

Semi-Annual Report

CMS CSI OVERSEAS MAINLAND ENTERPRISE ETF

Reports and Financial Statements

For the period 24 October 2011 (Initial Offer) to 30 June 2012

Unaudited Condensed Semi-Annual Financial Statements
For the period from 24 October 2011 (Initial Offer) to 30 June 2012

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Management and Administration

Manager

CMS Asset Management (HK) Co., Limited
48th Floor, One Exchange Square,
8 Connaught Place, Central
Hong Kong

Directors of the Manager

Pan Jie
Liu Xingming
He Zhong

Trustee and Custodian

Cititrust Limited
50/F, Citibank Tower
Citibank Plaza
3 Garden Road
Hong Kong

Registrar

Computershare Hong Kong Investor Services Limited
46/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Service Agent

HK Conversion Agency Services Limited
2nd Floor, Vicwood Plaza
199 Des Voeux Road Central
Hong Kong

Listing Agent

China Merchants Securities (HK) Co. Limited
45th Floor, One Exchange Square
8 Connaught Place, Central
Hong Kong

Legal Advisers to the Manager

Baker & McKenzie
23rd Floor, One Pacific Place
88 Queensway
Hong Kong

Auditor

Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

Condensed Statement of Financial Position (Unaudited)

as at 30 June 2012

ASSETS HK\$

CURRENT ASSETS

Investments	42,796,425
Cash	298,136
Dividend and other receivables	775,331
Prepayments	970,888

Total assets	<u>44,840,780</u>
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LIABILITIES

CURRENT LIABILITIES

Management fee payable	(58,760)
Trustee fee payable	(11,752)
Other accounts payable and accruals	(248,245)
Other payables	(74,663)

Total liabilities	<u>(393,420)</u>
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EQUITY

Net assets attributable to unitholders

(At Bid Price)	<u>44,447,360</u>
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Net assets attributable to Unitholders (at last traded price)	44,500,020
Adjustment from last traded price to bid price	(52,660)

Net assets attributable to Unitholders (at bid price)	<u>44,447,360</u>
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Condensed Statement of Comprehensive Income (Unaudited)

For the period from 24 October 2011 to 30 June 2012

INCOME	HK\$
Dividend income	1,422,870
Interest income	164
Realised gain on sale of investments	1,579,945
Net exchange loss	(719)
Unrealised gain on investments	50,909
Total Income	<u>3,053,169</u>
EXPENSE	
Auditor's remuneration	(153,124)
Set-up Fee	(233,074)
Management fee	(330,689)
Trustee fee	(66,138)
Custodian and bank charges	(11,016)
Transaction costs on investments	(11,656)
Preliminary expenses	(1,928,463)
Total Operating Expenses	<u>(2,734,160)</u>
PROFIT BEFORE TAX	319,009
Dividend Withholding tax	<u>(118,675)</u>
TOTAL COMPREHENSIVE INCOME	<u>200,334</u>

Condensed Statement of Change in Net Assets Attributable to Unitholders (Unaudited)

For the period from 24 October 2011 to 30 June 2012

	HK\$
Net assets attributable to unitholders at 24 October 2011	-
Total comprehensive income for the period	200,334
Proceeds on issue of units	100,699,703
Payments on redemption of units	(56,452,677)
Distributions	-
Net assets attributable to unitholders at 30 June 2012	44,447,360

Number of units in issue

	Units
Units in issue at the beginning of the period	-
Issue of units	9,000,000
Redemption of units	(5,000,000)
Units in issue at the end of the period	4,000,000

Condensed Statement of Cash Flows (Unaudited)

For the period from 24 October 2011 to 30 June 2012

HK\$

OPERATING ACTIVITIES

Profit for the period 200,334

Adjustments for:

Dividend income (1,304,195)

Net realised gain on sale of financial assets (1,579,945)

Net change in unrealised gain on financial asset (50,909)

Purchase of investments (100,255,180)

Sale of investments 59,089,609

Dividend received 528,864

Increase in accrued expenses and other liabilities (577,468)

NET CASH USED IN OPERATING ACTIVITIES (43,948,890)

FINANCING ACTIVITIES

Proceeds from issuance of units 100,699,703

Payments for redemption of units (56,452,677)

NET CASH GENERATED FROM FINANCING ACTIVITIES 44,247,026

NET INCREASE IN CASH AND CASH EQUIVALENTS 298,136

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD -

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD 298,136

ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS

BANK BALANCES 298,136

Investment Portfolio by Industry Sector (Unaudited)

As at 30 June 2012

Security Name and Description	Holdings	Trade Price	Bid price	Fair Value	% OF TOTAL NET ASSET VALUE
Consumer Discretionary					
BELLE INTERNATIONAL HOLDINGS HKD0.01	50,160	13.12	13.14	659,102	1.48
CHINA LODGING GROUP-SPON ADS CHINA LODGI	184	11.74	11.7	16,699	0.04
CHINA RESOURCES ENTERPRISE	11,704	22.95	22.9	268,022	0.60
CTRIP.COM INTERNATIONAL-ADR ADS EA REP 1	1,456	16.76	16.72	188,836	0.42
DONGFENG MOTOR GRP CO LTD-H	28,000	11.9	11.86	332,080	0.75
E-COMMERCE CHINA-SPON ADR	320	6.66	6.63	16,457	0.04
FOCUS MEDIA HOLDING-ADR SP ADR RP 10 ORD	872	23.48	23.49	158,886	0.36
GOME ELECTRICAL APPLIANCES HKD0.1(POST C	100,424	1.02	1.01	101,428	0.23
HOME INNS & HOTELS MANAG-ADR	208	22.66	22.66	36,560	0.08
NEW ORIENTAL EDUCATIO-SP ADR SPONS ADR E	1,576	24.5	24.53	299,875	0.67
PARKSON RETAIL GROUP LTD	14,272	6.86	6.86	97,906	0.22
Consumer Staples					
CHINA MENGNIU DAIRY CO HKD0.1	12,216	20.35	20.25	247,374	0.56
CHINA YURUN FOOD GROUP LTD	14,744	6.75	6.72	99,080	0.22
HENGAN INTL GROUP CO LTD HKD0.1	8,528	74.95	74.75	637,468	1.43
TINGYI (CAYMAN ISLN) HLDG CO	22,144	19.82	19.84	439,337	0.99
WANT WANT CHINA HOLDINGS LTD	78,608	9.5	9.48	745,204	1.68
Energy					
CHINA COAL ENERGY CO - H 'H'CNY1	39,152	6.34	6.34	248,224	0.56
CHINA PETROLEUM & CHEMICAL-H	166,288	6.88	6.87	1,142,399	2.57
CHINA SHENHUA ENERGY CO - H CNY1'H'	33,720	27.05	27	910,440	2.05
CNOOC LTD HKD0.02	177,088	15.4	15.4	2,727,155	6.14
KUNLUN ENERGY COMPANY LTD	29,160	12.34	12.34	359,834	0.81
PETROCHINA CO LTD	209,104	9.95	9.94	2,078,494	4.68
YANZHOU COAL MINING CO ORD CL H	18,400	11.98	11.98	220,432	0.50
Financials					
AGILE PROPERTY HOLDINGS LTD	13,792	9.93	9.9	136,541	0.31
AGRICULTURAL BK CH 'H'CNY1	243,776	3.09	3.08	750,830	1.69
BANK OF CHINA LTD - H CNY1	663,024	2.94	2.94	1,949,291	4.39
BANK OF COMMUNICATIONS - H 'H'CNY1.00	86,744	5.19	5.18	449,334	1.01
CHINA CITIC BANK CORP LTD-H	89,096	3.95	3.93	350,147	0.79
CHINA CONSTRUCTION BANK-H	714,840	5.29	5.28	3,774,355	8.49
CHINA LIFE INSURANCE CO-H 'H'CNY1	73,744	19.96	19.9	1,467,506	3.30
CHINA MERCHANTS BANK - H CHINA MERCHANTS	38,760	14.46	14.48	561,245	1.26
CHINA OVERSEAS LAND & INVEST	40,544	17.98	17.98	728,981	1.64
CHINA PACIFIC INSURANCE GR-H 'H'CNY1	18,096	24.9	24.85	449,686	1.01
CHINA RESOURCES LAND LTD SHS	21,888	15.8	15.76	344,955	0.78
CHINA TAIPING INSURANCE HOLDIN	8,656	12.54	12.54	108,546	0.24
EVERGRANDE REAL ESTATE GROUP USD0.01	59,744	3.93	3.91	233,599	0.53
IND & COMM BK OF CHINA-H	602,152	4.29	4.28	2,577,211	5.80
LONGFOR PROPERTIES	15,312	12.06	12.04	184,356	0.41
PING AN INSURANCE GROUP CO-H 'H' CNY1	18,616	61.7	61.6	1,146,746	2.58
RENHE COMMERCIAL HOLDINGS HKD0.01	106,176	0.315	0.315	33,445	0.08
SHIMAO PROPERTY HOLDINDS LTD HKD0.10	13,904	11.84	11.8	164,067	0.37
YANLORD LAND GROUP LTD NPV	8,000	1.225	1.22	59,762	0.13

Investment Portfolio by Industry Sector (Unaudited) - continued

As at 30 June 2012

Security Name and Description	Holdings	Trade Price	Bid price	Fair Value	% OF TOTAL NET ASSET VALUE
Health Care					
MINDRAY MEDICAL INTL LTD-ADR SPON ADR EA	952	30.29	30.32	223,899	0.50
WUXI PHARMATECH INC-ADR ADR EACH REPR 8	640	14.12	14.09	69,948	0.16
Industrials					
51JOB INC-ADR ADR EA REP 2 ORD USD0.0001	80	45.55	45.45	28,204	0.06
BEIJING ENTERPRISES HLDGS	5,776	46.5	46.3	267,429	0.60
CHINA COMMUNICATIONS CONST-H 'H'CNY1	43,848	6.77	6.76	296,412	0.67
CHINA MERCHANTS HLDGS INTL	12,248	23.45	23.35	285,991	0.64
CHINA RONGSHENG HEAVY INDUSTRY	35,552	1.79	1.77	62,927	0.14
CITIC PACIFIC COMMON	14,824	11.7	11.7	173,441	0.39
COSCO INVESTMENT (S) LTD	11,200	0.98	0.98	67,208	0.15
SHANGHAI INDUSTRIAL ORD SHS	5,200	20.4	20.35	105,820	0.24
YANGZIJANG SHIPBUILDING NPV	19,200	1	0.995	116,978	0.26
Information Technology					
BAIDU.COM - ADR SPON ADR REP A	3,496	114.98	114.98	3,118,029	7.02
CHANGYOU.COM LTD-ADR SPON ADS REP 2 CL A	104	21.11	21.11	17,030	0.04
GIANT INTERACTIVE GROUP-ADR ADR EACH REP	1,152	4.83	4.84	43,250	0.10
LDK SOLAR CO LTD - ADR ADR EACH REPR 1 O	760	1.91	1.89	11,142	0.03
LENOVO GROUP LTD	60,752	6.54	6.53	396,711	0.89
NETEASE INC-ADR	792	58.85	58.81	361,296	0.81
QIHOO 360 TECHNOLOGY CO LTD ADS EA 2 REP	560	17.29	17.29	75,105	0.17
RENREN INC-ADR SPON ADR EA REPR 3 CL A	1,520	4.51	4.52	53,293	0.12
SHANDA GAMES LTD-ADR ADR EACH REP 2 SHS	864	4	3.99	26,741	0.06
SINA CORP ORD	672	51.81	51.79	269,961	0.61
SOHU COM INC COM	312	44.64	44.63	108,011	0.24
SOUFUN HOLDINGS LTD-ADR	224	15.81	15.82	27,488	0.06
SUNTECH POWER HOLDINGS-ADR	1,280	1.88	1.9	18,865	0.04
TENCENT HOLDINGS LTD ORD HKD0.0001	10,936	226	225.8	2,469,349	5.56
TRINA SOLAR LTD-SPON ADR ADR REP 100 ORD	808	6.36	6.35	39,799	0.09
VANCEINFO TECHNOLOGIES-ADR ADR EACH REPR	456	9.58	9.55	33,780	0.08
YINGLI GREEN ENERGY HOLD-ADR ADR EACH RE	952	2.78	2.75	20,307	0.05
YOUKU INC	800	21.68	21.66	134,411	0.30
Materials					
NINE DRAGONS PAPER HOLDINGS	18,464	4.31	4.31	79,580	0.18
SILVERCORP METALS INC COM NPV	1,600	5.64	5.62	68,419	0.15
Telecommunication Services					
CHINA MOBILE (HK) LTD	57,552	84.75	84.75	4,877,532	10.97
CHINA TELECOM CORP LTD SHS H	138,560	3.37	3.35	464,176	1.04
CHINA UNICOM HONG KONG LTD	46,704	9.76	9.73	454,430	1.02

Investment Portfolio by Industry Sector (Unaudited) - continued

As at 30 June 2012

Security Name and Description	Holdings	Trade Price	Bid price	Fair Value	% OF TOTAL NET ASSET VALUE
Utilities					
CHINA RESOURCES POWER HOLDING HK\$1	18,800	15.9	15.88	298,544	0.67
GCL POLY ENERGY HOLDINGS LTD	76,800	1.68	1.68	129,024	0.29
TOTAL INVESTMENT				42,796,425	96.29
OTHER NET ASSET				1,650,935	3.71
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS					
AT 30 JUN 2012 (AT BID MARKET PRICE)				44,447,360	100
TOTAL INVESTMENT AT COST				42,745,516	

Constituent securities that account for more than 10% of the weighting of CSI Overseas Mainland Enterprises Index as At 30 June 2012 are as follows:

Listed Equities	Currency	% Weight
CHINA MOBILE (HK) LTD	HKD	11.45%

Statement of Movements in Investment Portfolio (Unaudited)

For the period ended 30 June 2012

	Holdings as at <u>24.10.2011</u>	<u>Additions</u>	<u>Corporate Action</u>	<u>Disposals</u>	Holdings as at <u>30.06.2012</u>
Listed equities					
<u>Hong Kong</u>					
51JOB INC-ADR ADR EA REP 2 ORD USD0.0001	-	180	-	100	80
AGILE PROPERTY HOLDINGS LTD	31,752	-	-	17,960	13,792
AGRICULTURAL BK CH 'H'CNY1	561,996	-	-	318,220	243,776
ALIBABA.COM LTD	34,686	-	-	34,686	-
BAIDU.COM - ADR SPON ADR REP A	7,956	-	-	4,460	3,496
BANK OF CHINA LTD - H CNY1	1,528,884	-	-	865,860	663,024
BANK OF COMMUNICATIONS - H 'H'CNY1.00	200,034	-	-	113,290	86,744
BEIJING ENTERPRISES HLDGS	12,996	-	-	7,220	5,776
BELLE INTERNATIONAL HOLDINGS HKD0.01	115,650	-	-	65,490	50,160
BYD CO LTD-H	12,690	-	-	12,690	-
CHANGYOU.COM LTD-ADR SPON ADS REP 2 CL A	234	-	-	130	104
CHINA CITIC BANK CORP LTD-H	204,066	-	-	114,970	89,096
CHINA COAL ENERGY CO - H 'H'CNY1	93,852	-	-	54,700	39,152
CHINA COMMUNICATIONS CONST-H 'H'CNY1	101,178	-	-	57,330	43,848
CHINA CONSTRUCTION BANK-H	1,648,350	-	-	933,510	714,840
CHINA EVERBRIGHT LTD	19,710	-	-	19,710	-
CHINA LIFE INSURANCE CO-H 'H'CNY1	170,064	-	-	96,320	73,744
CHINA LODGING GROUP-SPON ADS CHINA LODGI	414	-	-	230	184
CHINA MENGNIU DAIRY CO HKD0.1	23,886	3,600	-	15,270	12,216
CHINA MERCHANTS BANK - H CHINA MERCHANTS	89,370	-	-	50,610	38,760
CHINA MERCHANTS HLDGS INTL	28,098	-	-	15,850	12,248
CHINA MOBILE (HK) CO LTD	137,592	360	-	80,400	57,552
CHINA OVERSEAS LAND & INVEST	93,384	-	-	52,840	40,544
CHINA PACIFIC INSURANCE GR-H 'H'CNY1	31,716	9,000	-	22,620	18,096
CHINA PETROLEUM & CHEMICAL-H	383,508	-	-	217,220	166,288
CHINA REAL ESTATE INFORM-ADR SPON ADS EA	666	-	-	666	-
CHINA RESOURCES ENTERPRISE	27,414	-	-	15,710	11,704
CHINA RESOURCES LAND LTD SHS	49,248	-	-	27,360	21,888
CHINA RESOURCES POWER HOLDIN HKD1	43,290	-	-	24,490	18,800
CHINA RONGSHENG HEAVY INDUSTRY	79,992	-	-	44,440	35,552
CHINA SHENHUA ENERGY CO - H CNY1'H'	77,670	-	-	43,950	33,720
CHINA TAIPING INSURANCE HOLDIN	19,476	-	-	10,820	8,656
CHINA TELECOM CORP LTD SHS H	317,160	-	-	178,600	138,560
CHINA UNICOM HONG KONG LTD	107,694	-	-	60,990	46,704
CHINA YURUN FOOD GROUP LTD	33,174	-	-	18,430	14,744
CITIC PACIFIC LIMITED	33,354	-	-	18,530	14,824
CNOOC LTD HKD0.02	408,348	-	-	231,260	177,088
COSCO CORP SINGAPORE LTD	25,200	-	-	14,000	11,200
CTRIP.COM INTERNATIONAL-ADR ADS EA REP 1	3,276	-	-	1,820	1,456
DONGFENG MOTOR GRP CO LTD-H	-	63,000	-	35,000	28,000
E-COMMERCE CHINA-SPON ADR	1,782	-	-	1,462	320
E-HOUSE CHINA HOLDINGS-ADS ADR EACH REPR	1,296	193	-	1,489	-
EVERGRANDE REAL ESTATE GROUP USD0.01	137,124	-	-	77,380	59,744

Statement of Movements in Investment Portfolio(Unaudited)

-(Continued)

For the period ended 30 June 2012

	Holdings as at		Corporate Action		Holdings as at
	<u>24.10.2011</u>	<u>Additions</u>		<u>Disposals</u>	<u>30.06.2012</u>
Listed equities					
<u>Hong Kong</u>					
FOCUS MEDIA HOLDING-ADR SP ADR RP 10 ORD	1,962	-	-	1,090	872
GCL POLY ENERGY HOLDINGS LTD	-	172,800	-	96,000	76,800
GIANT INTERACTIVE GROUP-ADR ADR EACH REP	2,592	-	-	1,440	1,152
GOME ELECTRICAL APPLIANCES HKD0.1(POST C	230,904	-	-	130,480	100,424
HENGAN INTL GROUP CO LTD HKD0.1	19,584	-	-	11,056	8,528
HOME INNS & HOTELS MANAG-ADR	468	-	-	260	208
IND & COMM BK OF CHINA-H	1,388,502	-	-	786,350	602,152
JA SOLAR HOLDINGS CO LTD-ADR ADR REPR 3	3,132	-	-	3,132	-
KUNLUN ENERGY COMPANY LTD	56,610	7,000	-	34,450	29,160
LDK SOLAR CO LTD - ADR ADR EACH REPR 1 O	1,710	-	-	950	760
LENOVO GROUP LTD	136,692	-	-	75,940	60,752
LONGFOR PROPERTIES	35,352	-	-	20,040	15,312
MINDRAY MEDICAL INTL LTD-ADR SPON ADR EA	2,142	-	-	1,190	952
NETEASE INC-ADR	1,782	-	-	990	792
NEW ORIENTAL EDUCATIO-SP ADR SPONS ADR E	3,546	-	-	1,970	1,576
NINE DRAGONS PAPER HOLDINGS	42,624	-	-	24,160	18,464
PARKSON RETAIL GROUP LTD	32,112	-	-	17,840	14,272
PETROCHINA CO LTD	482,184	-	-	273,080	209,104
PING AN INSURANCE GROUP CO-H 'H' CNY1	39,186	2,700	-	23,270	18,616
QIHOO 360 TECHNOLOGY CO LTD ADS EA 2 REP	-	1,260	-	700	560
RENHE COMMERCIAL HOLDINGS HKD0.01	292,896	-	-	186,720	106,176
RENREN INC-ADR SPON ADR EA REPR 3 CL A	-	3,420	-	1,900	1,520
SHANDA GAMES LTD-ADR ADR EACH REP 2 SHS	1,944	-	-	1,080	864
SHANDA INTERACTIVE ENTER-ADR SPONSORED A	774	-	-	774	-
SHANGHAI INDUSTRIAL ORD SHS	12,330	-	-	7,130	5,200
SHIMAO PROPERTY HOLDINDS LTD HKD0.10	40,554	-	-	26,650	13,904
SILVERCORP METALS INC COM NPV	3,600	-	-	2,000	1,600
SINA CORP ORD	1,512	-	-	840	672
SINO-OCEAN LAND HOLDINGS	90,216	-	-	90,216	-
SOHU COM INC COM	702	-	-	390	312
SOUFUN HOLDINGS LTD-ADR	1,692	-	-	1,468	224
SUNTECH POWER HOLDINGS-ADR	2,880	-	-	1,600	1,280
TENCENT HOLDINGS LTD ORD HKD0.0001	25,200	-	-	14,264	10,936
TINGYI (CAYMAN ISLN) HLDG CO	51,084	-	-	28,940	22,144
TRINA SOLAR LTD-SPON ADR ADR REP 100 ORD	1,818	-	-	1,010	808
VANCEINFO TECHNOLOGIES-ADR ADR EACH REPR	1,026	-	-	570	456
WANT WANT CHINA HOLDINGS LTD	181,278	-	-	102,670	78,608
WUXI PHARMATECH INC-ADR ADR EACH REPR 8	-	1,440	-	800	640
YANGZIJANG SHIPBUILDING NPV	43,200	-	-	24,000	19,200
YANLORD LAND GROUP LTD NPV	18,000	-	-	10,000	8,000
YANZHOU COAL MINING CO ORD CL H	-	41,400	-	23,000	18,400
YINGLI GREEN ENERGY HOLD-ADR ADR EACH RE	2,502	-	-	1,550	952
YOUKU INC	2,592	-	-	1,792	800

Performance Record

Net Asset Value (UNAUDITED)

<u>AT END OF FINANCIAL PERIOD DATED</u>	Net Asset Value HK\$	Net Asset Value Per Unit HK\$
30-Jun-12	44,447,360	11.1118

HIGHEST/LOWEST NET ASSET VALUE PER UNIT

<u>AT END OF FINANCIAL PERIOD DATED</u>	Highest Net Asset Value Per Unit HK\$	Lowest Net Asset Value Per Unit HK\$
30-Jun-12	12.7426	10.5988

Performance of the Fund

During the period, the CSI Overseas Mainland Enterprises ETF Index decreased by 2.37% and the net asset value per unit of the Fund decreased by 3.35% (For the period from 1 Nov 11- 30 Jun 12).