
**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER * (*THIS IS
A SYNTHETIC ETF)**

**DA CHENG CSI HONG KONG PRIVATE-OWNED MAINLAND
ENTERPRISES TRACKER**

**DA CHENG CSI HONG KONG STATE-OWNED MAINLAND
ENTERPRISES TRACKER**

(SUB-FUNDS OF DCI ETF TRUST)

SEMI-ANNUAL REPORT

FOR THE PERIOD ENDED 30 JUNE 2011





DCI ETF TRUST

FOR THE PERIOD ENDED 30 JUNE 2011

SEMI-ANNUAL REPORT

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DCI ETF TRUST

FOR THE PERIOD ENDED 30 JUNE 2011

MANAGEMENT AND ADMINISTRATION

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Registrar

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Auditor

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13/F, One Pacific Place
88 Queensway
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REPORT OF THE MANAGER TO THE UNITHOLDERS

DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER * (*THIS IS A SYNTHETIC ETF) (A SUB-FUND OF DCI ETF TRUST)

Fund Performance

Da Cheng CSI China Mainland Consumer Tracker>(*This is a synthetic ETF) (the “CSI China Mainland Consumer ETF”) seeks to provide investment results, before fees and expenses, closely correspond to the performance of the CSI China Mainland Consumer Index (the “Index”) in Hong Kong dollar (“HKD”) terms. As of 30 June 2011, the Net Asset Value (“NAV”) per unit of the CSI China Mainland Consumer ETF was HKD10.98 with a total of 7,500,000 units outstanding, aggregating a total asset size of approximately HKD82.35 million.

A summary of the performance of the CSI China Mainland Consumer ETF¹ is given below (As at 30 June 2011).

	1 Month	YTD	Since Inception ²
CSI China Mainland Consumer Price Index ³	3.70%	-1.26%	23.24%
CSI China Mainland Consumer Total Return Index ⁴	3.81%	-0.66%	24.26%
DCI China Consumer ETF NAV-to-NAV ⁵	3.78%	-0.09%	23.93%
DCI China Consumer ETF Market-to-Market ⁶	4.01%	-2.68%	15.71%

Source: Da Cheng International Asset Management Co., Ltd., Bloomberg

The difference in performance between the CSI China Mainland Consumer Index and CSI China Mainland Consumer ETF is mainly attributed to fees and expenses, and a different currency exchange rate used for fund valuation and index calculation.

¹ Past performance figures shown are not indicative of the future performance of the Fund.

² Inception date is 15 July 2010.

³ Price Index in RMB. An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.

⁴ Total Return Index in RMB. Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of dividends and distributions.

⁵ Unit’s NAV in HKD. Units in the Fund are issued and redeemed at NAV and the Fund’s returns have been calculated from NAV.

⁶ Market closing price in HKD. Market returns are calculated using historical market closing prices of the ETF, and do not represent the returns you would receive if you trade units at other times.

REPORT OF THE MANAGER TO THE UNITHOLDERS (CONTINUED)

DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER * (*THIS IS A SYNTHETIC ETF) (A SUB-FUND OF DCI ETF TRUST)

Fund Activities

Since the CSI China Mainland Consumer ETF listed on the Stock Exchange of Hong Kong on 15 July 2010, it continued to attract great interest in the consumer sector of the A share market from investors. As at 30 June 2011, there were 7,500,000 units outstanding.

Index Activities

The CSI China Mainland Consumer Index underwent one regular semi-annual review during the end of the first half year 2011. There were involved addition and deletion of 12 stocks in the Index.

As at 30 June 2011, the CSI China Mainland Consumer ETF had exposure to all 50 index constituents indirectly. In addition, 1.288% of the ETF's assets in Shanghai Jahwa United were passively held though the share was deleted from the Index after last year's review as the company has been suspended for trading since 6 December 2010 due to its asset restructuring with major shareholder. The Manager continues to monitor closely the development of the restructuring and will take appropriate actions once the company resumes trading.

Market Overview

As at 30 June 2011, the semi-annual return of CSI China Mainland Consumer Index and the CSI China Mainland Consumer ETF were -1.26% and -0.09%, respectively. The currency return of the Chinese Renminbi (RMB) against Hong Kong Dollar (HKD) was approximately 2.329%.

Compared to the return of -2.69% in CSI 300 Index, consumer sector outperformed in the Chinese A-share market, although the CSI China Mainland Consumer Index had a slightly loss in the index level due to the tightening of China macro policy.

In the coming years domestic consumption continues to be the key growth area for the Chinese economy, driven by rising income and wealth, favourably demographics and more accessible consumer credit. The government will continue to boost consumer confidence by optimizing income distribution, enhancing healthcare and pension coverage and increasing spending in social welfare and affordable housing.

REPORT OF THE MANAGER TO THE UNITHOLDERS

DA CHENG CSI HONG KONG PRIVATED-OWNED MAINLAND ENTERPRISE TRACKER (A SUB-FUND OF DCI ETF TRUST)

Fund Performance

Da Cheng CSI Hong Kong Private-Owned Mainland Consumer Enterprises Tracker (the “CSI HK Private-owned Mainland Enterprises ETF”) seeks to provide investment results, before fees and expenses, closely correspond to the performance of the CSI Hong Kong Private-owned Mainland Enterprises Index (the “Index”) in Hong Kong dollar (“HKD”) terms. As of 30 June 2011, the Net Asset Value (“NAV”) per unit of the CSI HK Private-owned Mainland Enterprises ETF was HKD9.81 with a total of 20,000,000 units outstanding, aggregating a total asset size of approximately HKD196.23 million.

A summary of the performance of the CSI HK Private-owned Mainland Enterprises ETF⁷ is given below (As at 30 June 2011).

	1 Month	YTD	Since Inception ⁸
CSI Hong Kong Private-owned Mainland Enterprises Index ⁹	-3.294%	2.30%	2.62%
CSI Private-owned Mainland Total Return Index ¹⁰	-2.93%	3.60%	3.96%
CSI HK Private-owned Mainland Enterprises ETF NAV-to-NAV ¹¹	-2.97%	2.40%	2.72%
CSI HK Private-owned Mainland Enterprises ETF Market-to-Market ¹²	-2.59%	2.09%	2.73%

Source: Da Cheng International Asset Management Co., Ltd., Bloomberg

The difference in performance between the CSI Hong Kong Private-owned Mainland Enterprises Index and CSI HK Private-owned Mainland Enterprises ETF is mainly attributed to fees and expenses.

⁷ Past performance figures shown are not indicative of the future performance of the Fund.

⁸ Inception date is 20 December 2010.

⁹ Price Index in HKD. An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.

¹⁰ Total Return Index in HKD. Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of dividends and distributions.

¹¹ Unit's NAV in HKD. Units in the Fund are issued and redeemed at NAV and the Fund's returns have been calculated from NAV.

¹² Market closing price in HKD. Market returns are calculated using historical market closing prices of the ETF, and do not represent the returns you would receive if you trade units at other times.

REPORT OF THE MANAGER TO THE UNITHOLDERS (CONTINUED)

DA CHENG CSI HONG KONG PRIVATE-OWNED MAINLAND ENTERPRISE TRACKER (A SUB-FUND OF DCI ETF TRUST)

Fund Activities

Since the CSI HK Private-owned Mainland Enterprises ETF listed on the Stock Exchange of Hong Kong on 20 December 2010, it continued to attract great interest in private-owned mainland enterprises listed in HK market from investors. As at 30 June 2011, there were 20,000,000 units outstanding.

Index Activities

The CSI Hong Kong Private-owned Mainland Enterprises Index underwent one regular semi-annual review during the end of the first half year 2011. There were involved addition and deletion of 3 stocks in the Index.

As at 30 June 2011, the CSI HK Private-owned Mainland Enterprises ETF had exposure to all 40 index constituents directly.

Market Overview

As at 30 June 2011, the semi-annual return of CSI Hong Kong Private-owned Mainland Enterprises Index and the CSI HK Private-owned Mainland Enterprises ETF were 2.30% and 2.40%, respectively.

During the first half of 2011, global politics and economy experienced much turbulence. As political unrest spread in several oil exporters in the Middle East and North Africa, crude oil price was rapidly pushed up; the earthquake in Japan caused interruption in the industrial chain, affecting production of many sectors in the short term; the shadow of default crisis still shrouded Europe, imposing continuing turmoil upon European financial markets; constrained by debt ceiling and the need to strain fiscal deficit, US government cut down fiscal spending, inflicting many negative effects on economic growth. Inflation kept high in mainland China, forcing the government to push series of policy regulation and control. The trend of economic slowdown in China was identified progressively.

The above factors caused relatively steep fall in Hong Kong stock market in the first half of this year. However, after the huge correction in stock market to date, market valuation is fairly reasonable. And there left little room for further drop in price.

Looking forward into the second half, although global economy still faces a few challenges, yet many economic powers have chances to present positive growth. In China, the possibility of CPI falling progressively is high, and there is some hope that macro-control policy could alleviate and Chinese economy manage a soft landing. Therefore, Chinese stocks listed in Hong Kong market should gradually recover from the trough, returning to their value. As a proxy of the private-owned economy in China, the index which our fund follows might benefit from the movement.

REPORT OF THE MANAGER TO THE UNITHOLDERS

DA CHENG CSI HONG KONG STATED-OWNED MAINLAND ENTERPRISE TRACKER (A SUB-FUND OF DCI ETF TRUST)

Fund Performance

Da Cheng CSI Hong Kong State-Owned Mainland Consumer Enterprises Tracker (the “CSI HK State-owned Mainland Enterprises ETF”) seeks to provide investment results, before fees and expenses, closely correspond to the performance of the CSI Hong Kong State-owned Mainland Enterprises Index (the “Index”) in Hong Kong dollar (“HKD”) terms. As of 30 June 2011, the Net Asset Value (“NAV”) per unit of the CSI HK State-owned Mainland Enterprises ETF was HKD9.85 with a total of 12,500,000 units outstanding, aggregating a total asset size of approximately HKD123.13 million.

A summary of the performance of the CSI HK State-owned Mainland Enterprises ETF¹³ is given below (As at 30 June 2011).

	1 Month	YTD	Since Inception ¹⁴
CSI Hong Kong State-owned Mainland Enterprises Index ¹⁵	-5.44%	-1.07%	1.08%
CSI State-owned Mainland Total Return Index ¹⁶	-4.24%	1.18%	3.37%
CSI HK State-owned Mainland Enterprises ETF NAV-to-NAV ¹⁷	-4.37%	-0.30%	1.76%
CSI HK State-owned Mainland Enterprises ETF Market-to-Market ¹⁸	-4.20%	-0.41%	1.45%

Source: Da Cheng International Asset Management Co., Ltd., Bloomberg

The difference in performance between the CSI Hong Kong State-owned Mainland Enterprises Index and CSI HK State-owned Mainland Enterprises ETF is mainly attributed to fees and expenses.

¹³ Past performance figures shown are not indicative of the future performance of the Fund.

¹⁴ Inception date is 20 December 2010.

¹⁵ Price Index in HKD. An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.

¹⁶ Total Return Index in HKD. Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of dividends and distributions.

¹⁷ Unit's NAV in HKD. Units in the Fund are issued and redeemed at NAV and the Fund's returns have been calculated from NAV.

¹⁸ Market closing price in HKD. Market returns are calculated using historical market closing prices of the ETF, and do not represent the returns you would receive if you trade units at other times.

REPORT OF THE MANAGER TO THE UNITHOLDERS (CONTINUED)

DA CHENG CSI HONG KONG PRIVATED-OWNED MAINLAND ENTERPRISE TRACKER (A SUB-FUND OF DCI ETF TRUST)

Fund Activities

Since the CSI HK State-owned Mainland Enterprises ETF listed on the Stock Exchange of Hong Kong on 20 December 2010, it continued to attract great interest in state-owned mainland enterprises listed in HK market from investors. As at 30 June 2011, there were 12,500,000 units outstanding.

Index Activities

The CSI Hong Kong State-owned Mainland Enterprises Index underwent one regular semi-annual review during the end of the first half year 2011. There were involved addition and deletion of 1 stocks in the Index.

As at 30 June 2011, the CSI HK State-owned Mainland Enterprises ETF had exposure to all 40 index constituents directly.

Market Overview

As at 30 June 2011, the semi-annual return of CSI Hong Kong State-owned Mainland Enterprises Index and the CSI HK State-owned Mainland Enterprises ETF were -1.07% and -0.30%, respectively.

During the first half of 2011, global politics and economy experienced much turbulence. As political unrest spread in several oil exporters in the Middle East and North Africa, crude oil price was rapidly pushed up; the earthquake in Japan caused interruption in the industrial chain, affecting production of many sectors in the short term; the shadow of default crisis still shrouded Europe, imposing continuing turmoil upon European financial markets; constrained by debt ceiling and the need to strain fiscal deficit, US government cut down fiscal spending, inflicting many negative effects on economic growth. Inflation kept high in mainland China, forcing the government to push series of policy regulation and control. The trend of economic slowdown in China was identified progressively.

The above factors caused relatively steep fall in Hong Kong stock market in the first half of this year. However, after the huge correction in stock market to date, market valuation is fairly reasonable. And there left little room for further drop in price.

Looking forward into the second half, although global economy still faces a few challenges, yet many economic powers have chances to present positive growth. In China, the possibility of CPI falling progressively is high, and there is some hope that macro-control policy could alleviate and Chinese economy manage a soft landing. Therefore, Chinese stocks listed in Hong Kong market should gradually recover from the trough, returning to their value. As a proxy of the State-owned economy in China, the index which our fund follows might benefit from the movement.

Da Cheng International Asset Management Company Limited

29 August 2011

DCI ETF TRUST

**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER* (*THIS IS A SYNTHETIC ETF)
(A SUB-FUND OF DCI ETF TRUST)**

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

		Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)	
	Note	30.06.2011 (Unaudited) HK\$	31.12.2010 (Audited) HK\$
Assets			
Current assets			
Investments	3.1, 3.2	80,720,045	98,633,423
Cash and cash equivalents	3.2	2,488,999	1,632,160
Prepayments and other receivables		87,867	15,000
Total assets		83,296,911	100,280,583
Liabilities			
Current liabilities			
Management fee payable		180,651	649,576
Transaction costs payable		2,400	11,200
Maintenance fee payable		492,245	316,113
Securities lending expenses payable		177,293	289,826
Other payables		94,262	185,000
Total liabilities		946,851	1,451,715
Equity			
Net assets attributable to unitholders		82,350,060	98,828,868 (at bid market price)

The notes on page 14 to 36 are an integral part of these financial statements.

DCI ETF TRUST

CONDENSED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2011

	Note	Da Cheng CSI Hong Kong Private-owned Enterprises Tracker 30.06.2011 (Unaudited) HK\$	Da Cheng CSI Hong Kong State-owned Enterprises Tracker 30.06.2011 (Unaudited) HK\$
Assets			
Current assets			
Investments	3.1, 3.2	192,218,428	120,456,150
Cash and cash equivalents	3.2	3,971,345	2,368,547
Prepayments and other receivables		1,020,153	1,233,210
Total assets		<u>197,209,926</u>	<u>124,057,907</u>
Liabilities			
Current liabilities			
Management fee payable		709,898	454,885
Trustee fee payable		19,806	12,545
Other payables		250,859	463,694
Total liabilities		<u>980,563</u>	<u>931,124</u>
Equity			
Net assets attributable to unitholders		<u>196,229,363</u>	<u>123,126,783</u>

The notes on page 14 to 36 are an integral part of these financial statements.

DCI ETF TRUST

**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER* (*THIS IS A SYNTHETIC ETF)
(A SUB-FUND OF DCI ETF TRUST)**

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
AS AT 30 JUNE 2011**

Da Cheng CSI China Mainland
Consumer Tracker*(*This is a synthetic ETF)

	Note	01.01.2011 to 30.06.2011 (Unaudited) HK\$	15.07.2010(Date of Inception) to 30.06.2011 (Audited) HK\$
Income			
Net gain on investments	7	909,267	33,376,999
Dividend income		487,603	466,801
Other income		2,363	1,014
Total net income		<u>1,399,233</u>	<u>33,844,814</u>
Expenses			
Transaction costs	9.3	78,451	810,119
Management fee	9.1	446,812	797,768
Maintenance fee	9.2	176,132	316,113
Securities lending expenses	3.2	287,739	504,201
Legal and professional fees		59,376	1644,250
Other operating expenses		113,615	368,223
Total operating expenses		<u>1,162,125</u>	<u>4,440,674</u>
Profit before tax		<u>237,108</u>	<u>29,404,140</u>
Withholding tax	8	155,916	165,272
Total comprehensive income		<u><u>81,192</u></u>	<u><u>29,238,868</u></u>

The notes on page 14 to 36 are an integral part of these financial statements.

DCI ETF TRUST

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) AS AT 30 JUNE 2011

		Da Cheng CSI Hong Kong Private-owned Enterprises Tracker	Da Cheng CSI Hong Kong State-owned Enterprises Tracker
		Period from 20.12.2010 (Date of inception) to 30.06.2011 (Unaudited) HK\$	Period from 20.12.2010 (Date of inception) to 30.06.2011 (Unaudited) HK\$
	Note		
Income			
Dividend income		2,694,469	2,493,832
Other income		140	75
Total net income		<u>2,694,609</u>	<u>2,493,907</u>
Expenses			
Transaction costs	9.3	14,600	8,200
Management fee	9.1	709,898	454,885
Trustee fee	9.1	156,526	144,148
Legal and professional fees		923,977	923,977
Other operating expenses		367,419	336,407
Total operating expenses		<u>2,172,420</u>	<u>1,867,617</u>
Net loss on investments	7	(7,097,826)	(3,059,507)
Profit before tax		(6,575,637)	(2,433,217)
Withholding tax	8	-	-
Total comprehensive income		<u>(6,575,637)</u>	<u>(2,433,217)</u>

The notes on page 14 to 36 are an integral part of these financial statements.

DCI ETF TRUST

**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER* (*THIS IS A SYNTHETIC ETF)
(A SUB-FUND OF DCI ETF TRUST)**

**CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE PERIOD ENDED 30 JUNE 2011**

		Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)
		15.07.2010 to 30.06.2011 (Unaudited) HK\$

	Note	
Net assets attributable to unitholders at 15 July 2010 (Date of inception)		- -----
Proceeds on issue of units		
- in-kind	10.1	138,020,239
- cash component and cash subscription		5,979,761
Payments on redemption of units		
- in kind	10.2	(74,298,561)
- cash component and cash redemption		(111,439)

Net increase from unit transactions		69,590,000 -----

Total comprehensive income		29,238,868 -----

Net assets attributable to unitholders at 31 December 2010		98,282,868 =====
Proceeds on issue of units		
- in-kind	10.1	-
- cash component and cash subscription		-
Payments on redemption of units		
- in kind	10.2	(15,785,766)
- cash component and cash redemption		(774,234)

Net increase from unit transactions		(16,560,000) -----

Total comprehensive income		81,192 -----

Net assets attributable to unitholders at 30 June 2011		82,350,060 =====

The notes on page 14 to 36 are an integral part of these financial statements.

DCI ETF TRUST

**CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)
FOR THE PERIOD FROM 20 DECEMBER 2010 (DATE OF COMMENCEMENT OF OPERATION) TO 30 JUNE 2011**

		Da Cheng CSI Hong Kong Private-owned Enterprises Tracker	Da Cheng CSI Hong Kong State-owned Enterprises Tracker
		20.12.2010 (Date of inception) to 30.06.2011 (Unaudited) HK\$	20.12.2010 (Date of inception) to 30.06.2011 (Unaudited) HK\$
	Note		
Net assets attributable to unitholders at 20 December 2010 (Date of inception)		-	-
Proceeds on issue of units			
- in-kind	10.1	245,979,559	153,379,206
- cash component and cash subscription		9,020,441	11,620,794
Payments on redemption of units			
- in kind	10.2	(51,801,868)	(39,103,054)
- cash component and cash redemption		(393,132)	(336,946)
Net increase from unit transactions		202,805,000	125,560,000
Total comprehensive income		(6,575,637)	(2,433,217)
Net assets attributable to unitholders at 30 June 2011		196,229,363	123,126,783

The notes on page 14 to 36 are an integral part of these financial statements.



DCI ETF TRUST

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

1 General information

DCI ETF Trust (the “Trust”) is an open ended umbrella unit trust established under Hong Kong law by a trust deed dated 24 June 2010 (the “Trust Deed”). The Trust is authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) under section 104(1) of the Hong Kong Securities and Futures Ordinance.

As at 30 June 2011, the Trust has established three sub-funds:

Name of Sub-Fund	Listing date on The Stock Exchange of Hong Kong Limited
Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)	15 July 2010
Da Cheng CSI Hong Kong Private-owned Mainland Enterprises Tracker	20 December 2010
Da Cheng CSI Hong Kong State-owned Mainland Enterprises Tracker	20 December 2010

The manager of the Trust is Da Cheng International Asset Management Company Limited (the “Manager”) and the trustee is BOCI-Prudential Trustee Limited (the “Trustee”).

Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)

The investment objective of the Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF) is to provide investment results that, before fees and expenses, closely correspond to the performance of CSI China Mainland Consumer Index (the “Index”). To achieve the investment objective, the Manager intends to utilise a synthetic replication strategy through investment in derivatives to achieve the Sub-Fund’s investment objective.

The Sub-Fund does not hold A Shares comprised in the Index directly but rather gain access to the Index through A Share Linked Products (“ALPs”). An ALP is a derivative instrument linked to either (a) an A Share of a PRC company which is at the relevant time, or will in a foreseeable future become, a constituent company of the Index or (b) the Index. An ALP represents only an obligation of the ALP Issuer to provide the Sub-Fund the economic performance equivalent to holding the underlying A Shares.

Da Cheng CSI Hong Kong Private-owned Enterprises Tracker

The investment objective of the Da Cheng CSI Hong Kong Private-owned Enterprises Tracker is to provide investment results that, before fees and expenses, closely correspond to the performance of the CSI Hong Kong Private-owned Mainland Enterprises Index. To achieve the investment objective, the Manager intends to utilise a full replication strategy to achieve the Sub-Fund’s investment objective.

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

1 General information (continued)

Da Cheng CSI Hong Kong State-owned Enterprises Tracker

The investment objective of the Da Cheng CSI Hong Kong State-owned Enterprises Tracker is to provide investment results that, before fees and expenses, closely correspond to the performance of the CSI Hong Kong State-owned Mainland Enterprises Index. To achieve the investment objective, the Manager intends to utilise a full replication strategy to achieve the Sub-Fund's investment objective.

2 Principal accounting policies

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

2.1 Basis of presentation

These condensed semi-annual financial statements for the six months ended 30 June 2011 have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting". The condensed semi-annual financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with the International Accounting Reporting Standards ("IFRS").

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in the annual financial statements.

New standards and amendments to standards that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund

IFRS 9 "Financial Instruments", effective from 1 January 2013. IFRS 9 was issued in November 2009 and is the first part of the replacement to IAS 39 that relates to the classification and measurement of financial assets. The standard requires an entity to classify its financial assets into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The Management is considering the implications of the standard, the impact on the Sub-Fund and the timing of adoption by the Sub-Fund.

2.2 Foreign currency translation

(i) Functional and presentation currency

Items included in the condensed financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates, the functional currency. The performance of the Sub-Fund is measured and reported to the unitholders in Hong Kong dollar. The Management considers the Hong Kong dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The condensed financial statements are presented in the Hong Kong dollar, which is the Sub-Funds' functional and presentation currency.

DCI ETF TRUST

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2011**

2 Principal accounting policies (continued)

2.2 Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of assets and liabilities denominated in foreign currencies are recognised in the condensed statement of comprehensive income.

2.3 Financial assets and financial liabilities at fair value through profit or loss

(i) Classification

The Sub-Fund classifies its investments as financial assets at fair value through profit or loss. These financial assets are classified as held for trading.

Financial assets held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit trading. Derivatives are also categorised as financial assets or liabilities held for trading. The Sub-Funds do not classify any derivatives as hedges in a hedging relationship.

(ii) Recognition, derecognition and measurement

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

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

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the investments are presented in the condensed statement of comprehensive income in the period which they arise.

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

2 Principal accounting policies (continued)

2.3 Financial assets and financial liabilities at fair value through profit or loss (continued)

(iii) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the closing of trading on the reporting date. The quoted market price used for financial assets held by the Sub-Funds is the current bid price.

The CSI China Mainland Consumer ETF invests into ALPs, which are fair valued based on the quoted market prices of the securities underlying the ALPs, adjusted for the expected amount payable to the ALP issuers in respect of potential capital gains tax (if any) as described in note 4 below.

2.4 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.5 Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost using effective interest method.

2.6 Units

The Sub-Funds issue redeemable units, which are redeemable at the holder's option, are the most subordinated units in issue and are therefore classified as equity.

Units are issued and redeemed at the holder's option at prices based on the Sub-Funds' net asset value per share at the time of issue or redemption. The Sub-Funds' net asset value per share is calculated by dividing the net assets attributable to the holders of each class of units with total number of outstanding units of each respective class.

2.7 Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method.

2.8 Dividend income

Dividend income is recognised when the Sub-Funds' right to receive payment is established.

2.9 Expenses

Expenses are accounted for on an accruals basis.

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

2 Principal accounting policies (continued)

2.10 Transactions costs

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

2.11 Securities lending

Collateral received for the purpose of securities on loan generally consists of share or cash collateral. Share collateral received is treated as an off-balance sheet transaction and its therefore not included in the statement of financial position because the Sub-Funds are not entitled to the dividend income from the share collateral and does not retain substantially all the risk and rewards. Cash collateral received is treated as an off-balance sheet transaction and is therefore not included in the statement of financial position because the Sub-Funds are not entitled to the interest income from the cash collateral and does not retain substantially all the risk and rewards.

Dividend income from the ALPs under securities lending arrangements is recognised as income by the Sub-Funds in the condensed statement of comprehensive income. Income from the share collateral and cash collateral is not an income to the Sub-Funds and is paid to the counterparty who provides the collateral to the Sub-Funds.

3 Financial risk management

The objectives of the sub-funds are to provide investment results that closely correspond to the performance of the underlying indices. The sub-funds are exposed to various risks: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk, and liquidity risk which are stated below.

3.1 Market risk

(i) Market price risk

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

The Sub-Funds are designated to track the performance of the relevant Indices; therefore the exposures to market risk in the Sub-Funds will be substantially the same as the tracked indices. The Manager manages the Sub-Funds' exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned to the characteristics of the tracked indices.

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

3 Financial risk management (continued)

3.1 Market risk (continued)

(i) Market price risk (continued)

Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)

The Sub-Fund invested all, or substantially all, of its assets in ALPs which are linked to A Shares of those PRC companies comprising the CSI China Mainland Consumer Index in substantially the same weightings as constituted in the Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the CSI China Mainland Consumer Index.

Sensitivity analysis in the event of a possible change in the index by 3% as estimated by the Manager

As at 30 Jun 2011, if the CSI China Consumer Index had increased by 3% with all other variables held constant, this would have increased the post-tax profit for the period by approximately HK\$2,421,601 (31 December 2010: HK\$2,959,003). Conversely, if the CSI China Consumer Index had decreased by 3%, this would have decreased the post-tax profit for the year by equal amounts.

Da Cheng CSI Hong Kong Private-owned Mainland Enterprises Tracker

The Sub-fund held 40 out of 40 shares comprising the CSI Hong Kong Private-owned Mainland Enterprises Index. The Sub-fund is therefore exposed to substantially the same market price risk as the CSI Hong Kong Private-owned Mainland Enterprises Index.

Sensitivity analysis in the event of a possible change in the index by 3% as estimated by the Manager

As at 30 Jun 2011, if the CSI Hong Kong Private-owned Mainland Enterprises Index had increased by 3% with all other variables held constant, this would have increased the post-tax profit for the period by approximately HK\$5,766,553. Conversely, if the CSI China Consumer Index had decreased by 3%, this would have decreased the post-tax profit for the year by equal amounts.

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2011

3 Financial risk management (Continued)

3.1 Market risk (Continued)

(i) Market price risk (Continued)

Da Cheng CSI Hong Kong State-owned Mainland Enterprises Tracker

The Sub-fund held 40 out of 40 shares comprising the CSI Hong Kong State-owned Mainland Enterprises Index. The Sub-fund is therefore exposed to substantially the same market price risk as the CSI Hong Kong State-owned Mainland Enterprises Index.

Sensitivity analysis in the event of a possible change in the index by 3% as estimated by the Manager

As at 30 Jun 2011, if the CSI Hong Kong State-owned Mainland Enterprises Index had increased by 3% with all other variables held constant, this would have increased the post-tax profit for the period by approximately HK\$3,613,685. Conversely, if the CSI China Consumer Index had decreased by 3%, this would have decreased the post-tax profit for the year by equal amounts.

(ii) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

As at 30 Jun 2011, interest rate risk arises only from bank balances which are reset monthly. As these interest bearing assets and liabilities are short-term in nature, the Manager considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. Therefore no sensitivity analysis has been disclosed for these bank balances.

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

3 Financial risk management (Continued)

3.1 Market risk (Continued)

(iii) Currency risk

Currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. Refer to note 3.1(i) for details.

As the Sub-Funds did not have significant amount of monetary assets and liabilities denominated in other currencies at the end of the reporting period, the Sub-Fund is not exposed to significant currency risk.

3.2 Credit and counterparty risk

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

Financial assets which potentially subject the Sub-Funds to concentrations of credit and counterparty risk consist principally of investments issued by ALP Issuers and bank balances.

The Sub-Funds limits their exposure to credit and counterparty risk by transacting the majority of their investments and contractual commitment activity with well established broker-dealers, banks and regulated exchanges with high credit ratings.

All transactions in listed investments are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal since delivery of investments sold is only made once the Sub-Funds' custodians have received payment. On a purchase, payment is made once the investments have been received by the broker. If either party fails to meet their obligation, the trade will fail.

The Sub-Fund is subject to credit and counterparty risk associated with each ALP Issuer and may suffer losses potentially equal to the full value of the ALPs issued by an ALP Issuer if such ALP Issuer fails to perform its obligations under the ALPs. The ALPs constitute direct, general and unsecured contractual obligations of the ALP Issuer.

DCI ETF TRUST

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2011**

3 Financial risk management (Continued)

3.2 Credit and counterparty risk (Continued)

(i) Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)

The Manager has entered into securities lending arrangements with the ALP Issuers or their affiliates, i.e., Goldman Sachs International and Merrill Lynch International & Co. C.V., in order to reduce the Sub-Fund's net relative exposure to each of their banking groups accordingly.

Under the securities lending arrangement, the ALP Issuer has agreed to provide share or cash collateral to the Sub-fund in respect of the ALPs issued. The Sub-fund will lend ALPs to the ALP Issuer in return for share or cash collateral. The purpose of the securities lending arrangement is to reduce the Sub-Fund's net counterparty exposure to each ALP Issuer to about 10% of the net asset value.

As at 30 June 2011, there were one securities lending arrangement: an arrangement between the Sub-Fund and Merrill Lynch International & Co. C.V., under which the value of share collateral held in custody by the Trustee from Merrill Lynch International & Co. C.V. amounted to approximately HK\$75,157,051 against ALPs lent to Merrill Lynch International & Co. C.V. valued at approximately HK\$74,284,356.10.

As at 31 December 2010, there were two securities lending arrangements: (1) an arrangement between the Sub-Fund and Goldman Sachs International, under which the amount of collateral held in custody by the Trustee from Goldman Sachs International amounted to approximately HK\$7,776,283 against ALPs lent to Goldman Sachs International valued at approximately HK\$8,041,887, and (2) an arrangement between the Sub-Fund and Merrill Lynch International & Co. C.V., under which the value of share collateral held in custody by the Trustee from Merrill Lynch International & Co. C.V. amounted to approximately HK\$74,159,005 against ALPs lent to Merrill Lynch International & Co. C.V. valued at approximately HK\$67,551,622.

The collateral and ALPs are marked to market every day by the borrower or an affiliate of the borrower. The Trustee may demand the provision of additional collateral to eliminate any deficiency. Likewise the borrower may demand the return of collateral to eliminate any excess.

The Sub-Fund pays a fee in respect of the collateral arrangements. As at 30 Jun 2011, the Sub-Fund had incurred expenses of HK\$287,739 (31 December 2010: HK\$504,201) representing 0.35% of the net asset value as at 30 June 2011 (31 December 2010, representing 0.51% of the net asset value) pursuant to the securities lending arrangements.

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

3 Financial risk management (Continued)

3.2 Credit and counterparty risk (Continued)

Under the securities lending arrangements, both the lender and the borrower are obligated to pay and deliver any sum or money or property that the original owner would have been entitled including dividends and interest.

Collateral may involve risks including settlement, operational and realisation risks. For example, collateral is subject to fluctuations in market value and the prices of subject securities may change over time. The value of the collateral securities may be lower upon realisation of the securities. In case of collateral securities which are listed securities, the listing of such securities may be suspended or revoked or the trading of such securities on the stock exchanges may be suspended, and during the period of suspension or upon revocation, it may not be possible to realise the relevant collateral securities. While the Manager will endeavor to use a tax efficient arrangement in respect of any collateral, there is no guarantee that such arrangement will not be challenged by the tax authorities. If such arrangement is successfully challenged, the Sub-Funds may be required to pay the requisite tax (such as stamp duties) and other penalties.

Accordingly, the value of the collateral realised may not be sufficient to cover the value of the ALPs secured by such collateral.

The table below sets out the net exposure of the Sub-Fund to counterparties as at 30 June 2011 together with their credit ratings of senior long-term debt by Standard & Poor's Rating Services:

	As At 30 June 2011	As At 31 December 2010
	Net exposure to counterparties HK\$	Net exposure to counterparties HK\$
Bank balances		
Bank of China (Hong Kong) Limited	2,488,999	1,632,160
- Rating	A-	A-
ALP issuers		
Merrill Lynch International & Co. C.V. *(The guarantor is rated)		
- Financial assets at fair value through profit or loss	80,720,045	83,055,139
- Collateral obtained	(75,157,051)	(74,159,005)
	<u>5,562,994</u>	<u>8,896,134</u>
- Rating	A	A
* acquired by Bank of America		

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2011

3 Financial risk management (Continued)

3.2 Credit and counterparty risk (Continued)

The maximum exposure to credit risk at 30 June 2011 is the carrying amount of the assets as shown on the condensed statement of financial position.

The Manager considers that none of these assets are impaired nor past due as at 30 June 2011. (31 December 2010: Nil)

(ii) Da Cheng CSI Hong Kong Private-owned Mainland Enterprises Tracker

The table below sets out the net exposure of the Da Cheng CSI Hong Kong Private-owned Mainland Enterprises Tracker as at 30 June 2011 together with its credit rating of senior long-term debt by Standard & Poor's Rating Services:

	As At 30 June 2011
	Net exposure
	to
	counterparties
	HK\$
Bank balances	
Bank of China (Hong Kong) Limited	3,971,345
- Rating	A-

The maximum exposure to credit risk at 30 June 2011 is the carrying amount of the assets as shown on the condensed statement of financial position, excluding listed equities.

The Manager considers that none of these assets are impaired nor past due as at 30 June 2011.

(iii) Da Cheng CSI Hong Kong State-owned Mainland Enterprises Tracker

The table below sets out the net exposure of the Da Cheng CSI Hong Kong State-owned Mainland Enterprises Tracker as at 30 June 2011 together with its credit rating of senior long-term debt by Standard & Poor's Rating Services:

	As At 30 June 2011
	Net exposure
	to
	counterparties
	HK\$
Bank balances	
Bank of China (Hong Kong) Limited	2,368,547
- Rating	A-

The maximum exposure to credit risk at 30 June 2011 is the carrying amount of the assets as shown on the condensed statement of financial position, excluding listed equities.

The Manager considers that none of these assets are impaired nor past due as at 30 June 2011.

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

3 Financial risk management (Continued)

3.3 Liquidity risk

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

As at 30 June 2011, all of the Sub-Funds' non-derivative financial assets and liabilities have contractual maturities not later than one month (31 December 2010: Not later than one month for all of the Sub-Funds). As at 30 June 2011, each Sub-Fund held liquid assets, comprising bank balances and prepayments and other receivables that are expected to readily generate cash inflows for managing liquidity risk.

The Da Cheng CSI Hong Kong Mainland Private-owned Enterprises Tracker and The Da Cheng CSI Hong Kong Mainland State-owned Enterprises Tracker invest the majority of their assets in investments that are traded in active markets and can be readily disposed of.

The Da Cheng CSI China Mainland Consumer Tracker*(*This is a synthetic ETF) holds ALPs which do not have an active market. However, transactions with participating dealers are generally in-kind and where a participating dealer subscribes or redeems in cash, such transactions would be effected with an ALP Issuer nominated by the participating dealer.

3.4 Fair value estimation

The Sub-Funds adopted the amendment to IFRS 7, which requires the Sub-Funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2011

3 Financial risk management (Continued)

3.4 Fair value estimation (Continued)

The determination of what constitutes “observable” requires significant judgment by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the Sub-Funds’ financial assets (by class) measured at fair value at 30 June 2011:

*Da Cheng CSI China Mainland
Consumer Tracker* (*This is a
synthetic ETF)*

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
30 June 2011				
Assets				
Financial assets at fair value through profit or loss				
- ALPs	-	-	82,350,060	82,350,060
31 December 2010				
Assets				
Financial assets at fair value through profit or loss				
- ALPs	-	-	98,633,423	98,633,423

*Da Cheng CSI Hong Kong
Private-owned Mainland
Enterprises Tracker*

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
30 June 2011				
Assets				
Financial assets at fair value through profit or loss				
- Equity Securities	196,229,363	-	-	196,229,363

*Da Cheng CSI Hong Kong State-
owned Mainland Enterprises
Tracker*

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
30 June 2011				
Assets				
Financial assets at fair value through profit or loss				
- Equity Securities	123,126,783	-	-	123,126,783

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

3 Financial risk management (Continued)

3.4 Fair value estimation (Continued)

Investment whose values are based on quoted market prices in active markets are classified within level 1. The Sub-Funds do not adjust the quoted price for these instruments.

Investments that trade in markets that are not considered to be active and are priced by the market maker supported by observable inputs are classified within level 2.

Investments that trade in markets that are not considered to be active and are priced by the market maker based on unobservable inputs are classified within level 3. The level 3 investments included ALPs held by the CSI China Mainland Consumer ETF which can only be traded with the relevant ALP Issuers. The value of each ALP is derived from the quoted market prices of the relevant underlying security, adjusted for the expected amount payable to the issuer in respect of potential capital gains tax (if any) which could vary as described in note 4 below.

3.5 Capital risk management

The Sub-Funds' capital is represented by the redeemable units outstanding. The Sub-Funds do not have any internally and externally imposed capital requirements and therefore the Sub-Fund is not subject to significant capital risk.

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

4 Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.1 Functional currency

Management considers the Hong Kong dollar the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Hong Kong dollar is the currency in which the Sub-Funds measure their performance and reports their results, as well as the currency in which the Sub-Funds determine the net asset value per unit at the time of issue or redemption. This determination also considers that the Sub-Funds are listed on The Stock Exchange of Hong Kong Limited and their shares are quoted in Hong Kong dollar.

4.2 Taxation

In preparing these financial statements, Management has made certain assumptions and used various estimates concerning the tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

Da Cheng CSI Hong Kong Private-owned Enterprises Tracker

The Sub-Fund invests in shares of companies in People's Republic of China ("PRC") listed on overseas stock exchanges including the H-shares listed in Hong Kong on the SEHK ("H-shares"). Under the PRC Corporate Income Tax Law, the Sub-fund may be liable to pay PRC tax on the capital gains realised in the trading of H-shares. However, no provision was made for taxation from such gains in the condensed financial statements as the Manager believes that the Sub-Fund can sustain a position for filling a tax return based on the existing tax regulations and that the enforcement of PRC tax on capital gains is not probable.

Da Cheng CSI Hong Kong State-owned Enterprises Tracker

The Sub-Fund invests in shares of companies in People's Republic of China ("PRC") listed on overseas stock exchanges including the H-shares listed in Hong Kong on the SEHK ("H-shares"). Under the PRC Corporate Income Tax Law, the Sub-fund may be liable to pay PRC tax on the capital gains realised in the trading of H-shares. However, no provision was made for taxation from such gains in the condensed financial statements as the Manager believes that the Sub-Fund can sustain a position for filling a tax return based on the existing tax regulations and that the enforcement of PRC tax on capital gains is not probable.

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

4 Critical accounting estimates and assumptions (continued)

4.2 Taxation (continued)

Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)

The Sub-Fund does not invest directly in A Shares but instead gains access to the A-Share market by investing into ALPs, which are derivative instruments linked to an A Share or the Index issued by one of more Qualified Foreign Institutional Investors ("QFIIs") or their affiliates ("ALP Issuers"). An ALP represents only an obligation of each ALP Issuer to provide the economic performance equivalent to holding the underlying A Shares. Under the general taxing provision of PRC corporate tax law, a 10% withholding tax may be payable on the gains derived from the sale of A Shares by QFIIs. The Manager considers that the charge for PRC tax on gains on A Shares is uncertain as at the date of approval of these financial statements and has exercised its judgment to this tax risk. The Manager believes that presently there are insufficient grounds to reasonably justify making an adjustment for potential tax on gains on A Shares in determining the fair value of the ALPs as at 30 June 2011 as the Manager considers that:

- (a) it is uncertain whether the PRC will enforce tax on QFII gains;
- (b) if the PRC were to enforce the tax, it is uncertain from which date the tax would be calculated and payable and the extent to which the QFIIs may benefit from tax treaties; and
- (c) at present, uncertainty remains as to the obligations of the Sub-Fund to bear such tax.

Any adverse change in taxation imposed on QFIIs is likely to have a subsequent impact on the fair value of the ALPs and accordingly the net assets attributable to unitholders of the Sub-Fund. The Manager estimates, on the basis of information provided by the ALP Issuers and the Trustee, the unrealised gains and realised gains which could be exposed to PRC taxation at the rate of 10% as at 30 June 2011 to be approximately HK\$1,639,750.75 and approximately HK\$155,916 respectively.

The Manager continues to monitor the situation and will make an appropriate adjustment if and when it is considered that there are sufficient grounds to do so. Such adjustment could be significant as indicated above.

5 Net assets attributable to unitholders

Redeemable units of the Sub-Funds, which are represented by assets less liabilities, are classified as equity and accounted for in accordance with IFRS (the "Accounting NAV"). For the purpose of determining the net asset value per unit for subscriptions and redemptions and for various fee calculations (the "Dealing NAV"), the Trustee calculates the Dealing NAV in accordance with the provisions of the Sub-Fund's Trust Deed, which may be different from the accounting policies under IFRS.

DCI ETF TRUST

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2011**

5 Net assets attributable to unitholders (continued)

	Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)	
	30.06.2011 (Unaudited) HK\$	31.12.2010 (Audited) HK\$
Accounting NAV as reported in the statement of financial position	82,315,429	98,828,868
Difference between bid market prices and official closing prices in valuing listed investments (Note a)	34,631	39,483
Dealing NAV	<u>82,350,060</u>	<u>98,868,351</u>
	Da Cheng CSI Hong Kong Private-owned Enterprises Tracker	Da Cheng CSI Hong Kong State-owned Enterprises Tracker
	30.06.2011 (Unaudited) HK\$	30.06.2011 (Unaudited) HK\$
Accounting NAV as reported in the statement of financial position	195,483,571	122,938,536
Difference between bid market prices and official closing prices in valuing listed investments (Note a)	745,792	188,247
Dealing NAV	<u>196,229,363</u>	<u>123,126,783</u>

Note a: Investments that are listed or traded on an exchange and investments with prices quoted by market makers are stated at the official closing prices for the purpose of the Dealing NAV. The accounting policy of the Sub-Funds for the purpose of compliance with IAS 39 – “Financial Instruments: Recognition and Measurements” and for reporting purpose is to value its investments at the relevant bid market prices at the end of the reporting period.

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

6 Movement of the Redeemable Units

The movements of the redeemable units are as follows:

	Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF) Number of Units	
	01.01.2011 to 30.06.2011	15.07.2010(Date of inception) to 31.12.2010
Units in issue at the beginning of the period	9,000,000	-
Issue of units	-	16,000,000
Redemption of units	(1,500,000)	(7,000,000)
Units in issue at the end of the period	<u>7,500,000</u>	<u>9,000,000</u>
	HK\$	HK\$
Net assets attributable to unitholders (Dealing NAV)	<u>82,350,060</u>	<u>98,868,351</u>
Net assets attributable to unitholders (Dealing NAV) per unit	<u>10.98</u>	<u>10.99</u>
	Da Cheng CSI Hong Kong Private-owned Enterprises Tracker Number of units	Da Cheng CSI Hong Kong State-owned Enterprises Tracker Number of units
	20.12.2010 (Date of inception) to 30.06.2011	20.12.2010 (Date of inception) to 30.06.2011
Units in issue at the beginning of the period	-	-
Issue of units	25,500,000	16,500,000
Redemption of units	(5,500,000)	(4,000,000)
Units in issue at the end of the period	<u>2,000,000</u>	<u>12,500,000</u>
	HK\$	HK\$
Net assets attributable to unitholders (Dealing NAV)	<u>196,229,363</u>	<u>123,126,783</u>
Net assets attributable to unitholders (Dealing NAV) per unit	<u>9.81</u>	<u>9.85</u>

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2011

7 Net gain on investments

	Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)	
	01.01.2011 to 30.06.2011 (Unaudited) HK\$	15.07.2010 (Date of inception) to 31.12.2010 (Audited) HK\$
Net realised gain on financial assets at fair value through profit or loss	5,001,940	14,029,469
Net change in unrealised gain/loss on financial assets at fair through profit or loss	(4,092,673)	19,347,530
	<u>909,267</u>	<u>33,376,999</u>
	Da Cheng CSI Hong Kong Private- owned Enterprises Tracker Number of units	Da Cheng CSI Hong Kong State- owned Enterprises Tracker Number of units
	20.12.2010 (Date of inception) to 30.06.2011 (Unaudited) HK\$	20.12.2010 (Date of inception) to 30.06.2011 (Unaudited) HK\$
Net realised gain on financial assets at fair value through profit or loss	(3,493,397)	(477,681)
Net change in unrealised gain/loss on financial assets at fair through profit or loss	(3,604,429)	(2,581,826)
	<u>(7,097,826)</u>	<u>(3,059,507)</u>

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

8 Taxation

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

PRC Withholding Tax

The investments of the Da Cheng CSI China Mainland Consumer Tracker in the A Shares of PRC listed companies are held through the ALPs issued by one or more QFIs or their affiliates. A 10% withholding tax is withheld by QFIs/ALP Issuers on all PRC sourced dividends. A 10% withholding tax may also be payable on gains derived from sale of A Shares by QFIs as described in Note 4 above.

9 Transactions with the Trustee, Manager and connected persons

The following is a summary of significant related party transactions/transactions entered into during the period between the Sub-Fund and the Trustee, the Manager and their connected persons. Connected persons of the Manager are those defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC code"). All transactions entered into during the period between the Sub-Funds 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 Sub-Funds do not have any other transactions with connected persons except for transactions disclosed below.

9.1 Management fee

Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)

The Manager is entitled to receive a management fee, currently at the annual rate of 0.99% of the net asset value of the Sub-Fund. The fee is accrued daily and calculated as at each dealing day and payable monthly in arrears.

The Trustee fee, registrar fee and Index licensing fee of the Da Cheng CSI China Mainland Consumer Tracker, totalling HK\$417,873, are paid by the Manager.

Da Cheng CSI Hong Kong Private-owned Mainland Enterprises Tracker.

The Manager is entitled to receive a management fee, currently at the annual rate of 0.60% of the net asset value of the Sub-Fund. The fee is accrued daily and calculated as at each dealing day and payable monthly in arrears.

Da Cheng CSI Hong Kong State-owned Mainland Enterprises Tracker

The Manager is entitled to receive a management fee, currently at the annual rate of 0.60% of the net asset value of the Sub-Fund. The fee is accrued daily and calculated as at each dealing day and payable monthly in arrears.

DCI ETF TRUST

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2011**

9 Transactions with the Trustee, Manager and connected persons (continued)

9.2 ALP maintenance charge

Da Cheng CSI China Mainland Consumer Tracker (*This is a synthetic ETF)*

The ALP Issuers are entitled to an ALP maintenance charge out of the distribution payable under the ALPs at 0.4% per annum of the daily mark to market value of the ALPs issued by the relevant ALP Issuer held by the CSI China Mainland Consumer ETF, payable at the end of each quarter based on the period's number of actual days. As at 30 June 2011, the relevant ALP Issuer is Merrill Lynch International & Co. C.V.

9.3 Transaction costs on investment

Da Cheng CSI China Mainland Consumer Tracker (*This is a synthetic ETF)*

The ALP Issuers charge a 0.3% commission (excluding stamp duty) on each purchase and sale of each ALP acquired for the account of the CSI China Mainland Consumer ETF. The ALP Commission is an expense borne by the Sub-Fund. The ALP Commission will be adjusted for any stamp duty on the sale and purchase of A Shares, currently at 0.1% per cent on the sale of A Shares.

The ALP commission may be increased generally or in respect of specific ALP Issuers or transaction.

9.4 Bank balances

Bank balances are maintained with group companies of the Trustee, which carry interest at normal commercial rates. Bank balances held with the group companies of the Trustee as at 30 June 2011 were as follows:

Sub-Funds	As At 30 June 2011 HK\$	As At 31 December 2010 HK\$
Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)	2,488,999	1,632,160
Da Cheng CSI Private-owned Mainland Enterprises Tracker	3,971,345	-
Da Cheng CSI State-owned Mainland Enterprises Tracker	2,368,547	-

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

9 Transactions with the Trustee, Manager and connected persons (continued)

9.5 Investment balances

Investment balances are maintained with group companies of the Trustee. Investment balances held with the group companies of the Trustee as at 30 June 2011 were as follows:

Sub-Funds	As At	As At
	30 June 2011	31 December 2010
	HK\$	HK\$
Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)	80,720,045	98,633,423
Da Cheng CSI Private-owned Mainland Enterprises Tracker	192,218,428	-
Da Cheng CSI State-owned Mainland Enterprises Tracker	120,456,150	-

10 Major non-cash transactions

10.1 Subscriptions

Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)

No subscription for the Sub-fund during the period.

Da Cheng CSI Private-owned Mainland Enterprises Tracker

During the period, all units issued were through in kind creation and the Sub-Fund issued 25,500,000 units in exchange for baskets consisting of investments valued at a total of HK\$245,979,559 plus the relevant cash component.

Da Cheng CSI State-owned Mainland Enterprises Tracker

During the period, all units issued were through in kind creation and the Sub-Fund issued 16,500,000 units in exchange for baskets consisting of investments valued at a total of HK\$153,379,206 plus the relevant cash component.

10.2 Redemptions

Da Cheng CSI China Mainland Consumer Tracker* (*This is a synthetic ETF)

During the period, 1,500,000 units of the Sub-Fund were redeemed in exchange for baskets consisting of investments valued at a total of HK\$15,785,766 plus the relevant cash component included in the statement of cash flows.

Da Cheng CSI Private-owned Mainland Enterprises Tracker

During the period, 5,500,000 units of the Sub-Fund were redeemed in exchange for baskets consisting of investments valued at a total of HK\$51,801,868 plus the relevant cash component.

Da Cheng CSI State-owned Mainland Enterprises Tracker

During the period, 4,000,000 units of the Sub-Fund were redeemed in exchange for baskets consisting of investments valued at a total of HK\$39,103,054 plus the relevant cash component.

DCI ETF TRUST

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

11 Soft commission arrangements

The Manager confirms that there have been no soft commission arrangements existing during the period in relation to directing transactions of the Sub-Fund through a broker or dealer.

12 Investment limitation and prohibitions under the SFC code

Pursuant to the SFC's Guidelines for Regulating Index Tracking Exchange Trade Funds (the "ETF Guidelines"), the Manager is permitted to overweight the holdings of the CSI China Mainland Consumer ETF, the CSI HK Private-owned Mainland Enterprises ETF, and the CSI HK State-owned Mainland Enterprises ETF relative to their respective weightings in their respective indices, on the condition that the maximum extra weighting in any constituent will not exceed 4%, 2.5% and 2.5% respectively.

The Manager and Trustee have confirmed that the Sub-Funds have complied with this limit during the period.

There were no constituent stocks that accounted for more than 10% of the net asset value of the Sub-Funds as at 30 June 2011.

13 Distribution

There is no distribution during the period 30 June 2011.

14 Segment information

The Manager makes the strategic resource allocations on behalf of the Sub-Funds and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that each Sub-Fund has a single operating segment which is investing in securities. The objective of the Sub-Funds are to track the performance of their respective indices and invest in substantially all the index constituents with security weight and industry weight that are closely aligned to the characteristics of the tracked indices.

The internal financial information used by the Manager for the Sub-Funds' assets, liabilities and performance is the same as that disclosed in the condensed statement of financial position and statement of comprehensive income.

The Sub-Funds are domiciled in Hong Kong. All of the Sub-Funds' income is from investments in securities which constitute the relevant tracked indices. The Sub-Funds' investments have been categorised by relevant geography.

The Sub-Funds have no assets classified as non-current assets. The Sub-Funds have portfolios that closely correspond to the security weight and industry weight of the relevant tracked indices.

DCI ETF TRUST

DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER* (*THIS IS A SYNTHETIC ETF) (A SUB-FUND OF DCI ETF TRUST)

INVESTMENT PORTFOLIO (UNAUDITED) AS AT 30 JUNE 2011

	Holdings	Fair value HK\$	% of Net assets
Investments (98.02%)			
China (98.02%)			
ALPs issued by Merrill Lynch International & Co. C.V.			
Anhui Jianghuai Automobile Co Ltd	66,175	884,825.67	1.07%
Beijing Dabeinong Technology Group Co Ltd	6,900	269,056.70	0.33%
Beijing Gehua CATV Network Co Ltd	54,435	667,578.15	0.81%
Beijing Yanjing Brewery Co Ltd	51,825	1,058,451.24	1.29%
Beiqi Foton Motor Co Ltd	108,400	1,132,397.00	1.38%
Chengdu B-ray Media Co Ltd	36,900	623,509.65	0.76%
China International Travel Service Co Ltd	22,605	642,862.27	0.78%
China National Medicines Corp Ltd	24,565	448,784.91	0.54%
Chongqing Brewery Co Ltd	24,865	1,717,710.85	2.09%
Chongqing Changan Automobile Co Ltd	59,225	652,192.60	0.79%
Chongqing Zongshen Power Machinery Co Ltd	52,400	453,429.61	0.55%
CITIC Guoan Information Industry Co Ltd	80,520	1,008,797.97	1.23%
Cofco Tunhe Co Ltd	43,025	530,755.43	0.64%
Dashang Co Ltd	25,180	1,158,536.52	1.41%
Dongfeng Automobile Co Ltd	68,510	361,141.82	0.44%
FAW Car Co Ltd	69,625	1,186,528.47	1.44%
Fuyao Group Glass Industries Co Ltd	119,945	1,495,517.87	1.82%
G V V Food & Beverage Co Ltd	71,555	443,503.36	0.54%
Gree Electric Appliances Inc of Zhuhai	168,823	4,774,733.97	5.80%
Guangdong Midea Electric Appliances Co Ltd	160,170	3,544,970.36	4.30%
Heilongjiang Agriculture Co Ltd	60,840	1,025,101.68	1.24%
Henan Shuanghui Investment & Development Co Ltd	25,900	2,059,461.96	2.50%
Inner Mongolia Yili Industrial Group Co Ltd	136,800	2,741,258.80	3.33%
Jiangsu Sunshine Co Ltd	106,805	647,846.06	0.79%
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	7,630	1,158,499.69	1.41%
Joyoung Co Ltd	19,560	294,258.20	0.36%
Kweichow Moutai Co Ltd	32,325	8,272,042.86	10.04%
Luzhou Lao Jiao Co Ltd	59,635	3,238,321.91	3.93%
Orient Group Incorporation	114,100	944,764.98	1.15%
Qingdao Haier Co Ltd	68,835	2,315,478.92	2.81%
Renrenle Commercial Group Co Ltd	10,300	235,526.91	0.29%



DCI ETF TRUST

DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER* (*THIS IS A SYNTHETIC ETF) (A SUB-FUND OF DCI ETF TRUST)

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED) AS AT 30 JUNE 2011

	Holdings	Fair value HK\$	% of Net assets
Investments (Continued)			
China (Continued)			
ALPs issued by Merrill Lynch International & Co. C.V. (Continued)			
SAIC Motor Co Ltd	158,160	3,567,105.43	4.33%
Shanghai Bailian Group Co Ltd	56,500	1,011,814.93	1.23%
Shanghai Bashi Industrial (Group) Co Ltd	88,390	1,183,989.91	1.44%
Shanghai Jahwa United Co Ltd	23,745	1,061,076.82	1.29%
Shanghai Oriental Pearl (Group) Co Ltd	136,370	1,271,950.60	1.54%
Shanghai Pharmaceuticals Co Ltd	68,165	1,378,225.95	1.67%
Shanghai Tyre and Rubber Co Ltd	5,280	96,461.81	0.12%
Shanghai Yuyuan Tourist Mart Co Ltd	98,395	1,288,402.71	1.56%
Shanxi Xinghuacun Fen Wine Factory Co Ltd	11,150	940,010.51	1.14%
Shenzhen Agricultural Products Co Ltd	46,025	884,049.10	1.07%
Shenzhen MTC Co Ltd	8,100	172,937.17	0.21%
Shenzhen Overseas Chinese Town Co Ltd	239,364	2,278,688.81	2.77%
Sichuan Changhong Electric Co Ltd	213,225	857,105.52	1.04%
Suning Appliance Co Ltd	359,230	5,538,235.65	6.73%
TCL Corporation	435,170	1,565,957.03	1.90%
Tianjin Faw Xiali Automobile Co Ltd	40,945	347,900.68	0.42%
Tsingtao Brewery Co Ltd	29,750	1,222,362.98	1.48%
Wuliangye Yibin Co Ltd	162,455	6,983,839.27	8.48%
Youngor Group Co Ltd	114,375	1,358,619.87	1.65%
Zhejiang China Commodities City Group Co Ltd	116,520	1,723,463.39	2.09%
		<hr/>	<hr/>
		80,720,044.52	98.02%
		<hr/>	<hr/>
Total investments		80,720,044.52	98.02%
Other net assets		1,630,015.51	1.98%
		<hr/>	<hr/>
Net assets as at 30 June 2011		82,350,060.03	100.00%
		<hr/> <hr/>	<hr/> <hr/>

DCI ETF TRUST

DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER* (*THIS IS A SYNTHETIC ETF) (A SUB-FUND OF DCI ETF TRUST)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) FOR THE PERIOD ENDED 30 JUNE 2011

	<u>Holdings</u>				
	31.12.2010	Additions	Corporate action	Disposals	30.06.2010
Investments					
China					
ALPs issued by Merrill Lynch International & Co. C.V					
Anhui Jianghuai Automobile Co Ltd	72375	-	-	(6200)	66175
Anhui Xinhua Media Co Ltd	8250	-	-	(8250)	0
Beijing Dabeinong Technology Group Co Ltd	-	6900	-	-	6900
Beijing Gehua CATV Network Co Ltd	59535	-	-	(5100)	54435
Beijing Yanjing Brewery Co Ltd	56625	-	-	(4800)	51825
Beiqi Foton Motor Co Ltd	60000	-	54200	(5800)	108400
Chengdu B-ray Media Co Ltd	-	36900	-	-	36900
China International Travel Service Co Ltd	24705	-	-	(2100)	22605
China National Medicines Corp Ltd	26865	-	-	(2300)	24565
Chongqing Brewery Co Ltd	27165	-	-	(2300)	24865
Chongqing Changan Automobile Co Ltd	64725	-	-	(5500)	59225
Chongqing Zongshen Power Machinery Co Ltd	-	52400	-	-	52400
CITIC Guoan Information Industry Co Ltd	88020	-	-	(7500)	80520
Cofco Tunhe Co Ltd	47025	-	-	(4000)	43025
Dashang Co Ltd	27480	-	-	(2300)	25180
Dongfeng Automobile Co Ltd	74910	-	-	(6400)	68510
FAW Car Co Ltd	76125	-	-	(6500)	69625

DCI ETF TRUST

**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER* (*THIS IS A SYNTHETIC ETF)
(A SUB-FUND OF DCI ETF TRUST)**

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)(CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2011**

	Holdings				30.06.2010
	31.12.2010	Additions	Corporate action	Disposals	
Investments (Continued)					
China (Continued)					
ALPs issued by Merrill Lynch International & Co. C.V (Continued)					
Fuyao Group Glass Industries Co Ltd	131145	-	-	(11200)	119945
G V V Food & Beverage Co Ltd	78255	-	-	(6700)	71555
Gree Electric Appliances Inc of Zhuohai	184523	-	-	(15700)	168823
Guangdong Midea Electric Appliances Co Ltd	175170	-	-	(15000)	160170
Heilongjiang Agriculture Co Ltd	66540	-	-	(5700)	60840
Henan Shuanghui Investment & Development Co Ltd	25000	900	-	-	25900
Hisense Electric Co Ltd	40560	-	-	(40560)	0
Inner Mongolia Yili Industrial Group Co Ltd	-	68400	68400	-	136800
Jiangling Motors Corp Ltd	19440	-	-	(19440)	0
Jiangsu Sunshine Co Ltd	116805	-	-	(10000)	106805
Jiangsu Yanghe Brewery Joint-Stock Co Ltd	4215	-	3815	(400)	7630
Joyoung Co Ltd	21360	-	-	(1800)	19560
Kweichow Moutai Co Ltd	35325	-	-	(3000)	32325
Luzhou Lao Jiao Co Ltd	65235	-	-	(5600)	59635
Orient Group Incorporation	124800	-	-	(10700)	114100
Qingdao Haier Co Ltd	75135	-	-	(6300)	68835
Renrenle Commercial Group Co Ltd	-	10300	-	-	10300
SAIC Motor Co Ltd	169160	-	-	(11000)	158160
Shanghai Bailian Group Co Ltd	61800	-	-	(5300)	56500
Shanghai Bashi Industrial (Group) Co Ltd	96690	-	-	(8300)	88390

DCI ETF TRUST

DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER* (*THIS IS A SYNTHETIC ETF) (A SUB-FUND OF DCI ETF TRUST)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)(CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2011

	Holdings				
	31.12.2010	Additions	Corporate action	Disposals	30.06.2010
Investments (Continued)					
China (Continued)					
ALPs issued by Merrill Lynch International & Co. C.V (Continued)					
Shanghai Jahwa United Co Ltd	23745	-	-	-	23745
Shanghai Jinjiang International Hotels Development Co Ltd	16725	-	-	(16725)	-
Shanghai Oriental Pearl (Group) Co Ltd	149070	-	-	(12700)	136370
Shanghai Pharmaceuticals Co Ltd	74565	-	-	(6400)	68165
Shanghai Tyre and Rubber Co Ltd	5280	-	-	-	5280
Shanghai Yuyuan Tourist Mart Co Ltd	107595	-	-	(9200)	98395
Shanxi Xinghuacun Fen Wine Factory Co Ltd	12150	-	-	(1000)	11150
Shenzhen Agricultural Products Co Ltd	50325	-	-	(4300)	46025
Shenzhen MTC Co Ltd	-	8100	-	-	8100
Shenzhen Overseas Chinese Town Co Ltd	145380	-	106384	(12400)	239364
Sichuan Changhong Electric Co Ltd	186480	-	42645	(15900)	213225
Suning Appliance Co Ltd	392730	-	-	(33500)	359230
TCL Corporation	237885	-	217585	(20300)	435170
Tianjin Faw Xiali Automobile Co Ltd	44745	-	-	(3800)	40945
Tsingtao Brewery Co Ltd	32550	-	-	(2800)	29750
Wuliangye Yibin Co Ltd	177555	-	-	(15100)	162455
Xinjiang Guannong Fruit & Antler Co Ltd	16935	-	-	(16935)	-
Youngor Group Co Ltd	104175	10200	-	-	114375
Zhejiang China Commodities City Group Co Ltd	63660	-	58260	(5400)	116520
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>



DCI ETF TRUST

**DA CHENG CSI CHINA MAINLAND CONSUMER TRACKER* (*THIS IS A SYNTHETIC ETF)
(A SUB-FUND OF DCI ETF TRUST)**

**PERFORMANCE RECORD (UNAUDITED)
AS AT 30 JUNE 2011**

Net asset value

	Net asset value per unit HK\$	Net asset value of the Sub-Fund HK\$
At end of financial period dated		
31 December 2010	10.99	98,868,351
30 June 2011	10.98	82,350,060

Highest and lowest net asset value per unit

	Highest net asset value per unit HK\$	Lowest net asset value per unit HK\$
Financial period ended		
31 December 2010 (since inception)	12.34	8.86
30 June 2011	12.34	8.86

DCI ETF TRUST

DA CHENG CSI CHINA PRIVATE-OWNED MAINLAND ENTERPRISES TRACKER (A SUB-FUND OF DCI ETF TRUST)

INVESTMENT PORTFOLIO (UNAUDITED) AS AT 30 JUNE 2011

	Holdings	Fair value HK\$	% of Net assets
Investments (97.96%)			
Listed Equities (97.96%)			
Hong Kong (97.96%)			
Agile Property	72,375	3,409,579.08	1.74%
Alibaba.com	8,250	3,823,998.80	1.95%
ANTA Sports	59,535	2,821,866.80	1.44%
Belle INTL	56,625	16,918,289.20	8.62%
BYD	60,000	2,847,734.50	1.45%
China Zhongwang	24,705	1,131,797.70	0.58%
CHSTEG	26,865	1,927,268.60	0.98%
CMBC	27,165	6,030,937.95	3.07%
CN Dongxiang	64,725	1,427,462.40	0.73%
CN Yurun Food GP	88,020	5,661,631.80	2.89%
ENN Energy Hold	47,025	3,955,327.20	2.02%
Evergrande RE	27,480	6,199,438.83	3.16%
GCL-Poly Energy	74,910	6,357,042.90	3.24%
GEELY AUTO	5,280	2,298,641.28	1.17%
Glorious	76,125	1,543,623.48	0.79%
GOLDEN EAGLE	131,145	3,121,663.86	1.59%
GOME	184,523	6,346,564.56	3.23%
Greentown CN	175,170	996,350.14	0.51%
HENGAN INTL GP	66,540	12,204,809.20	6.22%
Hidili Intl	25,000	1,415,211.32	0.72%
Hopson Dev Hold	40,560	992,559.03	0.51%
Huabao	96,690	2,725,941.60	1.39%
KWG Property	19,440	1,527,830.64	0.78%
Li Ning	116,805	2,022,701.50	1.03%
Longfor	4,215	3,767,627.24	1.92%
Modern Agri	21,360	1,844,144.90	0.94%
ND PAPER	35,325	2,567,576.66	1.31%
Parkson Retail	65,235	3,256,808.06	1.66%
Ping An of China	124,800	18,236,557.40	9.29%
Renhe Comm	75,135	3,365,217.00	1.71%
Sany	169,160	1,696,444.08	0.86%

DCI ETF TRUST

**DA CHENG CSI CHINA PRIVATE-OWNED MAINLAND ENTERPRISES TRACKER
(A SUB-FUND OF DCI ETF TRUST)**

**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 30 JUNE 2011**

	Holdings	Fair value HK\$	% of Net assets
Investments (continued)			
Listed Equities (continued)			
Hong Kong (continued)			
SHIMAO PPTY	361,218	3,467,692.80	1.77%
Shougang Res	658,154	3,126,231.50	1.59%
Shui On Land	531,332	1,811,842.12	0.92%
SOHO China	422,760	2,938,182.00	1.50%
Tencent Holdings	108,372	22,888,166.40	11.66%
Tingyi	455,870	10,963,673.50	5.59%
Want Want China	1,615,612	12,197,870.60	6.22%
Yingde Gases	147,366	1,056,614.22	0.54%
Zhongsheng Group	77,971	1,325,507.00	0.68%
		<u>192,218,427.85</u>	<u>97.96%</u>
		-----	-----
Total investments		192,218,427.85	97.96%
Other net assets		<u>4,010,935.22</u>	<u>2.04%</u>
Net assets as at 30 June 2011		<u>196,229,363.07</u>	<u>100.00%</u>
Total investments, at cost		<u>195,823,455.00</u>	

DCI ETF TRUST

DA CHENG CSI CHINA PRIVATE-OWNED MAINLAND ENTERPRISES TRACKER (A SUB-FUND OF DCI ETF TRUST)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) FOR THE PERIOD ENDED 30 JUNE 2011

	Holdings				
	31.12.2010	Additions	Corporate action	Disposals	30.06.2010
Investments					
Listed Equities					
Hong Kong					
Want Want China	-	1,615,612	-	-	1,615,612
GEELY AUTO	-	1,035,909	-	(279,777)	756,132
U-Presid China	-	304,623	-	(304,623)	-
Shui On Land	-	708,390	-	(177,058)	531,332
Tingyi	-	455,870	-	-	455,870
Huabao	-	442,629	-	(57,609)	385,020
SOHO China	-	585,378	-	(162,618)	422,760
GOME	-	2,547,858	-	(507,162)	2,040,696
Sany	-	175,491	68,501	(52,951)	191,041
Shougang Res	-	910,350	-	(252,196)	658,154
CHSTEG	-	310,182	-	(86,081)	224,101
Modern Agri	-	754,443	-	(208,838)	545,605
Tencent Holdings	-	167,178	-	(58,806)	108,372
Hopson Dev Hold	-	197,574	-	(55,577)	141,997
SHIMAO PPTY	-	499,800	-	(138,582)	361,218
Glorious	-	879,138	-	(243,902)	635,236
Zhongsheng Group	-	77,971	-	-	77,971
New World China	-	487,101	-	(487,101)	-
Longfor	-	435,795	-	(120,776)	315,019
HENGAN INTL GP	-	240,720	-	(65,866)	174,854
CN Yurun Food GP	-	348,075	-	(89,553)	258,522
BYD	-	156,570	-	(43,340)	113,230
China Zhongwang	-	457,266	-	(126,331)	330,935
Renhe Comm	-	2,482,323	-	(238,845)	2,243,478
Hidili Intl	-	290,445	-	(80,161)	210,284
Alibaba.com	-	426,819	-	(118,432)	308,387
KWG Property	-	408,102	-	(113,154)	294,948
Belle INTL	-	1,427,235	-	(395,632)	1,031,603
CMBC	-	1,164,075	-	(322,940)	841,135
ANTA Sports	-	281,316	-	(78,304)	203,012
Yingde Gases	-	204,204	-	(56,838)	147,366
Ping An of China	-	332,265	-	(105,301)	226,964
Li Ning	-	207,366	-	(57,091)	150,275
ENN Energy Hold	-	207,315	-	(57,492)	149,823

DCI ETF TRUST

**DA CHENG CSI CHINA PRIVATE-OWNED MAINLAND ENTERPRISES TRACKER
(A SUB-FUND OF DCI ETF TRUST)**

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)(CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2011**

	<u>Holdings</u>				
	31.12.2010	Additions	Corporate action	Disposals	30.06.2010
Investments (continued)					
Listed Equities (continued)					
Hong Kong (continued)					
ND PAPER	-	522,342	-	(143,084)	379,258
R&F Properties	-	286,365	-	(286,365)	-
GOLDEN EAGLE	-	218,994	-	(60,855)	158,139
Evergrande RE	-	1,692,384	-	(469,615)	1,222,769
Parkson Retail	-	395,964	-	(109,777)	286,187
Agile Property	-	401,115	-	(118,397)	282,718
GCL-Poly Energy	-	2,182,137	-	(604,707)	1,577,430
CN Dongxiang	-	798,813	-	(220,893)	577,920
Greentown CN	-	185,028	-	(51,469)	133,559
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

DCI ETF TRUST

**DA CHENG CSI CHINA PRIVATE-OWNED MAINLAND ENTERPRISES TRACKER
(A SUB-FUND OF DCI ETF TRUST)**

**PERFORMANCE RECORD (UNAUDITED)
AS AT 30 JUNE 2011**

Net asset value

	Net asset value per unit HK\$	Net asset value of the Sub-Fund HK\$
At end of financial period dated		
30 June 2011	9.81	196,229,363.07

Highest and lowest net asset value per unit

	Highest net asset value per unit HK\$	Lowest net asset value per unit HK\$
Financial period ended		
30 June 2011 (since inception)	10.24	8.85



DCI ETF TRUST

DA CHENG CSI CHINA STATE-OWNED MAINLAND ENTERPRISES TRACKER (A SUB-FUND OF DCI ETF TRUST)

INVESTMENT PORTFOLIO (UNAUDITED) AS AT 30 JUNE 2011

	Holdings	Fair value HK\$	% of Net assets
Investments (97.83%)			
Listed Equities (97.83%)			
Hong Kong (97.83%)			
Kunlun Energy	88,030	1,177,841.40	0.96%
CHINA MERCHANTS	44,042	1,323,462.10	1.07%
CHINA EB LTD	31,511	468,253.46	0.38%
CITIC Pacific	52,413	1,017,860.46	0.83%
China Resources	43,520	1,383,936.00	1.12%
Sinofert Hldg	75,857	260,189.51	0.21%
SH Indus Hldg	19,462	556,613.20	0.45%
Sinopec Corp.	599,063	4,690,663.29	3.81%
BJ Enterprises	20,094	814,811.70	0.66%
Dongfeng Motor	102,494	1,506,661.80	1.22%
CN Agri Ind Hold	57,869	476,840.56	0.39%
CN Overseas Land	145,098	2,420,234.64	1.97%
China Telecom	494,886	2,494,225.44	2.03%
Air China	82,104	661,758.24	0.54%
China Unicom HK	168,890	2,648,195.20	2.15%
China Res Power	67,273	1,021,204.14	0.83%
PetroChina	753,095	8,570,221.10	6.96%
CNOOC	638,451	11,594,270.16	9.42%
CCB	1,708,082	11,017,128.90	8.95%
China Mobile	155,251	11,178,072.00	9.08%
CTIH	30,312	532,884.96	0.43%
Lenovo Group	213,515	950,141.75	0.77%
CNCB	318,457	1,544,517.42	1.25%
CSEC	121,556	4,509,727.60	3.66%
CN Res Land	76,932	1,083,202.56	0.88%
YZ Coal Mining	70,351	2,082,389.60	1.69%
ABC	878,800	3,594,292.00	2.92%
ICBC	2,055,371	12,147,242.61	9.87%
CCCC	158,221	1,058,498.49	0.86%
China Coal Energ	146,922	1,539,742.56	1.25%
China COSCO	92,362	561,560.96	0.46%

DCI ETF TRUST**DA CHENG CSI CHINA STATE-OWNED MAINLAND ENTERPRISES TRACKER
(A SUB-FUND OF DCI ETF TRUST)****INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 30 JUNE 2011**

	Holdings	Fair value HK\$	% of Net assets
Investments (continued)			
Listed Equities (continued)			
Hong Kong (continued)			
Mengniu	43,186	1,131,473.20	0.92%
CHALCO	141,702	929,565.12	0.75%
CPIC	41,303	1,332,021.75	1.08%
China Life	265,505	7,062,433.00	5.74%
ZJKY	216,049	842,591.10	0.68%
BOCOM	284,166	2,117,036.70	1.72%
Sino-Ocean Land	120,924	478,859.04	0.39%
Merchants Bank	139,444	2,621,547.20	2.13%
Bank of China	2,388,913	9,053,980.27	7.35%
		<u>120,456,151.19</u>	<u>97.83%</u>
		-----	-----
Total investments		120,456,151.19	97.83%
Other net assets		<u>2,670,631.76</u>	<u>2.17%</u>
Net assets as at 30 June 2011		<u>123,126,782.95</u>	<u>100.00%</u>
Total investments, at cost		<u>123,038,345.76</u>	

DCI ETF TRUST

**DA CHENG CSI CHINA STATE-OWNED MAINLAND ENTERPRISES TRACKER
(A SUB-FUND OF DCI ETF TRUST)**

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2011**

	Holdings				30.06.2010
	31.12.2010	Additions	Corporate action	Disposals	
Investments					
Listed Equities					
Hong Kong					
Kunlun Energy	-	122,166	-	(34,136)	88,030
CHINA MERCHANTS	-	59,994	-	(15,952)	44,042
CHINA EB LTD	-	39,303	-	(7,792)	31,511
CITIC Pacific	-	71,973	-	(19,560)	52,413
China Resources	-	59,136	-	(15,616)	43,520
Sinofert Hldg	-	103,785	-	(27,928)	75,857
SH Indus Hldg	-	26,598	-	(7,136)	19,462
Sinopec Corp.	-	827,607	-	(228,544)	599,063
CN RAILWAY	-	207,471	-	(207,471)	-
BJ Enterprises	-	28,050	-	(7,956)	20,094
Dongfeng Motor	-	140,910	-	(38,416)	102,494
CN Agri Ind Hold	-	76,197	-	(18,328)	57,869
CN Overseas Land	-	201,498	-	(56,400)	145,098
China Telecom	-	684,486	-	(189,600)	494,886
Air China	-	82,104	-	-	82,104
China Unicom HK	-	232,386	-	(63,496)	168,890
China Res Power	-	92,697	-	(25,424)	67,273
PetroChina	-	1,040,655	-	(287,560)	753,095
CNOOC	-	881,331	-	(242,880)	638,451
CCB	-	2,387,154	-	(679,072)	1,708,082
China Mobile	-	176,451	-	(21,200)	155,251
CTIH	-	41,976	-	(11,664)	30,312
Lenovo Group	-	289,707	-	(76,192)	213,515
CNCB	-	366,861	-	(48,404)	318,457
CSEC	-	167,640	-	(46,084)	121,556
CN Res Land	-	99,396	-	(22,464)	76,932
YZ Coal Mining	-	96,591	-	(26,240)	70,351
ABC	-	878,800	-	-	878,800
ICBC	-	2,685,075	-	(629,704)	2,055,371
CCCC	-	218,493	-	(60,272)	158,221
China Coal Energ	-	202,554	-	(55,632)	146,922
China COSCO	-	127,182	-	(34,820)	92,362
Mengniu	-	59,994	-	(16,808)	43,186
CHALCO	-	194,502	-	(52,800)	141,702

DCI ETF TRUST

DA CHENG CSI CHINA STATE-OWNED MAINLAND ENTERPRISES TRACKER
(A SUB-FUND OF DCI ETF TRUST)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)(CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2011

	<u>Holdings</u>				
	31.12.2010	Additions	Corporate action	Disposals	30.06.2010
Investments (continued)					
Listed Equities (continued)					
Hong Kong (continued)					
CPIC	-	45,639	-	(4,336)	41,303
China Life	-	366,993	-	(101,488)	265,505
ZJKY	-	197,505	72,016	(53,472)	216,049
BOCOM	-	392,502	-	(108,336)	284,166
Sino-Ocean Land	-	166,848	-	(45,924)	120,924
Merchants Bank	-	192,852	-	(53,408)	139,444
Bank of China	-	3,299,505	-	(910,592)	2,388,913
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

DCI ETF TRUST

**DA CHENG CSI CHINA STATE-OWNED MAINLAND ENTERPRISES TRACKER
(A SUB-FUND OF DCI ETF TRUST)**

**PERFORMANCE RECORD (UNAUDITED)
AS AT 30 JUNE 2011**

Net asset value

	Net asset value per unit HK\$	Net asset value of the Sub-Fund HK\$
At end of financial period dated		
30 June 2011	9.85	123,126,782.95
	<u>9.85</u>	<u>123,126,782.95</u>
Highest and lowest net asset value per unit		
	Highest net asset value per unit HK\$	Lowest net asset value per unit HK\$
Financial period ended		
30 June 2011 (since inception)	10.55	9.37
	<u>10.55</u>	<u>9.37</u>