

**Yuanta Securities Investment Trust
Co., Ltd.**

Yuanta/P-shares Taiwan Top 50 ETF

**Financial Statements for the
Years Ended December 31, 2013 and 2012 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Unitholders and the Fund Manager
Yuanta/P-shares Taiwan Top 50 ETF

We have audited the accompanying statements of net assets and investment portfolio of Yuanta/P-shares Taiwan Top 50 ETF as of December 31, 2013 and 2012 and the related statements of changes in net assets for the years then ended. These financial statements are the responsibility of the Fund manager. Our responsibility is to express an opinion on these statements based on our audits.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Fund manager, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of Yuanta/P-shares Taiwan Top 50 ETF as of December 31, 2013 and 2012, and the results of its operations and the changes in its net assets for the years then ended, in conformity with regulations governing investment trust funds, and accounting principles generally accepted in the Republic of China.

Deloitte & Touche

January 27, 2014

Notice to Readers

The accompanying financial statements are intended only to present the net assets and results of operations in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

YUANTA SECURITIES INVESTMENT TRUST CO., LTD.**Yuanta/P-shares Taiwan Top 50 ETF****STATEMENTS OF NET ASSETS****DECEMBER 31, 2013 AND 2012****(In New Taiwan Dollars)**

ASSETS	2013		2012	
	Amount	%	Amount	%
Investments in listed stocks - fair value (cost: 2013 - \$69,218,800,820; 2012 - \$82,337,052,315) (Note 2)	\$ 78,744,293,823	96.13	\$ 86,582,541,140	91.83
Securities lending - fair value (cost: 2013 - \$2,305,009,602; 2012 - \$7,725,844,451) (Note 2)	1,968,014,782	2.40	6,641,866,300	7.04
Investment in bonds under resell agreements (Notes 2 and 3)	1,576,047,522	1.92	2,503,323,123	2.65
Deposits	424,875,373	0.52	603,238,285	0.64
Margin receivables on futures (Notes 2, 10 and 11)	282,998,375	0.35	231,460,114	0.25
Securities lending fee receivables (Notes 2 and 10)	6,300,028	0.01	24,905,798	0.03
Interest receivables (Note 6)	1,495,664	-	4,242,132	-
Other receivables	<u>93,321</u>	-	<u>20,852,150</u>	<u>0.02</u>
Total	<u>83,004,118,888</u>	<u>101.33</u>	<u>96,612,429,042</u>	<u>102.46</u>
LIABILITIES				
Margins for securities lending (Notes 2, 9 and 10)	1,056,870,963	1.29	2,273,836,364	2.41
Accrued management fees (Notes 4 and 10)	22,441,315	0.03	26,153,536	0.03
Accrued index license fees (Note 5)	8,191,141	0.01	9,428,989	0.01
Accrued custodian fees (Note 4)	2,454,518	-	2,860,545	-
Accrued securities lending handling fees (Notes 2 and 10)	2,100,751	-	8,346,034	0.01
Accrued securities lending service fees (Notes 2 and 10)	448,354	-	1,583,316	-
Others	<u>204,779</u>	-	<u>326,556</u>	-
Total	<u>1,092,711,821</u>	<u>1.33</u>	<u>2,322,535,340</u>	<u>2.46</u>
NET ASSETS	<u>\$ 81,911,407,067</u>	<u>100.00</u>	<u>\$ 94,289,893,702</u>	<u>100.00</u>
NUMBER OF UNITS OUTSTANDING	<u>1,391,500,000</u>		<u>1,746,500,000</u>	
NET ASSETS PER UNIT	<u>\$58.87</u>		<u>\$53.99</u>	

The accompanying notes are an integral part of the financial statements.

YUANTA SECURITIES INVESTMENT TRUST CO., LTD.

Yuanta/P-shares Taiwan Top 50 ETF

STATEMENTS OF INVESTMENT PORTFOLIO

DECEMBER 31, 2013 AND 2012

(In New Taiwan Dollars)

Stock	Fair Value		Percentage of Shares Issued by the Investee		Percentage of Net Assets	
	2013	2012	2013	2012	2013	2012
INVESTMENTS IN LISTED STOCKS AND SECURITIES LENDING - AT MARKET VALUE						
Cement						
Taiwan Cement Corp.	\$ 1,028,030,570	\$ 1,148,657,639	0.60	0.80	1.26	1.22
Asia Cement Corp.	607,164,953	723,581,475	0.48	0.60	0.74	0.77
	<u>1,635,195,523</u>	<u>1,872,239,114</u>			<u>2.00</u>	<u>1.99</u>
Food						
Uni-President Enterprises Corp.	1,627,973,389	2,072,697,088	0.59	0.80	1.99	2.20
Plastics						
Formosa Plastics Corporation	2,730,362,373	3,847,557,010	0.53	0.80	3.33	4.08
Nan Ya Plastics Corporation	2,722,470,297	3,516,742,040	0.50	0.80	3.32	3.73
Formosa Chemicals & Fibre Corporation	2,555,200,284	2,559,930,600	0.52	0.60	3.12	2.72
	<u>8,008,032,954</u>	<u>9,924,229,650</u>			<u>9.77</u>	<u>10.53</u>
Textile						
Far Eastern New Century Corporation	918,555,130	1,001,461,320	0.52	0.60	1.12	1.06
Steel and metal						
China Steel Corporation	2,276,678,853	2,505,340,026	0.55	0.60	2.78	2.66
Rubber						
Cheng Shin Rubber Ind. Co., Ltd.	997,258,860	1,274,748,140	0.45	0.60	1.22	1.35
Automobile						
Yulon Motor Co., Ltd.	320,700,924	514,726,575	0.38	0.59	0.39	0.55
Hotal Motor Co., Ltd.	1,043,243,568	763,321,048	0.52	0.60	1.27	0.81
Yulon Nissan Motor Co., Ltd.	70,043,560	-	0.06	-	0.09	-
	<u>1,433,988,052</u>	<u>1,278,047,623</u>			<u>1.75</u>	<u>1.36</u>
Finance						
Chang Hwa Commercial Bank, Ltd.	396,304,877	536,644,481	0.28	0.46	0.48	0.57
Hua Nan Financial Holdings Co., Ltd.	817,822,202	869,129,251	0.52	0.60	1.00	0.92
Fubon Financial Holding Co., Ltd.	2,192,145,957	2,005,059,596	0.49	0.60	2.68	2.13
Cathay Financial Holding Co., Ltd.	2,525,373,010	2,069,657,636	0.44	0.60	3.08	2.20
China Development Financial Holding Corp.	878,799,555	878,657,820	0.65	0.80	1.07	0.93
E.SUN Financial Holding Co., Ltd.	687,211,094	-	0.63	-	0.84	-
Yuanta Financial Holding Co., Ltd.	1,184,363,637	1,197,554,441	0.67	0.80	1.45	1.27
Mega Financial Holding Co., Ltd.	1,474,495,785	1,567,551,119	0.47	0.61	1.80	1.66
Taishin Financial Holding Co., Ltd.	722,822,371	-	0.60	-	0.88	-
Sinopac Financial Holdings Co., Ltd.	775,777,454	748,633,739	0.64	0.79	0.95	0.79
China Trust Financial Holding Co., Ltd.	1,828,514,940	1,703,081,179	0.61	0.75	2.23	1.81
First Financial Holding Co., Ltd.	877,528,192	862,636,386	0.55	0.60	1.07	0.91
Taiwan Cooperative Financial Holding Co., Ltd.	660,703,678	796,977,153	0.47	0.60	0.81	0.85
	<u>15,021,862,752</u>	<u>13,235,582,801</u>			<u>18.34</u>	<u>14.04</u>
Retail						
President Chain Store Corp.	802,125,709	969,661,924	0.37	0.60	0.98	1.03
Other						
Pou Chen Corporation	371,737,184	-	0.28	-	0.45	-
Chemical						
Taiwan Fertilizer Co., Ltd.	-	445,533,753	-	0.60	-	0.47
Oil, gas and electricity						
Formosa Petrochemical Corporation	1,073,911,136	1,304,891,502	0.14	0.16	1.31	1.38
Semiconductors						
United Microelectronics Corp.	1,043,332,570	1,215,270,377	0.67	0.80	1.27	1.29
Advanced Semiconductor Engineering, Inc.	1,158,564,439	1,541,939,062	0.54	0.81	1.41	1.63
Siliconware Precision Industries Co., Ltd.	729,312,921	772,611,078	0.66	0.80	0.89	0.82
Taiwan Semiconductor Manufacturing Co., Ltd.	17,485,020,134	19,978,315,649	0.64	0.79	21.38	21.19
Mediatek Inc.	3,851,225,385	3,490,953,847	0.64	0.80	4.70	3.70
Mstar Semiconductor, Inc.	665,948,520	697,347,774	0.36	0.60	0.81	0.74
	<u>24,933,403,969</u>	<u>27,696,437,787</u>			<u>30.46</u>	<u>29.37</u>

(Continued)

YUANTA SECURITIES INVESTMENT TRUST CO., LTD.
Yuanta/P-shares Taiwan Top 50 ETF

STATEMENTS OF INVESTMENT PORTFOLIO
DECEMBER 31, 2013 AND 2012
(In New Taiwan Dollars)

Stock	Fair Value		Percentage of Shares Issued by the Investee		Percentage of Net Assets	
	2013	2012	2013	2012	2013	2012
Computer and peripheral equipment						
Lite-On Technology Corp.	\$ 698,080,282	\$ 711,458,369	0.63	0.80	0.85	0.75
Compal Electronics, Inc.	657,095,576	691,210,445	0.65	0.80	0.80	0.73
Acer Incorporated	-	571,295,819	-	0.80	-	0.61
Asustek Computer Inc.	1,326,075,792	1,965,630,236	0.67	0.80	1.62	2.08
Quanta Computer Inc.	1,271,779,319	1,570,120,765	0.47	0.60	1.55	1.67
Wistron Corp.	-	518,702,404	-	0.78	-	0.55
Pegatron Corp.	450,336,422	-	0.51	-	0.55	-
	<u>4,403,367,391</u>	<u>6,028,418,038</u>			<u>5.37</u>	<u>6.39</u>
Optoelectronic						
Au Optronics Corp.	571,830,262	910,833,456	0.62	0.79	0.70	0.97
Largan Precision Co., Ltd.	845,845,335	625,980,356	0.52	0.60	1.03	0.66
Innolux Corporation (formerly Chimei Innolux Corporation)	651,864,936	916,003,374	0.63	0.74	0.80	0.97
TPK Holding Co., Ltd.	-	951,292,836	-	0.57	-	1.01
	<u>2,069,540,533</u>	<u>3,404,110,022</u>			<u>2.53</u>	<u>3.61</u>
Communications and internet						
Chunghwa Telecom Co., Ltd.	2,448,861,995	2,872,772,501	0.34	0.39	2.99	3.05
High Tech Computer Corp.	731,529,009	2,047,723,594	0.62	0.80	0.89	2.17
Taiwan Mobile Co., Ltd.	1,117,012,975	1,434,406,369	0.34	0.39	1.36	1.52
Far Eastone Telecommunications Co., Ltd.	723,684,545	946,179,788	0.34	0.39	0.88	1.00
	<u>5,021,088,524</u>	<u>7,301,082,252</u>			<u>6.12</u>	<u>7.74</u>
Electronic parts/components						
Delta Electronics, Inc.	2,388,553,720	2,058,731,159	0.58	0.80	2.92	2.18
Electronic products distribution						
Synnex Technology International Corp.	-	676,426,769	-	0.80	-	0.72
Other electronic						
Hon Hai Precision Ind. Co., Ltd.	6,278,280,613	8,415,018,057	0.60	0.80	7.66	8.92
Foxconn Technology Co., Ltd.	485,734,015	895,170,383	0.53	0.80	0.59	0.95
Catcher Technology Co., Ltd.	965,020,298	864,580,032	0.66	0.80	1.18	0.92
	<u>7,729,034,926</u>	<u>10,174,768,472</u>			<u>9.43</u>	<u>10.79</u>
Total investment in listed stocks and securities lending	80,712,308,605	93,224,407,440			98.54	98.87
INVESTMENT IN BONDS UNDER RESELL AGREEMENTS	1,576,047,522	2,503,323,123			1.92	2.65
DEMAND DEPOSITS	424,875,373	603,238,285			0.52	0.64
OTHER ASSETS, NET OF LIABILITIES	(801,824,433)	(2,041,075,146)			(0.98)	(2.16)
NET ASSETS	<u>\$ 81,911,407,067</u>	<u>\$ 94,289,893,702</u>			<u>100.00</u>	<u>100.00</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

YUANTA SECURITIES INVESTMENT TRUST CO., LTD.

Yuanta/P-shares Taiwan Top 50 ETF

STATEMENTS OF CHANGES IN NET ASSETS YEARS ENDED DECEMBER 31, 2013 AND 2012 (In New Taiwan Dollars)

	2013		2012	
	Amount	%	Amount	%
BALANCE OF NET ASSETS, BEGINNING OF YEAR	\$ 94,289,893,702	115.11	\$ 104,336,891,220	110.66
INCOME				
Cash dividends (Notes 2 and 6)	2,131,147,389	2.60	3,420,184,912	3.63
Income on securities lending (Notes 2, 6 and 10)	61,228,287	0.08	102,686,582	0.11
Interest income (Notes 6 and 10)	18,268,297	0.02	42,827,025	0.04
Others (Note 2)	1,434,079	-	19,864,290	0.02
Total income	2,212,078,052	2.70	3,585,562,809	3.80
EXPENSES				
Management fees (Notes 4 and 10)	269,110,569	0.33	298,355,348	0.32
Custodian fees (Note 4)	29,433,961	0.04	32,632,608	0.03
Index license fees (Note 5)	33,087,494	0.04	36,740,511	0.04
Securities lending handling fees (Notes 2 and 10)	20,374,612	0.03	34,006,047	0.03
Securities lending service fees (Notes 2 and 10)	3,735,933	-	6,941,332	0.01
Others	1,934,275	-	2,328,401	-
Total expenses	357,676,844	0.44	411,004,247	0.43
NET INVESTMENT INCOME	1,854,401,208	2.26	3,174,558,562	3.37
CREATION OF UNITS (2013 - 365,500,000 UNITS; 2012 - 819,500,000 UNITS)	20,299,560,173	24.78	41,360,462,219	43.86
REDEMPTION OF UNITS (2013 - 720,500,000 UNITS; 2012 - 1,169,000,000 UNITS)	(40,812,907,616)	(49.83)	(62,638,864,545)	(66.43)
NET REALIZED GAIN ON SALE OF INVESTMENTS (Notes 2 and 11)	2,062,567,183	2.52	237,220,056	0.25
NET CHANGE IN UNREALIZED GAIN OR LOSS ON VALUE OF INVESTMENTS (Notes 2 and 11)	6,065,367,909	7.41	10,940,576,674	11.60
DISTRIBUTED INCOME (Notes 7 and 8)	(1,847,475,492)	(2.25)	(3,120,950,484)	(3.31)
BALANCE OF NET ASSETS, END OF YEAR	\$ 81,911,407,067	100.00	\$ 94,289,893,702	100.00

The accompanying notes are an integral part of the financial statements.

YUANTA SECURITIES INVESTMENT TRUST CO., LTD.

Yuanta/P-shares Taiwan Top 50 ETF

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

(In New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Yuanta/P-shares Taiwan Top 50 ETF (the "Fund") is an open-end fund and established on June 25, 2003 under the Regulations Governing the Offering of Securities Investment Trust Funds by Securities Investment Trust Enterprises and related laws in the Republic of China (ROC). The Fund began trading on the Taiwan Stock Exchange (TSE) on June 30, 2003. The Fund had the approval from the Financial Supervisory Commission to trade in the Hong Kong Exchange and Clearing Limited (HKEx) in form of feeder-fund on June 25, 2009. The Fund's investment objective is to replicate as closely as possible the price and yield performance of the FTSE TWSE Taiwan 50 Index (the "Taiwan 50 Index"). The participating dealers can act for themselves or on behalf of their customers for the creation and redemption of the Fund under the participating agreement.

On October 26, 2012, the Fund was officially renamed as Yuanta/P-shares Taiwan Top 50 ETF under Rule No. 1010035358 issued by the Financial Supervisory Commission on September 4, 2012.

The manager of the Fund is Yuanta Securities Investment Trust Co., Ltd. (YSIT). Polaris International Securities Investment Trust Co., Ltd. (PISIT), as the dissolved company, and Yuanta Securities Investment Trust Company, as the surviving company, agreed to merge as resolved in their special general meeting on December 28, 2012. The merger date is May 6, 2012. The custodian is Chinatrust Commercial Bank ("Chinatrust").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in conformity with regulations governing investment trust funds and accounting principles generally accepted in the Republic of China.

For the convenience of readers, the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

The Fund's significant accounting policies are summarized as follows:

Investments in Listed Stock

Investments in stocks listed on the stock exchanges are measured at the closing market prices on the last trading day of the accounting period. The change in the fair value of the stock investments is recognized as unrealized capital gains or losses.

Securities transactions are recorded on a trade date basis. Cost of securities sold is determined by the moving-average method. The difference between selling price and cost is recognized as realized gain (loss) on sale of investments. Cash dividends are recorded on the ex-dividend dates. Stock dividends received result only in increasing the number of shares held on the ex-dividend dates and are not recorded as income.

Securities Lending

Securities lending refers to the activity whereby securities owned by the Fund are borrowed by and lent to institutional investors and securities borrowers (the "Borrowers") who must have agreed to return the same securities. Under related regulations, the lending term is not more than six months from the date of transaction. The accounting treatments for the securities lending are the same as stock investments.

Under the stock lending/borrowing agreement, the Borrowers should offer the Fund collaterals recorded as "margin for securities lending," and the Fund will receive service charge and recognize as "income on securities lending" upon lending these securities. Besides, the Fund should pay securities lending handling fees to YSIT for managing the collateral and securities lending service fees to the Taiwan Stock Exchange and stockbrokers for dealing with borrowed securities transactions.

The Borrowers should return the equity dividend received to the Fund if lent securities yield cash and stock during the lending period. Cash dividends are recognized on ex-dividend date. Stock dividends are not recognized as income but are recorded as an increase in the number of shares. Net realized gain is recognized if the equity dividend is received by the third party. The remaining tax compensation is recognized as other income.

Creation and Redemption of Units

The Fund creates and redeems units in exchange for a designated portfolio of equity securities (the "deposit securities") included in the Taiwan 50 Index and a relatively small cash payment (the "cash component"). The cash component is the difference between the net asset value (NAV) of a unit and the market values of the deposit securities. The market values of the deposit securities are based on closing market prices on the transaction date.

Bond Purchased Under Resell Agreements

Bond purchased under resell agreements are generally treated as collateralized financing transactions. Interest earned on reverse repurchase agreements is recognized as interest income over the life of each agreement. If the investment in bonds under resell agreements is determined to be impaired, an impairment loss is recognized.

Derivative Financial Instruments - Futures

Futures are traded under regulations set by the Taiwan Futures Exchange. For the stock index futures, the premium of the Fund paid is recorded as "margin receivables on futures" and the gains or losses resulting from marking to market of the open position are recognized as "unrealized futures contract gain (loss)" (included in unrealized gains or loss on value of investment) and those from settlement or squaring of the position before the due date are recognized as "realized futures contract gain (loss)" (included in realized gain on sales of investments).

3. INVESTMENT IN BONDS UNDER RESELL AGREEMENTS

Bonds purchased under resell agreements were sold on January 6, 2014 for \$1,576,272,920 and January 8, 2013 for \$2,503,749,488, respectively.

4. MANAGEMENT AND CUSTODIAL FEES

Based on Yuanta/P-shares Taiwan Top 50 ETF securities investment trust agreement (the Trust Agreement), the Fund pays YSIT and Chinatrust monthly service fees based on the Fund's daily net assets value at annual rates of 0.320% and 0.035%, respectively.

5. INDEX LICENSE FEE

The Taiwan 50 Index is a compilation of two index co-providers (the "Providers"), the Taiwan Stock Exchange and the FTSE International Limited. Under an agreement with the Providers, the annual index license fee is at a fixed rate of 0.04% of the year's daily NAV average.

6. INCOME TAX

Effective January 1, 2003, under the enforcement rules of the Income Tax Law amended on November 13, 2002 and related guidelines (Ref. Tai-Tsai-Zhen Zi-910455815) issued on November 27, 2002, those taxes withheld by the Fund from dividend income, interest income and income from securities lending are no longer refundable to the Fund. Upon the distribution of the trust benefits to the trust beneficiaries, the withholding tax certificates will be issued and the imputation credit account (ICA) can be transferred to the unitholders.

7. EQUALIZATION OF CREATION AND REDEMPTION

Equalization of creation and redemption includes income equalization and asset equalization.

Income equalization means that the creation price or redemption price for each unit of the Fund's beneficiary certificates includes equalization adjustment representing the accumulated investment income or losses of the units created or redeemed up to the date of creation or redemption so that a unitholder's proportionate share in the income or losses is maintained.

Asset equalization means that the creation price or redemption price for each unit of the Fund's beneficiary certificates includes equalization adjustment representing the accumulated realized and unrealized capital gains or losses of the units created or redeemed up to the date of creation or redemption so that a unitholder's proportionate share in the gains or losses is maintained.

8. DISTRIBUTION OF INCOME

Under the Trust Agreement, the fund manager should review the difference between the accumulated percentage return of the Fund and of the benchmark index between the establishment date and the evaluation date on September 30 every year.

The distributable income per unit is cash dividend from invested entities after deducting the related expenses other than the accumulated realized or unrealized loss.

Besides the distributable income stated above, any additional distribution for other investment income should be deducted with the related expenses and the accumulated realized or unrealized loss. In addition, both of the following conditions should be met:

- a. The daily average of the Fund's NAV per unit is more than the Fund's issue price per unit before the establishment date.
- b. The daily average of the Fund's NAV per unit minus the distributed income per unit must be more than the Fund's issue price per unit.

The Fund's issue price per unit before the establishment date is \$36.98.

The Fund made income distributions of \$1,847,475,492 (\$1.35 per unit) on October 30, 2013 and \$3,120,950,484 (\$1.85 per unit) on October 30, 2012.

9. MARGIN FOR SECURITIES LENDING

The Fund can use the margin for securities lending to invest in deposits, short-term bills, bonds purchased under resell agreement and beneficiary certificates with a stable income. The investment in beneficiary certificates should not be more than 10% of all units issued by the issuer entity.

Under Rule No. 0990025769 issued by the Financial Supervisory Commission and Rule No. 0990300989 issued by the Taiwan Stock Exchange Corporation, specific offshore foreign institutional investors can provide U.S. dollars as margin for securities lending.

The margin for securities lending in U.S. dollars are \$1,742,263,038 and \$7,152,133,758 as of December 31, 2013 and 2012, respectively.

10. RELATED-PARTY TRANSACTIONS

a. The related parties were as follows:

<u>Related Party</u>	<u>Relationship with the Fund</u>
Polaris International Securities Investment Trust Co., Ltd. (PISIT)	Former Fund manager, dissolved on May 6, 2012
Yuanta Securities Investment Trust Co., Ltd. (YSIT)	Fund manager (the surviving company after its merger with PISIT on May 6, 2012)
Polaris Securities Co., Ltd.	PISIT's parent company, dissolved on April 1, 2012
Yuanta Securities Co., Ltd.	Same parent company with YSIT (the surviving company after its merger with Polaris Securities Co., Ltd. on April 1, 2012)
Yuanta Futures Co., Ltd.	Same parent company with YSIT (formerly Polaris MF Global Futures Co., Ltd., the surviving company after its merger with Yuanta Futures Co., Ltd. on April 1, 2012, and renamed as Yuanta Futures Co., Ltd.)
Yuanta Futures Co., Ltd.	Same parent company with YSIT, dissolved on April 1, 2012

b. Related-party significant transactions in 2013 and 2012 were as follows:

	2013	2012
<u>For the year</u>		
Entrusted to buy stocks		
Yuanta Securities Co., Ltd.	\$ 2,022,565,450	\$ 995,270,550
Polaris Securities Co., Ltd.	-	267,269,000
	<u>\$ 2,022,565,450</u>	<u>\$ 1,262,539,550</u>
Entrusted to sell stocks		
Yuanta Securities Co., Ltd.	\$ 1,927,572,523	\$ 304,712,070
Polaris Securities Co., Ltd.	-	573,403,550
	<u>\$ 1,927,572,523</u>	<u>\$ 878,115,620</u>
Entrusted to buy futures		
Yuanta Futures Co., Ltd.	<u>\$ 20,997,165,400</u>	<u>\$ 19,371,931,200</u>

	2013	2012
Entrusted to sell futures		
Yuanta Futures Co., Ltd.	<u>\$ 21,159,245,600</u>	<u>\$ 18,618,546,400</u>
Management fee		
YSIT	\$ 269,110,569	\$ 200,443,364
PISIT	<u>-</u>	<u>97,911,984</u>
	<u>\$ 269,110,569</u>	<u>\$ 298,355,348</u>
Stock service fee		
Yuanta Securities Co., Ltd.	\$ 3,652,762	\$ 1,211,743
Polaris Securities Co., Ltd.	<u>-</u>	<u>840,627</u>
	<u>\$ 3,652,762</u>	<u>\$ 2,052,370</u>
Futures service fee		
Yuanta Futures Co., Ltd.	<u>\$ 1,476,240</u>	<u>\$ 1,553,460</u>
Securities lending handling fee		
YSIT	\$ 20,374,612	\$ 23,204,252
PISIT	<u>-</u>	<u>10,801,795</u>
	<u>\$ 20,374,612</u>	<u>\$ 34,006,047</u>
Securities lending service fee		
Yuanta Securities Co., Ltd.	\$ 2,810,676	\$ 4,724,368
Polaris Securities Co., Ltd.	<u>-</u>	<u>631,982</u>
	<u>\$ 2,810,676</u>	<u>\$ 5,356,350</u>
Securities lending income		
Yuanta Securities Co., Ltd.	\$ 5,261,103	\$ 21,245,396
Polaris Securities Co., Ltd.	<u>-</u>	<u>6,466,487</u>
	<u>\$ 5,261,103</u>	<u>\$ 27,711,883</u>
Interest income		
Yuanta Futures Co., Ltd. (formerly Polaris MF Global Futures Co., Ltd.)	\$ 396,189	\$ 213,168
Yuanta Futures Co., Ltd.	<u>-</u>	<u>24,196</u>
	<u>\$ 396,189</u>	<u>\$ 237,364</u>
<u>As of December 31</u>		
Margin receivables on futures		
Yuanta Futures Co., Ltd. (formerly Polaris MF Global Futures Co., Ltd.)	<u>\$ 282,998,375</u>	<u>\$ 231,460,114</u>
Securities lending fee receivables		
Yuanta Securities Co., Ltd.	<u>\$ 83,548</u>	<u>\$ 4,421,786</u>

	2013	2012
Accrued management fee YSIT	<u>\$ 22,441,315</u>	<u>\$ 26,153,536</u>
Accrued securities lending handling fee YSIT	<u>\$ 2,100,751</u>	<u>\$ 8,346,034</u>
Accrued securities lending service fee YSIT	<u>\$ 369,466</u>	<u>\$ 1,267,120</u>
Margin for securities lending Yuanta Securities Co., Ltd.	<u>\$ 106,227,621</u>	<u>\$ 943,227,550</u>

The terms and prices of all of the above related-party transactions were based on related agreements.

11. FINANCIAL INSTRUMENTS

a. Derivative financial instruments

1) The Fund entered into futures contracts, as follows:

		<u>December 31, 2013</u>			
		<u>Open Position</u>			
Item	Type	Call/Put	Contract Number	Contract Amount	Fair Value
Futures	Taiwan Stock Exchange Capitalization Weighted Stock Index	Call	700	<u>\$ 1,167,452,400</u>	<u>\$ 1,208,620,000</u>

		<u>December 31, 2012</u>			
		<u>Open Position</u>			
Item	Type	Call/Put	Contract Number	Contract Amount	Fair Value
Futures	Taiwan Stock Exchange Capitalization Weighted Stock Index	Call	695	<u>\$ 1,064,315,800</u>	<u>\$ 1,067,103,000</u>

2) Results of the derivative financial instrument transactions:

	2013	2012
Realized futures contract gain	<u>\$ 262,768,771</u>	<u>\$ 217,634,565</u>
Unrealized futures contract gain	<u>\$ 38,380,400</u>	<u>\$ 144,932,700</u>

b. Financial risks

1) Market risk

The investment portfolio market value is affected by stock market prices.

The Fund entered into futures contracts in compliance with risk management regulations set by the authorities. Thus, market price risks are believed to be minimal.

2) Credit risk

The Fund is exposed to credit risk on counterparties' default on contracts. The Fund's maximum exposure to credit risk is equal to book value.

3) Liquidity risk

The Fund invested in listed stocks with market prices in active markets and can be sold immediately at prices close to the fair values. Thus, the liquidity risk is expected to be insignificant.

The Fund entered into TAIEX/Single Stock future contracts and paid margin deposits based on regulations. The futures contracts were 1.48% and 1.13% of the Fund's NAV as of December 31, 2013 and 2012, respectively. The manager evaluates daily the margin account on the basis of the market prices of outstanding futures contracts; thus, liquidity risks virtually do not exist.

c. Risk control policy and strategy

The Fund has market, credit and liquidity risks due to its investments in various financial instruments. The Fund has procedures to control and manage these risks. It uses risk control and hedging procedures to identify risk sources and apply risk management rules. Risk findings are reported to the Department of Risk Management (DRM). The DRM manages risk situations and modifies the related risk management rules periodically to ensure risk control. If significant-risk situations happen, the DRM will propose related solutions to the Fund's management.