> (continued)				
ARAMCO 4.25 04/16/39 REGS	500,000	1,000,000	(1,500,000)	-
ADGB 3.125 09/30/49 REGS	3,000,000	-	(3,000,000)	-
KSA 3.75 01/21/55 REGS	500,000	-	(500,000)	-
RIBL V3.174 02/25/30	2,000,000	-	(2,000,000)	-
STANLN V3.265 02/18/36 REGS	2,120,000	-	(2,120,000)	-
STANLN V2.678 06/29/32 REGS	4,420,000	-	(1,420,000)	3,000,000
KSA 4.75 01/18/28 REGS	1,000,000	-	(1,000,000)	-
TAQAUH 4.375 01/24/29 REGS	1,250,000	-	(1,250,000)	-
BRITEL V4.875 11/23/81 REGS	-	500,000	-	500,000
BACR V9.625 PERP	-	1,000,000	(1,000,000)	-
SNBAB 5.129 02/27/29	-	1,210,000	(1,210,000)	-
BINHLD 9.625 02/28/27	-	1,000,000	(1,000,000)	-
STANLN V7.75 PERP REGs	-	1,000,000	(1,000,000)	-
ISRAEL 5.75 03/12/54	-	1,790,000	(1,790,000)	-
EGYPT 7.0529 01/15/32 REGS	-	500,000	(500,000)	-
STANLN V7.875 PERP REGS	-	1,000,000	(1,000,000)	-
BACR V8 PERP	-	3,000,000	(3,000,000)	-
STANLN F 11/23/25 REGS	-	1,000,000	(1,000,000)	-
KSA 5.25 06/04/34 REGS	-	3,000,000	(3,000,000)	-
PHNXLN V8.5 PERP	-	8,400,000	(8,400,000)	-
FABUH V5.804 01/16/35	-	3,180,000	(3,180,000)	-
RIBL V5.5 PERP	-	3,000,000	(3,000,000)	-
<i>Luxembourg</i>				
ALVGR V3.5 PERP REGS	-	2,400,000	-	2,400,000
GS 0 03/15/27 700	-	200,000	-	200,000
GS 0 05/10/27 1MTN	-	1,300,000	(500,000)	800,000
SRENVX V5.698 04/05/35 REGS	-	2,600,000	(600,000)	2,000,000
ZURNVX V5.5 04/23/55 EMTN	-	3,180,000	-	3,180,000
SOCGEN V9.375 PERP REGS	1,000,000	500,000	(1,500,000)	-
SOCGEN V10 PERP REGS	1,000,000	1,000,000	(2,000,000)	-
DB V7.5 PERP	1,000,000	2,600,000	(2,600,000)	1,000,000
PHILIP 4.2 03/29/47	1,500,000	-	(1,500,000)	-
ROMANI 5.875 01/30/29 REGS	-	1,450,000	(1,450,000)	-
ROMANI 6.375 01/30/34 REGS	-	1,310,000	(1,310,000)	-
MIZUHO 5.579 05/26/35	-	1,920,000	(1,920,000)	-
SUMIBK V6.6 PERP	-	3,500,000	(3,500,000)	-
PHILIP 5.6 05/14/49	-	1,500,000	(1,500,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

Listed Debt Securities (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in USD (continued)				
<i>Luxembourg</i> (continued)				
SUMIBK F 07/09/29	-	1,200,000	(1,200,000)	-
SRENVX V4.25 PERP	-	3,000,000	(3,000,000)	-
PHILIP 4.75 03/05/35	-	3,000,000	(3,000,000)	-
<i>Singapore</i>				
BABA 2.7 02/09/41	-	4,292,000	(2,500,000)	1,792,000
BBLTB V5 PERP REGS	-	2,000,000	-	2,000,000
BHARTI V5.65 PERP REGS	-	5,200,000	-	5,200,000
DBSSP V3.3 PERP GMTN	-	5,000,000	-	5,000,000
FUKOKU V5 PERP	-	4,000,000	(1,000,000)	3,000,000
HAOHUA 3 09/22/30	-	4,000,000	(3,000,000)	1,000,000
KBANK V5.275 PERP EMTN	-	1,000,000	-	1,000,000
MINTTB V2.7 PERP	-	2,000,000	-	2,000,000
MPEL 5.25 04/26/26 REGS	-	2,000,000	-	2,000,000
NANFUN 3.625 08/27/30 EMTN	-	4,224,000	(2,224,000)	2,000,000
PINGIN 2.85 08/12/31 EMTN	-	2,000,000	-	2,000,000
PINGIN 6.125 05/16/34 EMTN	-	7,100,000	(6,850,000)	250,000
QBEAU V5.25 PERP EMTN	-	5,030,000	-	5,030,000
SOFTBK 3.125 01/06/25	-	3,000,000	(1,500,000)	1,500,000
SPICPD V4.95 PERP	-	3,000,000	-	3,000,000
SPICPT V3.45 PERP	-	5,800,000	-	5,800,000
STCITY 6 07/15/25 REGS	-	3,000,000	-	3,000,000
WB 3.375 07/08/30	-	1,500,000	-	1,500,000
INDON 3.5 02/14/50	500,000	-	(500,000)	-
INDON 3.55 03/31/32	3,500,000	-	(3,500,000)	-
INDON 4.3 03/31/52	2,000,000	-	(2,000,000)	-
KOROIL 4.875 04/03/28 REGS	1,400,000	-	(1,400,000)	-
PERTIJ 4.7 07/30/49 REGS	1,500,000	500,000	(2,000,000)	-
PLNIJ 4.875 07/17/49 REGS	1,500,000	-	(1,500,000)	-
PLNIJ 4 06/30/50 REGS	500,000	500,000	(1,000,000)	-
POWFIN 3.95 04/23/30 REGS	3,000,000	-	(3,000,000)	-
TENCNT 3.975 04/11/29 REGS	3,000,000	-	(3,000,000)	-
WOORIB 4.875 01/26/28 REGS	3,220,000	-	(3,220,000)	-
NIPLIF V2.9 09/16/51 REGS	1,000,000	-	(1,000,000)	-
MINCAP 5.625 08/10/37 REGS	1,000,000	-	(1,000,000)	-
RWLVCA 8.45 07/27/30 REGS	300,000	1,000,000	(1,300,000)	-
GRNKEN 5.55 01/29/25 REGS	500,000	3,500,000	-	4,000,000
GRNKEN 5.95 07/29/26 REGS	500,000	-	(500,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

Listed Debt Securities (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in USD (continued)				
<i>Singapore</i> (continued)				
INDON 5.25 01/08/47 REGS	500,000	-	(500,000)	-
INDYIJ 8.25 10/22/25 REGS	500,000	-	(500,000)	-
JSTLIN 3.95 04/05/27 REGS	500,000	-	(500,000)	-
LLPLCA 6.875 02/04/39 REGS	402,300	-	(402,300)	-
MEDCIJ 7.375 05/14/26 REGS	500,000	500,000	(1,000,000)	-
ADROIJ 4.25 10/31/24 REGS	1,000,000	4,000,000	(5,000,000)	-
PERTIJ 5.625 05/20/43 REGS	1,408,000	-	(1,408,000)	-
IDASAL 4.75 05/15/25 REGS	1,800,000	-	(800,000)	1,000,000
IDASAL 5.45 05/15/30 REGS	1,000,000	-	(1,000,000)	-
IDASAL 5.8 05/15/50 REGS	200,000	-	(200,000)	-
SHTFIN 4.4 03/13/24 REGS	800,000	-	(800,000)	-
JSTLIN 5.95 04/18/24	1,000,000	-	(1,000,000)	-
HAOHUA 3.375 06/19/24	1,000,000	-	(1,000,000)	-
POWFIN 4.5 06/18/29	3,000,000	-	(3,000,000)	-
YANTZE 3.2 10/16/49	1,300,000	-	(1,300,000)	-
HAOHUA 3.7 09/22/50	2,200,000	-	-	2,200,000
SIASP 3 07/20/26 EMTN	1,200,000	-	(1,200,000)	-
MUANTH V3.552 01/27/37	200,000	-	(200,000)	-
BOCAVI 4.5 05/23/28 GMTN	2,000,000	-	(2,000,000)	-
KORHIC 5.5 07/17/26	2,100,000	-	(2,100,000)	-
ADANEM 3.949 02/12/30 REGS	-	2,500,000	(2,500,000)	-
RWLVCA 4.625 04/06/31 REGS	-	1,000,000	(1,000,000)	-
HYUELE 5.5 01/16/27 REGS	-	1,000,000	(1,000,000)	-
HYUELE 5.5 01/16/29 REGS	-	3,430,000	(3,430,000)	-
RCBPM 5.5 01/18/29 EMTN	-	2,200,000	(2,200,000)	-
SBIIN 5 01/17/29 EMTN	-	1,720,000	(1,720,000)	-
SATSSP 4.828 01/23/29 GMTN	-	3,300,000	(3,300,000)	-
SUMIFL 5.109 01/23/29 EMTN	-	9,000,000	(9,000,000)	-
DAESEC 5.875 01/26/27	-	1,470,000	(1,470,000)	-
DAESEC 6 01/26/29	-	1,470,000	(1,470,000)	-
ADSEZ 3.1 02/02/31 REGS	-	4,300,000	(4,300,000)	-
KORELE 4.875 01/31/27 REGS	-	2,470,000	(2,470,000)	-
BBLTB V3.466 09/23/36 REGS	-	1,500,000	(1,500,000)	-
HYUCAP 5.125 02/05/27 REGS	-	1,320,000	(1,320,000)	-
HYUCAP 5.125 02/05/29 REGS	-	1,000,000	(1,000,000)	-
MPEL 5.375 12/04/29 REGS	-	2,500,000	(2,500,000)	-
SOFTBK 5.125 09/19/27	-	500,000	(500,000)	-
SOFTBK 5.25 07/06/31	-	1,000,000	(1,000,000)	-
SUMITR 5.2 03/07/27 REGS	-	4,000,000	(4,000,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

<u>Listed Debt Securities</u> (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in USD (continued)				
<i>Singapore</i> (continued)				
SUMITR 5.2 03/07/29 REGS	-	1,590,000	(1,590,000)	-
SUMITR 5.35 03/07/34 REGS	-	1,030,000	(1,030,000)	-
SIASP 5.25 03/21/34 EMTN	-	2,500,000	(2,500,000)	-
ADSEZ 4.2 08/04/27 REGS	-	5,300,000	(5,300,000)	-
INDON 3.7 10/30/49	-	3,500,000	(3,500,000)	-
GENMMK 3.882 04/19/31 REGS	-	1,500,000	(1,500,000)	-
MINCAP 4.625 08/10/30 REGS	-	1,394,700	(1,394,700)	-
PLNIJ 5.25 05/15/47 REGS	-	788,000	(788,000)	-
TOPTB 3.5 10/17/49 REGS	-	3,500,000	(3,500,000)	-
CITNAT V4.35 PERP REGS	-	3,940,000	(3,940,000)	-
FRIDPT 5.315 04/14/32 REGS	-	1,000,000	(1,000,000)	-
WOORIB V4.25 PERP REGS	-	5,200,000	(5,200,000)	-
HONGQI 7.75 03/27/25	-	6,800,000	(6,800,000)	-
KOROIL 4.875 04/03/29 REGS	-	590,000	(590,000)	-
KOMRMR 5.125 05/08/29	-	1,090,000	(1,090,000)	-
BBNIJ 5.28 04/05/29 EMTN	-	3,430,000	(3,430,000)	-
HYNCRD 5.75 04/24/29	-	1,220,000	(1,220,000)	-
ASLAU 7.5 04/26/29 REGS	-	700,000	(700,000)	-
BHARTI 5.35 05/20/24 REGS	-	7,313,000	(7,313,000)	-
CKHH 5.375 04/26/29 REGS	-	5,000,000	(5,000,000)	-
CKHH 5.5 04/26/34 REGS	-	21,390,000	(21,390,000)	-
INDYIJ 8.75 05/07/29 REGS	-	1,500,000	(1,500,000)	-
HYUELE 6.5 01/17/33 REGS	-	4,544,000	(4,544,000)	-
STCITY 6.5 01/15/28 REGS	-	1,500,000	(1,500,000)	-
HIGHWY 5 05/14/27 REGS	-	1,070,000	(1,070,000)	-
OCBCSP V5.52 05/21/34 GMTN	-	3,760,000	(3,760,000)	-
DAIL V5.1 PERP REGS	-	2,000,000	(2,000,000)	-
MEDCIJ 6.375 01/30/27 REGS	-	500,000	(500,000)	-
PERTIJ 4.175 01/21/50 REGS	-	3,000,000	(3,000,000)	-
LPKRIJ 8.125 01/22/25	-	500,000	(500,000)	-
KUB 5.333 05/29/27	-	3,980,000	(3,980,000)	-
CNSHAN V6.5 PERP	-	2,670,000	(2,670,000)	-
POHANG 6.375 06/11/27	-	1,540,000	(1,540,000)	-
POHANG 6.375 06/11/29	-	6,040,000	(6,040,000)	-
PINGIN 2.95 02/25/31 EMTN	-	1,000,000	(1,000,000)	-
CNSHAN V4.3 PERP	-	5,000,000	(5,000,000)	-
RWLVCA 4.625 04/16/29 REGS	-	1,500,000	(1,500,000)	-
SPICPF V3.38 PERP	-	3,000,000	(3,000,000)	-
NTT 5.11 07/02/29 REGS	-	18,000,000	(18,000,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

Listed Debt Securities (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in USD (continued)				
<i>Singapore</i> (continued)				
NTT 5.136 07/02/31 REGS	-	11,250,000	(11,250,000)	-
SUMI 5.05 07/03/29 EMTN	-	15,000,000	(15,000,000)	-
SUMI 5.35 07/03/34 EMTN	-	20,000,000	(20,000,000)	-
SOFTBK 4.75 09/19/24	-	1,950,000	(1,950,000)	-
KORGAS 5 07/08/29 REGS	-	1,000,000	(1,000,000)	-
SOFTBK 6.75 07/08/29	-	7,800,000	(7,800,000)	-
SOFTBK 7 07/08/31	-	7,500,000	(7,500,000)	-
CHPWCN V3.55 PERP EMTN	-	1,000,000	(1,000,000)	-
WIWYNN 0 07/17/29	-	1,700,000	(1,700,000)	-
SMPM 5.375 07/24/29 EMTN	-	2,300,000	(2,300,000)	-
DAESEC 5.5 07/31/27	-	1,130,000	(1,130,000)	-
QBEAU V6.75 12/02/44	-	4,900,000	(4,900,000)	-
JERA 4.614 09/04/29	-	3,080,000	(3,080,000)	-
CATLIF V5.3 09/05/39	-	1,090,000	(1,090,000)	-
GRNKEN 5.5 04/06/25 REGS	-	500,000	(500,000)	-
NSINTW 5.45 09/11/34	-	5,890,000	(5,890,000)	-
RWNYYN 7.25 10/01/29 REGS	-	300,000	(300,000)	-
MTCTB 6.875 09/30/28	-	3,600,000	(3,600,000)	-
KOROIL F 09/30/27 REGS	-	1,010,000	(1,010,000)	-
KOLAHO 4.25 10/22/27	-	1,000,000	(1,000,000)	-
KBANK V3.343 10/02/31 EMTN	-	1,000,000	(1,000,000)	-
PNBPM 4.85 10/23/29 EMTN	-	920,000	(920,000)	-
SEKIS 4.7 02/23/30	-	16,500,000	(16,500,000)	-
SEKIS 5.1 10/23/34	-	11,500,000	(11,500,000)	-
VEDLN 10.875 09/17/29 OCT	-	800,000	(800,000)	-
SPSP 4.625 11/21/29 REGS	-	1,970,000	(1,970,000)	-
RAKUTN V8.125 PERP REGS	-	800,000	(800,000)	-
<i>SIX Swiss Exchange</i>				
UBS V7 PERP	-	5,000,000	-	5,000,000
UBS V3.126 08/13/30 REGS	2,000,000	-	(2,000,000)	-
UBS V7 PERP REGS	1,000,000	-	(1,000,000)	-
UBS V9.25 PERP REGS	-	1,000,000	(1,000,000)	-
UBS V5.699 02/08/35 REGS	-	2,100,000	(2,100,000)	-
BAERVX V4.75 PERP	-	2,000,000	(2,000,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

Listed Debt Securities (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in USD (continued)				
<i>Others</i>				
ANZ V6.75 PERP REGS	-	6,000,000	(4,000,000)	2,000,000
B 0 01/02/25	-	10,000,000	-	10,000,000
B 0 01/07/25	-	14,000,000	-	14,000,000
B 0 01/09/25	-	10,000,000	-	10,000,000
B 0 01/14/25	-	10,000,000	-	10,000,000
B 0 01/16/25	-	10,000,000	-	10,000,000
B 0 01/21/25	-	10,000,000	-	10,000,000
B 0 01/23/25	-	10,000,000	-	10,000,000
B 0 01/28/25	-	10,000,000	-	10,000,000
INTNED V6.5 PERP	-	5,000,000	-	5,000,000
INTNED V7.25 PERP	-	3,350,000	(2,350,000)	1,000,000
SANLTD 5.125 08/08/25	-	3,000,000	-	3,000,000
SANLTD 5.4 08/08/28	3,000,000	-	(3,000,000)	-
KNBZMK 4.687 06/01/28 EMTN	3,800,000	-	(3,800,000)	-
B 0 01/09/24	-	5,000,000	(5,000,000)	-
B 0 01/23/24	-	3,000,000	(3,000,000)	-
B 0 02/29/24	-	7,000,000	(7,000,000)	-
B 0 03/05/24	-	5,000,000	(5,000,000)	-
B 0 03/12/24	-	15,000,000	(15,000,000)	-
B 0 03/19/24	-	10,000,000	(10,000,000)	-
B 0 03/21/24	-	5,000,000	(5,000,000)	-
B 0 04/02/24	-	2,500,000	(2,500,000)	-
B 0 04/23/24	-	18,000,000	(18,000,000)	-
B 0 04/30/24	-	28,000,000	(28,000,000)	-
B 0 05/07/24	-	17,500,000	(17,500,000)	-
B 0 05/14/24	-	30,000,000	(30,000,000)	-
B 0 05/21/24	-	20,000,000	(20,000,000)	-
B 0 05/23/24	-	5,000,000	(5,000,000)	-
B 0 05/28/24	-	7,500,000	(7,500,000)	-
B 0 05/30/24	-	10,000,000	(10,000,000)	-
B 0 06/06/24	-	6,000,000	(6,000,000)	-
B 0 06/04/24	-	9,000,000	(9,000,000)	-
B 0 06/11/24	-	35,000,000	(35,000,000)	-
B 0 06/18/24	-	15,000,000	(15,000,000)	-
B 0 06/25/24	-	15,000,000	(15,000,000)	-
B 0 07/02/24	-	20,000,000	(20,000,000)	-
B 0 07/09/24	-	25,000,000	(25,000,000)	-
B 0 07/18/24	-	5,000,000	(5,000,000)	-
B 0 07/23/24	-	30,000,000	(30,000,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

<u>Listed Debt Securities</u> (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in USD (continued)				
<i>Others</i> (continued)				
B 0 07/25/24	-	20,000,000	(20,000,000)	-
B 0 07/30/24	-	30,000,000	(30,000,000)	-
B 0 08/01/24	-	20,000,000	(20,000,000)	-
B 0 08/06/24	-	20,000,000	(20,000,000)	-
B 0 08/13/24	-	20,000,000	(20,000,000)	-
B 0 12/03/24	-	15,000,000	(15,000,000)	-
B 0 08/08/24	-	6,000,000	(6,000,000)	-
B 0 09/03/24	-	27,000,000	(27,000,000)	-
B 0 09/05/24	-	15,000,000	(15,000,000)	-
B 0 09/10/24	-	15,000,000	(15,000,000)	-
B 0 09/17/24	-	15,000,000	(15,000,000)	-
B 0 09/19/24	-	15,000,000	(15,000,000)	-
B 0 12/24/24	-	10,000,000	(10,000,000)	-
B 0 11/19/24	-	10,000,000	(10,000,000)	-
B 0 11/21/24	-	10,000,000	(10,000,000)	-
B 0 11/26/24	-	5,000,000	(5,000,000)	-
B 0 11/29/24	-	5,000,000	(5,000,000)	-
B 0 12/05/24	-	10,000,000	(10,000,000)	-
B 0 12/12/24	-	20,000,000	(20,000,000)	-
B 0 12/31/24	-	21,000,000	(21,000,000)	-
B 0 12/17/24	-	15,000,000	(15,000,000)	-
B 0 12/19/24	-	10,000,000	(10,000,000)	-
B 0 04/25/24	-	20,300,000	(20,300,000)	-
KSA 4.75 01/16/30 REGS	-	3,000,000	(3,000,000)	-
INTNED V8 PERP	-	2,000,000	(2,000,000)	-
SECO 5.194 02/13/34	-	1,200,000	(1,200,000)	-
SWEDA V7.75 PERP	-	1,000,000	(1,000,000)	-
T 4 02/15/34	-	36,500,000	(36,500,000)	-
T 4.625 02/28/26	-	5,000,000	(5,000,000)	-
IRBIN 7.11 03/11/2032 REGS	-	2,900,000	(2,900,000)	-
PHILIP 3.2 07/06/46	-	2,000,000	(2,000,000)	-
T 4.875 04/30/26	-	5,000,000	(5,000,000)	-
T 4.625 05/15/54	-	56,000,000	(56,000,000)	-
HSBC V4.6 PERP	-	500,000	(500,000)	-
SOCGEN V8 PERP REGS	-	3,000,000	(3,000,000)	-
ROTHLF V7 09/11/34	-	2,170,000	(2,170,000)	-
T 3.75 08/15/27	-	2,500,000	(2,500,000)	-
T 4.25 08/15/54	-	17,000,000	(17,000,000)	-
WSTP V5 PERP	-	1,000,000	(1,000,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

		<u>Movement</u>		
	At 31 December 2023	Additions	Disposals	At 31 December 2024
<u>Listed Debt Securities</u> (continued)				
Denominated in USD (continued)				
<i>Others</i> (continued)				
AERCAP 4.5 10/03/29 REGS	-	1,800,000	(1,800,000)	-
SEB V6.75 PERP	-	2,000,000	(2,000,000)	-
T 4.25 11/15/34	-	5,500,000	(5,500,000)	-
T 4.625 11/15/44	-	6,500,000	(6,500,000)	-
PHILIP 1.95 01/06/32	1,500,000	-	(1,500,000)	-
KNBZMK 4.876 06/01/33 EMTN	2,500,000	-	(2,500,000)	-
B 0 01/04/24	2,300,000	-	(2,300,000)	-
B 0 01/02/24	6,000,000	-	(6,000,000)	-
T 4.75 11/15/43	12,000,000	29,000,000	(41,000,000)	-
KSA 4.5 10/26/46 REGS	1,500,000	-	(1,500,000)	-
<i>New York</i>				
BABA 4.2 12/06/47	-	1,500,000	-	1,500,000
BABA 4.5 11/28/34	1,500,000	2,000,000	(3,500,000)	-
BABA 3.4 12/06/27	3,000,000	-	(3,000,000)	-
BABA 4 12/06/37	1,500,000	-	(1,500,000)	-
BPLN V4.375 PERP	1,196,000	4,795,000	-	5,991,000
BPLN V4.875 PERP	2,000,000	-	-	2,000,000
BACR V3.564 09/23/35	1,000,000	1,000,000	(2,000,000)	-
BPLN 4.234 11/06/28	1,000,000	-	(1,000,000)	-
XOM 3.294 03/19/27	1,000,000	-	(1,000,000)	-
GS 3.5 01/23/25	4,000,000	-	-	4,000,000
HSBC V2.871 11/22/32	4,500,000	-	(2,500,000)	2,000,000
HSBC V7.399 11/13/34	1,000,000	1,000,000	(2,000,000)	-
JPM 3.125 01/23/25	4,000,000	-	-	4,000,000
RDSALN 3.875 11/13/28	1,000,000	-	(1,000,000)	-
HWQCUS 5 07/27/28 REGS	930,000	-	(930,000)	-
WFC 3 02/19/25 MTN	4,000,000	-	-	4,000,000
B 0 01/25/24	-	3,000,000	(3,000,000)	-
B 0 03/07/24	-	20,000,000	(20,000,000)	-
CVS 5.7 06/01/34	-	1,710,000	(1,710,000)	-
CVS 6.05 06/01/54	-	1,600,000	(1,600,000)	-
SANTAN V9.625 PERP *	-	1,000,000	(1,000,000)	-
NWG V3.032 11/28/35	-	1,000,000	(1,000,000)	-
SANTAN F 07/15/28	-	1,200,000	(1,200,000)	-
SANTAN V5.365 07/15/28 *	-	1,000,000	(1,000,000)	-
SANTAN V8 PERP	-	4,800,000	(4,800,000)	-
BPLN V6.125 PERP	-	2,300,000	(2,300,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

<u>Listed Debt Securities</u> (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in USD (continued)				
<i>Irish</i>				
ADGLXY 2.16 03/31/34 REGS	1,698,880	-	(150,300)	1,548,580
LLOYDS V7.5 PERP *	-	5,000,000	(5,000,000)	-
HSBC V6.375 PERP .	-	5,000,000	(5,000,000)	-
<i>Stuttgart</i>				
ADGLXY 2.94 09/30/40 REGS	746,496	-	(26,704)	719,792
Denominated in CNY				
<i>Hong Kong</i>				
BABA 3.5 11/28/44	-	3,000,000	-	3,000,000
MTRC 3.05 09/20/54 EMTN	-	47,300,000	(45,000,000)	2,300,000
CGB 2.2 06/16/25	-	111,000,000	(111,000,000)	-
HKMTGC 2.98 09/12/26 EMTN	-	145,000,000	(145,000,000)	-
GUANGD 2.08 09/20/26	-	21,000,000	(21,000,000)	-
GUANGD 2.13 09/20/27	-	33,000,000	(33,000,000)	-
GUANGD 2.23 09/20/29	-	23,000,000	(23,000,000)	-
MTRC 2.75 09/20/34 EMTN	-	56,000,000	(56,000,000)	-
HKAA 2.93 06/05/34 EMTN	-	73,000,000	(73,000,000)	-
SWIPRO 3.1 09/03/27 emtn	-	50,000,000	(50,000,000)	-
HKMTGC 2.6 10/18/31 EMTN	-	25,000,000	(25,000,000)	-
CGB 2.52 08/04/28	-	145,000,000	(145,000,000)	-
<i>London</i>				
QNBK 3.8 06/17/25 EMTN	-	50,000,000	(50,000,000)	-
QNBK 3.8 09/15/25 EMTN	-	146,000,000	(146,000,000)	-
QNBK 3.85 07/10/25 EMTN	-	73,000,000	(73,000,000)	-
HKINTL 3.3 01/11/28 GMTN	-	218,000,000	(218,000,000)	-
HSBC V3.834 09/25/35	-	1,700,000	(700,000)	1,000,000
<i>Singapore</i>				
TEMASE 3.1 08/28/54 EMTN	-	25,000,000	(25,000,000)	-
TEMASE 3.2 02/06/29 EMTN	-	163,000,000	(163,000,000)	-
TEMASE 2.75 08/28/34 EMTN	-	64,940,000	(64,940,000)	-
<i>Euronext</i>				
EDF V5.625 PERP EMTN	-	800,000	-	800,000
ACAAP V7.25 PERP EMTN	500,000	2,000,000	(2,500,000)	

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

Listed Debt Securities (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in CNY (continued)				
<i>Others</i>				
HSBC 3.15 03/06/26 EMTN	-	109,000,000	(109,000,000)	-
Denominated in EUR				
<i>Euronext</i>				
EDF V5.125 PERP EMTN	-	1,800,000	(1,800,000)	-
ACAFP 3.5 09/26/34	-	1,200,000	(1,200,000)	-
ACAFP V3.125 01/26/29 EMTN	-	1,400,000	(1,400,000)	-
BNP V6.875 PERP	-	1,000,000	(1,000,000)	-
<i>HK Stock Exchange</i>				
CHINA 2.5 10/09/27	-	5,600,000	(5,600,000)	-
CHINA 2.625 10/09/31	-	3,500,000	(3,500,000)	-
<i>London</i>				
HSBC V3.445 09/25/30	-	3,000,000	(3,000,000)	-
<i>Luxembourg</i>				
ARNDTN 4.8 07/16/29 EMTN	-	500,000	(500,000)	-
DB V7.375 PERP	-	800,000	(800,000)	-
<i>Singapore Stock Exchange</i>				
ASABRE 3.384 04/16/29	-	4,000,000	(4,000,000)	-
ANTSPL 0 02/05/25	-	1,500,000	(1,500,000)	-
ANTASP 0 12/05/29	-	400,000	(400,000)	-
<i>SIX Swiss Exchange</i>				
SLHNVX V4.241 10/01/44	-	1,800,000	(1,800,000)	-
<i>Others</i>				
SANTAN V1 PERP	-	1,000,000	(1,000,000)	-
ROMANI 6 09/24/44 REGS	-	2,000,000	(2,000,000)	-
AXASA V6.375 PERP EMTN	-	2,200,000	(2,200,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

<u>Listed Debt Securities</u> (continued)	At 31 December 2023	<u>Movement</u>		At 31 December 2024
		Additions	Disposals	
Denominated in HKD				
<i>Hong Kong</i>				
C 0 02/26/26 Corp	-	20,000,000	(14,000,000)	6,000,000
BNP V7.375 PERP	1,000,000	-	(1,000,000)	-
CATHAY 2.75 02/05/26	10,000,000	4,000,000	(14,000,000)	-
HKMTGC 4.1 02/28/29 EMTN	-	35,500,000	(35,500,000)	-
HKMTGC 4.2 02/28/34 GMTN	-	37,500,000	(37,500,000)	-
GBHK 2.02 03/07/34	-	276,000,000	(276,000,000)	-
URBREN 3.45 08/27/29 EMTN	-	40,000,000	(40,000,000)	-
URBREN 3.55 08/27/34 EMTN	-	109,000,000	(109,000,000)	-
GBHKRT F 05/19/25 4252	-	62,500,000	(62,500,000)	-
NWDEVL 3.8 05/21/29 EMTN	-	6,000,000	(6,000,000)	-
<i>Singapore</i>				
KDB 4.575 06/12/24 GMTN	20,000,000	-	(20,000,000)	-
<i>London</i>				
NGGLN 2.62 06/09/25 EMTN	-	303,000,000	(303,000,000)	-
NBHA 3.9 06/05/25 EMTN	-	206,000,000	(206,000,000)	-
<i>Others</i>				
HKMTGC 4.7 06/24/24 EMTN	20,000,000	-	(20,000,000)	-
C 0 05/28/24 388	10,000,000	-	(10,000,000)	-
NWDEVL 4.05 05/29/34 EMTN	-	1,500,000	(1,500,000)	-
NWDEVL 3.95 03/22/31 EMTN	-	9,000,000	(9,000,000)	-
NWDEVL 4.65 03/16/26 EMTN	-	19,500,000	(19,500,000)	-
NWDEVL 4.7 03/08/26 EMTN	-	37,000,000	(37,000,000)	-
NDAFH 3.045 08/27/25 EMTN	-	78,000,000	(78,000,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

<u>Listed Equity Securities</u>	At 31	<u>Movement</u>		At 31
	December 2023	Additions	Disposals	December 2024
Denominated in CNY				
<i>Hong Kong</i>				
BYD CO LTD-H	40,000	-	(40,000)	-
ISHARES FTSE A50 CHINA INDEX	630,000	-	(630,000)	-
PETROCHINA CO LTD-H	1,600,000	-	(1,600,000)	-
Denominated in HKD				
<i>Hong Kong</i>				
AIA GROUP LTD	177,200	60,000	(237,200)	-
ALIBABA GROUP HOLDING LTD	180,000	-	(180,000)	-
ANTA SPORTS PRODUCTS LTD	80,000	30,000	(110,000)	-
BAIDU INC-CLASS A	90,000	-	(90,000)	-
CHINA MOBILE LTD	320,000	-	(160,000)	160,000
CHINA TELECOM CORP LTD-H	4,000,000	-	(1,600,000)	2,400,000
CK INFRASTRUCTURE HOLDINGS L	-	75,000	-	75,000
CLP HOLDINGS LTD	-	60,000	-	60,000
CNOOC LTD	700,000	-	(600,000)	100,000
HKT TRUST AND HKT LTD-SS	1,657,000	-	-	1,657,000
HONG KONG & CHINA GAS	-	600,000	-	600,000
HONG KONG EXCHANGES & CLEAR	35,000	-	(35,000)	-
HSBC HOLDINGS PLC	-	200,000	(60,000)	140,000
HUAZHU GROUP LTD	220,000	-	(220,000)	-
MEITUAN DIANPING-CLASS B	-	50,000	-	50,000
NETEASE INC	84,600	20,000	(55,000)	49,600
NEW ORIENTAL EDUCATION & TEC	300,000	-	(230,000)	70,000
POWER ASSETS HOLDINGS LTD	100,000	75,000	(100,000)	75,000
SHENZHOU INTERNATIONAL GROUP	200,000	-	(200,000)	-
TECHTRONIC INDUSTRIES CO LTD	40,000	-	(40,000)	-
TENCENT HOLDINGS LTD	60,000	-	(30,000)	30,000
TRIP.COM GROUP LTD	44,000	-	(34,000)	10,000
CHINA SHENHUA ENERGY CO-H	-	150,000	(150,000)	-
Denominated in USD				
<i>New York</i>				
ADVANCED MICRO DEVICES	13,000	-	(13,000)	-
ALPHABET INC-CL A	12,000	2,000	(10,000)	4,000
AMAZON.COM INC	10,000	3,500	(9,500)	4,000
APPLE INC	8,000	-	(6,000)	2,000
ASML HOLDING NV-NY REG SHS	1,000	-	(1,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

	At 31 December 2023	<u>Movement</u>		At 31 December 2024
<u>Listed Equity Securities</u>		Additions	Disposals	
Denominated in USD (continued)				
<i>New York (continued)</i>				
BROADCOM INC	1,300	8,400	(6,700)	3,000
COSTCO WHOLESALE CORP	-	600	-	600
MASTERCARD INC - A	2,600	700	(1,900)	1,400
META PLATFORMS INC-CLASS A	2,000	500	(1,300)	1,200
MICROSOFT CORP	3,500	500	(2,500)	1,500
MSCI INC	1,500	800	(1,500)	800
NVIDIA CORP	2,500	12,600	(11,100)	4,000
ORACLE CORP	-	3,000	-	3,000
PINDUODUO INC-ADR	10,000	-	(10,000)	-
SPDR BLOOMBERG 1-3 MONTH T-B	60,000	160,000	(220,000)	-
SYNOPSYS INC	3,000	-	(2,500)	500
TAIWAN SEMICONDUCTOR-SP ADR	12,500	3,000	(12,500)	3,000
TENCENT MUSIC ENTERTAINM-ADR	130,000	-	(130,000)	-
UBER TECHNOLOGIES INC	30,000	-	(23,000)	7,000
VISA INC-CLASS A SHARES	4,000	1,500	(3,500)	2,000
KANZHUN LTD	-	100,000	(100,000)	-
ISHARES 0-3 MONTH TREASURY B	-	18,000	(18,000)	-
BERKSHIRE HATHAWAY INC-CL B	-	3,000	-	3,000
<i>Others</i>				
PROSHARES S&P 500 DIVIDEND A	-	20,000	(20,000)	-
ISHARES 20+ YEAR TREASURY BO	-	25,000	(25,000)	-
SPDR GOLD SHARES	-	10,000	(10,000)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

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

<u>Future</u>	At 31	<u>Movement</u>		At 31
	December 2023	Additions	Disposals	December 2024
Denominated in USD				
<i>New York</i>				
US 10YR NOTE (CBT) Mar25	-	278	(113)	165
US 5YR NOTE (CBT) Mar25	-	725	(575)	150
US ULTRA BOND CBT Mar25	-	75	-	75
US 2YR NOTE (CBT) Mar24	650	-	(650)	-
US 10YR NOTE (CBT) Mar24	-	2,210	(2,210)	-
US 5YR NOTE (CBT) Mar24	-	750	(750)	-
US ULTRA BOND CBT Mar24	-	242	(242)	-
US 10YR NOTE (CBT) Jun24	-	2,055	(2,055)	-
US ULTRA BOND CBT Jun24	-	576	(576)	-
US ULTRA BOND CBT Sep24	-	135	(135)	-
US 2YR NOTE (CBT) Sep24	-	100	(100)	-
US 10YR NOTE (CBT) Dec24	-	875	(875)	-
US ULTRA BOND CBT Dec24	-	220	(220)	-
US 10YR NOTE (CBT) Sep24	-	625	(625)	-
US 5YR NOTE (CBT) Sep24	-	200	(200)	-
US 5YR NOTE (CBT) Dec24	-	875	(875)	-

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

PERFORMANCE TABLE (UNAUDITED)

Net asset value

	Net asset value per unit HKD	Total net asset value HKD
As at 31 December 2024		
-HKD Class	12.69	3,059,521,887
-USD Class 2	-	-
As at 31 December 2023		
-HKD Class	12.17	3,478,730,765
-USD Class 2	-	-
As at 31 December 2022		
-HKD Class	11.80	3,755,633,787
-USD Class 2	68.21	34,107,246

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

PERFORMANCE TABLE (UNAUDITED) (continued)

Highest issue price and lowest redemption price per unit

	Highest issue price per unit HKD	Lowest redemption price per unit HKD
Year ended 31 December 2024 -HKD Class	12.7471	12.0758
Year ended 31 December 2023 -HKD Class	12.3077	11.7174
-USD Class 2	9.0723	8.7851
Year ended 31 December 2022 -HKD Class	12.8200	11.6492
-USD Class 2	9.5019	8.5800
Year ended 31 December 2021 -HKD Class	13.5047	12.7631
-USD Class 2	10.0411	9.4617
Year ended 31 December 2020 -HKD Class	13.2161	11.4749
Year ended 31 December 2019 -HKD Class	12.5980	11.6508
Year ended 31 December 2018 -HKD Class	12.0499	11.5318
Year ended 31 December 2017 -HKD Class	11.9153	11.2229
Year ended 31 December 2016 -HKD Class	11.5083	10.8072
Year ended 31 December 2015 -HKD Class	10.8652	10.3460

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

INVESTMENT PORTFOLIO (UNAUDITED)

31 December 2024

<u>LISTED DEBT SECURITIES</u>	Nominal Value	Carrying Value (in HKD)	Accrued Interest	% of net assets
Denominated in USD				
<i>Hong Kong</i>				
AIA 5.4 09/30/54 REGS	3,500,000	25,464,072	371,145	0.83%
TENCNT 3.925 01/19/38 REGS	3,000,000	19,823,913	411,639	0.65%
VEYONG 3.375 05/12/26 REGS	2,000,000	15,126,707	71,374	0.49%
MEITUA 3.05 10/28/30 REGS	3,000,000	20,593,937	124,395	0.67%
MGMCHI 5.875 05/15/26 REGS	1,000,000	7,746,149	58,318	0.25%
WYNMAC 5.5 01/15/26 REGS	3,000,000	23,110,264	591,061	0.76%
CHIOLI 5.35 11/15/42 B	2,500,000	17,447,305	132,768	0.57%
CHIOLI 6.375 10/29/43	1,500,000	11,723,750	127,939	0.38%
SHENGY 3.875 01/20/25	1,000,000	7,763,007	134,629	0.25%
HRINTH 5.5 01/16/25 EMTN	5,000,000	38,819,694	979,167	1.27%
COSL 4.5 07/30/25 EMTN	4,000,000	30,961,911	586,529	1.01%
CHGDNU 4 11/05/25	3,561,000	27,424,138	172,131	0.90%
HRINTH 5 11/19/25	1,194,000	9,220,147	54,108	0.30%
MINMET 4.2 07/27/26	2,000,000	15,360,231	279,152	0.50%
GENTMK 4.25 01/24/27	3,000,000	22,667,454	431,967	0.74%
FWDINS V5.5 PERP	2,000,000	15,086,932	432,128	0.49%
CHJMAO 4.25 07/23/29	500,000	3,309,657	72,453	0.11%
CHIOLI 3.05 11/27/29 EMTN	1,000,000	6,968,978	22,378	0.23%
CHINLP V3.55 PERP	1,572,000	12,189,647	174,618	0.40%
CSSSHI 2.5 02/13/25	3,000,000	23,233,785	223,347	0.76%
FRESHK 3.375 02/18/25 EMTN	4,150,000	32,128,463	401,989	1.05%
CHIOLI 3.125 03/02/35 EMTN	3,000,000	18,521,818	240,746	0.61%
BCHINA V3.6 PERP	5,000,000	38,736,959	1,153,637	1.27%
CCAMCL 3.125 03/18/30 EMTN	1,500,000	10,403,826	104,188	0.34%
CCB V2.45 06/24/30	3,000,000	23,003,058	11,103	0.75%
ZHONAN 3.125 07/16/25	2,000,000	15,289,382	222,538	0.50%
HUADIA V3.375 PERP	1,500,000	11,567,018	8,740	0.38%
GRNCH 5.65 07/13/25	1,000,000	7,676,542	204,832	0.25%
GRWALL 2.375 08/18/30	1,000,000	6,550,173	68,164	0.21%
CHJMAO 3.2 04/09/26	1,000,000	7,402,621	56,624	0.24%
CHOHIN V5.5 PERP EMTN	1,000,000	7,733,874	175,657	0.25%
BNKEA V5.825 PERP EMTN	2,500,000	19,240,103	219,975	0.63%
CHPWCN V3.45 PERP	300,000	2,301,261	20,548	0.08%
COFCHK V3.1 PERP	3,654,000	27,968,332	171,107	0.91%
BOCOM V3.8 PERP	5,000,000	38,401,355	176,304	1.26%
CMHI V3.875 PERP	3,660,000	28,175,757	250,961	0.92%
ORIEAS 2.75 11/17/30	1,500,000	10,025,223	39,167	0.33%
HKAA V2.1 PERP	1,000,000	7,516,121	10,423	0.25%
AIA V2.7 PERP GMTN	3,000,000	22,484,737	146,827	0.73%

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

INVESTMENT PORTFOLIO (UNAUDITED) (continued)

31 December 2024

<u>LISTED DEBT SECURITIES</u> (continued)	Nominal Value	Carrying Value (in HKD)	Accrued Interest	% of net assets
Denominated in USD (continued)				
<i>Hong Kong</i> (continued)				
AACTEC 3.75 06/02/31	1,000,000	6,906,130	23,468	0.23%
FRESHK 4.25 10/26/26 EMTN	1,150,000	8,665,695	68,555	0.28%
CCAMCL V4.4 PERP .	3,000,000	22,841,548	165,212	0.75%
CHALUM 2.95 02/24/27	1,500,000	11,196,689	121,271	0.37%
CITLTD 2.875 02/17/27 EMTN	1,500,000	11,203,331	124,702	0.37%
CHGRID 3.125 04/07/25	3,000,000	23,186,474	169,938	0.76%
CMHI 4 06/01/27	1,500,000	11,465,754	38,843	0.37%
BNKEA V6.75 06/27/34 EMTN	2,000,000	15,591,580	11,653	0.51%
FWDGHD 7.635 07/02/31 EMTN	3,000,000	24,869,152	884,756	0.81%
	109,741,000	825,094,654	10,743,174	26.97%
<i>Singapore</i>				
BABA 2.7 02/09/41	1,792,000	9,481,540	148,262	0.31%
WB 3.375 07/08/30	1,500,000	10,434,589	188,996	0.34%
MPEL 5.25 04/26/26 REGS	2,000,000	15,296,218	147,280	0.50%
STCITY 6 07/15/25 REGS	3,000,000	23,258,722	644,794	0.76%
GRNKEN 5.55 01/29/25 REGS	4,000,000	31,058,241	728,177	1.02%
BHARTI V5.65 PERP REGS	5,200,000	40,379,349	481,843	1.32%
BBLTB V5 PERP REGS	2,000,000	15,384,469	211,479	0.50%
IDASAL 4.75 05/15/25 REGS	1,000,000	7,750,344	47,151	0.25%
FUKOKU V5 PERP	3,000,000	23,242,874	495,248	0.76%
QBEAU V5.25 PERP EMTN	5,030,000	39,003,377	256,437	1.27%
DBSSP V3.3 PERP GMTN	5,000,000	38,675,587	441,515	1.26%
NANFUN 3.625 08/27/30 EMTN	2,000,000	13,699,615	193,999	0.45%
HAOHUA 3 09/22/30	1,000,000	6,873,191	64,091	0.22%
HAOHUA 3.7 09/22/50	2,200,000	12,530,037	173,900	0.41%
KBANK V5.275 PERP EMTN	1,000,000	7,699,071	87,650	0.25%
SOFTBK 3.125 01/06/25	1,500,000	11,636,236	177,019	0.38%
MINTTB V2.7 PERP	2,000,000	14,983,765	188,777	0.49%
PINGIN 2.85 08/12/31 EMTN	2,000,000	13,160,475	170,974	0.43%
SPICPT V3.45 PERP	5,800,000	44,655,063	77,725	1.46%
PINGIN 6.125 05/16/34 EMTN	250,000	1,995,326	14,870	0.07%
SPICPD V4.95 PERP	3,000,000	23,263,383	179,455	0.77%
	54,272,000	404,461,472	5,119,642	13.22%

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

INVESTMENT PORTFOLIO (UNAUDITED) (continued)

31 December 2024

LISTED DEBT SECURITIES (continued)	Nominal Value	Carrying Value (in HKD)	Accrued Interest	% of net assets
Denominated in USD (continued)				
<i>London</i>				
BRITEL V4.875 11/23/81 REGS	500,000	3,551,027	19,988	0.12%
STANLN V2.678 06/29/32 REGS	3,000,000	19,582,465	3,467	0.64%
	3,500,000	23,133,492	23,455	0.76%
<i>Euronext</i>				
CNPFP 6 01/22/49	3,000,000	23,613,437	617,604	0.77%
CNPFP V4.875 PERP	3,000,000	20,634,489	268,433	0.67%
	6,000,000	44,247,926	886,037	1.44%
<i>Frankfurt</i>				
SCOR V5.25 PERP .	3,000,000	20,747,056	367,066	0.68%
BATSLN 6.421 08/02/33	2,000,000	16,428,725	412,914	0.54%
BATSLN 6 02/20/34	1,500,000	11,979,880	254,422	0.39%
D V7 06/01/54 B	1,000,000	8,212,731	45,317	0.27%
DUK V6.45 09/01/54	1,370,000	10,810,928	245,986	0.35%
HSBC V6.375 PERP	5,000,000	38,897,769	625,939	1.27%
JPM V2.545 11/08/32	1,000,000	6,561,903	29,107	0.21%
MET V3.85 PERP G	713,000	5,441,636	62,791	0.18%
MS 5.479 07/16/25	10,000	78,046	1,951	0.00%
NI V6.375 03/31/55	500,000	3,879,289	77,039	0.13%
PRU V6.5 03/15/54	3,020,000	24,177,676	449,021	0.79%
NWG V8 PERP	2,000,000	15,712,926	314,197	0.51%
SANLTD 3.8 01/08/26	2,000,000	15,253,957	283,727	0.50%
SANLTD 3.25 08/08/31	1,500,000	9,985,603	150,436	0.33%
CKHH 4.75 09/13/34 REGS	1,000,000	7,410,468	110,703	0.24%
MEITUA 4.5 04/02/28 REGS	3,000,000	22,710,570	259,277	0.74%
MPEL 4.875 06/06/25 REGS	2,000,000	15,437,451	52,600	0.50%
STANLN V6 PERP REGS	3,000,000	23,305,101	602,067	0.76%
MYLIFE V5.2 10/20/45 REGS	3,000,000	23,279,698	239,014	0.76%
SCGAU V4.75 09/24/80 REGS	1,493,000	11,472,212	148,445	0.37%
SRENVX V5.75 08/15/50	3,000,000	23,297,643	506,254	0.76%
CPREIT 2.95 06/15/30 EMTN	2,000,000	13,322,217	20,371	0.44%
ICBCAS V3.58 PERP	5,000,000	38,395,140	378,547	1.25%
GRWALL V7.15 PERP	1,000,000	8,060,932	276,185	0.26%
ZJMGCL 1 06/25/29	1,500,000	11,524,369	1,942	0.39%
CCAMCL 5.5 01/23/30 EMTN	1,500,000	11,649,404	281,288	0.39%
	52,106,000	398,033,330	6,196,606	13.01%
<i>Irish</i>				
ADGLXY 2.16 03/31/34 REGS	1,548,580	10,322,959	65,685	0.34%

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

INVESTMENT PORTFOLIO (UNAUDITED) (continued)

31 December 2024

<u>LISTED DEBT SECURITIES</u> (continued)	Nominal Value	Carrying Value (in HKD)	Accrued Interest	% of net assets
Denominated in USD (continued)				
<i>Luxembourg</i>				
ALVGR V3.5 PERP REGS	2,400,000	17,943,415	436,854	0.59%
SRENVX V5.698 04/05/35 REGS	2,000,000	15,428,440	211,491	0.51%
ZURNVX V5.5 04/23/55 EMTN	3,180,000	24,168,315	256,649	0.79%
DB V7.5 PERP	1,000,000	7,759,355	392,687	0.25%
GS 0 05/10/27 1MTN	800,000	6,474,911	-	0.21%
GS 0 03/15/27 700	200,000	1,878,432	-	0.06%
	9,580,000	73,652,868	1,297,681	2.41%
<i>New York</i>				
BABA 4.2 12/06/47	1,500,000	9,320,339	33,988	0.30%
BPLN V4.375 PERP	5,991,000	46,208,910	559,955	1.51%
BPLN V4.875 PERP	2,000,000	14,881,530	18,936	0.49%
GS 3.5 01/23/25	4,000,000	31,059,484	477,337	1.02%
HSBC V2.871 11/22/32	2,000,000	13,114,950	48,325	0.43%
JPM 3.125 01/23/25	4,000,000	31,042,704	426,194	1.01%
WFC 3 02/19/25 MTN	4,000,000	31,007,590	341,818	1.01%
	23,491,000	176,635,507	1,906,553	5.77%
<i>SIX Swiss Exchange</i>				
UBS V7 PERP	5,000,000	38,875,240	2,356,475	1.27%
<i>Stuttgart</i>				
ADGLXY 2.94 09/30/40 REGS	719,792	4,421,641	41,556	0.14%
<i>Others</i>				
INTNED V6.5 PERP	5,000,000	38,822,025	525,999	1.27%
ANZ V6.75 PERP REGS	2,000,000	15,814,073	46,612	0.52%
SANLTD 5.125 08/08/25	3,000,000	23,242,641	474,451	0.76%
B 0 01/02/25	10,000,000	77,670,275	-	2.54%
B 0 01/09/25	10,000,000	77,622,235	-	2.54%
B 0 01/16/25	10,000,000	77,557,942	-	2.53%
B 0 01/07/25	14,000,000	108,698,675	-	3.55%
B 0 01/14/25	10,000,000	77,577,919	-	2.54%
B 0 01/21/25	10,000,000	77,511,440	-	2.53%
B 0 01/23/25	10,000,000	77,493,028	-	2.53%
B 0 01/28/25	10,000,000	77,449,835	-	2.53%
INTNED V7.25 PERP	1,000,000	7,811,871	70,403	0.26%
	95,000,000	737,271,959	1,117,465	24.10%

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

INVESTMENT PORTFOLIO (UNAUDITED) (continued)

31 December 2024

<u>LISTED DEBT SECURITIES</u> (continued)	Nominal Value	Carrying Value (in HKD)	Accrued Interest	% of net assets
Denominated in HKD				
<i>Hong Kong</i>				
C 0 02/26/26 Corp	6,000,000	5,758,440	-	0.19%
Denominated in CNY				
<i>Hong Kong</i>				
MTRC 3.05 09/20/54 EMTN	2,300,000	2,358,296	21,067	0.08%
BABA 3.5 11/28/44	3,000,000	3,183,820	10,409	0.10%
	5,300,000	5,542,116	31,476	0.18%
Denominated in EUR				
<i>London</i>				
HSBC V3.834 09/25/35	1,000,000	8,180,374	82,795	0.27%
<i>Euronext</i>				
EDF V5.625 PERP EMTN	800,000	6,660,570	102,256	0.22%
TOTAL OF LISTED DEBT INSTRUMENTS	374,058,372	2,762,292,548	29,970,856	90.29%

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

INVESTMENT PORTFOLIO (UNAUDITED) (continued)

31 December 2024

<u>LISTED EQUITY SECURITIES</u>	Holdings	Fair value (in HKD)	% of net assets
Denominated in HKD			
<i>Hong Kong</i>			
CK INFRASTRUCTURE HOLDINGS LTD	75,000	4,331,250	0.14%
CLP HOLDINGS LTD	60,000	3,918,000	0.13%
HONG KONG & CHINA GAS	600,000	3,726,000	0.12%
MEITUAN DIANPING-CLASS B	50,000	7,585,000	0.25%
HSBC HOLDINGS PLC	140,000	10,612,000	0.35%
POWER ASSETS HOLDINGS LTD	75,000	4,065,000	0.13%
HKT TRUST AND HKT LTD-SS	1,657,000	15,907,200	0.52%
TENCENT HOLDINGS LTD	30,000	12,510,000	0.41%
CHINA TELECOM CORP LTD-H	2,400,000	11,688,000	0.38%
CNOOC LTD	100,000	1,912,000	0.06%
CHINA MOBILE LTD	160,000	12,256,000	0.40%
NEW ORIENTAL EDUCATION & TEC	70,000	3,426,500	0.11%
TRIP.COM GROUP LTD	10,000	5,400,000	0.18%
NETEASE INC	49,600	6,864,640	0.23%
	5,476,600	104,201,590	3.41%
Denominated in USD			
<i>New York</i>			
APPLE INC	2,000	3,890,828	0.13%
AMAZON.COM INC	4,000	6,817,413	0.20%
BROADCOM INC	3,000	5,403,217	0.18%
COSTCO WHOLESALE CORP	600	4,270,881	0.14%
ALPHABET INC-CL A	4,000	5,882,384	0.19%
META PLATFORMS INC-CLASS A	1,200	5,458,312	0.18%
MICROSOFT CORP	1,500	4,911,697	0.16%
NVIDIA CORP	4,000	4,172,981	0.14%
SYNOPSYS INC	500	1,885,284	0.06%
BERKSHIRE HATHAWAY INC-CL B	3,000	10,564,053	0.35%
MASTERCARD INC - A	1,400	5,726,996	0.19%
MSCI INC	800	3,728,990	0.12%
ORACLE CORP	3,000	3,883,679	0.13%
TAIWAN SEMICONDUCTOR-SP ADR	3,000	4,602,662	0.15%
UBER TECHNOLOGIES INC	7,000	3,280,214	0.11%
VISA INC-CLASS A SHARES	2,000	4,910,375	0.16%
	41,000	79,389,966	2.59%
TOTAL OF LISTED EQUITY SECURITIES	5,517,600	183,591,556	6.00%

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND
INVESTMENT PORTFOLIO (UNAUDITED) (continued)
31 December 2024

<u>FUTURES</u>	Holdings	Fair value (in HKD)	% of net assets
Denominated in USD			
<i>New York</i>			
US 10YR NOTE (CBT)Mar25	(165)	13,960	0.00%
US ULTRA BOND CBT Mar25	(75)	652,805	0.02%
TOTAL OF FUTURES	(240)	666,765	0.02%
TOTAL FINANCIAL ASSETS		2,946,550,869	96.31%
Denominated in USD			
<i>New York</i>			
US 5YR NOTE (CBT) Mar25	(150)	(127,454)	0.00%
TOTAL FINANCIAL LIABILITIES		(127,454)	0.00%

CHINA LIFE FRANKLIN DIVERSIFIED INCOME FUND

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

The details of financial derivatives instruments held by the trust as at 31 December 2024 are as follows:

Futures contracts

Description	Underlying assets	Counterparty	Fair value US\$
<u>Financial assets:</u>			
US 10YR NOTE (CBT) Mar25	10-Year US Treasury Note	CITIC Futures International Company Limited	13,960
US ULTRA BOND CBT Mar25	30-Year US Treasury Bond	CITIC Futures International Company Limited	652,805
<u>Financial liabilities:</u>			
US 5YR NOTE (CBT) Mar25	5-Year US Treasury Note	CITIC Futures International Company Limited	(127,454)

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

Below is the summary of gross exposure and net derivative exposure arising from the use of financial derivative instruments during the year.

Gross derivative exposure

	Lowest	Highest	Average
For the year ended 31 December 2024			
- Future contracts	(1.785%)	0.000%	(0.38%)

Net derivative exposure

	Lowest	Highest	Average
For the year ended 31 December 2024			
- Future contracts	(6.599%)	0.000%	(0.55%)