

LIPPO FUND SERIES

LIPPO SELECT HK & MAINLAND PROPERTY ETF

SEMI-ANNUAL FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

LIPPO FUND SERIES

LIPPO SELECT HK & MAINLAND PROPERTY ETF

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IMPORTANT:

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about the Lippo Fund Series, please refer to the prospectus of the Lippo Fund Series which is available at our website: <http://lippoetf.com/index.php/fund-info/>.

Investors should not rely on the information contained in this report for their investment decisions.

**LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

ADMINISTRATION AND MANAGEMENT

Manager

Lippo Investments Management Limited
24th Floor, Tower One
Lippo Centre, 89 Queensway
Hong Kong
Website: <http://www.lippo-im.com>

Directors of the Manager

Conrad Cheng Kam Wah
Sammy Yip Ka Tak (resigned on 14 August 2013)
Stanley Kwok Wai Leung (resigned on 15 October 2013)
Bruce Cheung Heung Wing (appointed on 15 October 2013)

Trustee

Cititrust Limited
50th Floor, Citibank Tower
Citibank Plaza, 3 Garden Road
Central, Hong Kong

Custodian and Administrator

Citibank N.A.
50th Floor, Citibank Tower
Citibank Plaza, 3 Garden Road
Central, Hong Kong

Registrar

Computershare Hong Kong Investor Services Limited
48th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Service Agent

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

Legal Adviser to the Manager

King & Wood Mallesons
13th Floor, Gloucester Tower
The Landmark, 15 Queen's Road Central
Central, Hong Kong

Auditor

PricewaterhouseCoopers
22nd Floor
Prince's Building
Central
Hong Kong

Participating Dealers

Merrill Lynch Far East Limited
15th Floor, Citibank Tower
3 Garden Road, Central
Hong Kong

Goldman Sachs (Asia) Securities Limited
68th Floor, Cheung Kong Center
2 Queen's Road Central
Hong Kong

Credit Suisse Securities (Hong Kong) Limited
88th Floor, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

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REPORT OF THE MANAGER

The dealing net asset value (“Dealing NAV”) of “The Lippo Select Hong Kong and Mainland Property Fund (“ETF”) as at the end of September 2013 was HKD 93.47 million and the Dealing NAV per unit was HKD 41.0848. The ETF achieved a return of 1.6% (dealing NAV per unit) for the six month period to the end of September 2013.

The Fund Manager, Lippo Investments Management Limited has adopted the full replication strategy in managing the ETF. The objective of the full replication strategy is to match as closely as practically possible to the benchmark weightings of each constituent stock in the Lippo Select HK & Mainland Property Index.

As at the end of September 2013, the ETF had 42 constituent stocks with a total unadjusted market capitalization of HKD 1831.1 billion

**LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**STATEMENT OF NET ASSETS
AS AT 30 SEPTEMBER 2013 (UNAUDITED)**

| | As at 30 September 2013 (unaudited) HK\$ | As at 31 March 2013 (audited) HK\$ |
|--|---|---|
| CURRENT ASSETS | | |
| Investments | 92,989,024 | 125,883,599 |
| Dividends receivable | 285,034 | 224,598 |
| Bank balances | 282,170 | 357,521 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | 93,556,228 | 126,465,718 |
| | ----- | ----- |
| CURRENT LIABILITIES | | |
| Management fee payable | 54,336 | 80,656 |
| Establishment costs payable | 433,973 | 433,973 |
| Other payables | - | 30,000 |
| | <hr/> | <hr/> |
| | 488,309 | 544,629 |
| NON-CURRENT LIABILITIES | | |
| Establishment costs payable | 1,194,521 | 1,395,069 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | 1,682,830 | 1,939,698 |
| | ----- | ----- |
| EQUITY | | |
| Net assets attributable to unitholders | 91,873,398 | 124,526,020 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Number of units in issue | 2,275,000 | 3,125,000 |
| Net assets attributable to unitholders per unit | 40.3839 | 39.8483 |

**LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

INVESTMENT LIMITATIONS AND PROHIBITIONS UNDER THE SFC CODE (UNAUDITED)

The SFC Code allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net asset value provided that the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the Lippo Select HK & Mainland Property Index (the "Index") and the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the Index (except as a result of changes in the composition of the Index and the excess is transitional and temporary in nature).

As at 30 September 2013 and 31 March 2013, the Sub-Fund did not have any constituent securities that accounted for more than 10% of its net asset value.

During the period from 01 April 2013 to 30 September 2013, the Lippo Select HK & Mainland Property Index increased by 2.2% [31 March 2013 (audited): 17.5%] while the unaudited dealing net asset value per unit of the Sub-Fund increased by 1.6% [31 March 2013 (audited): 16.8%].

**LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 SEPTEMBER 2013**

| Listed Equities | Holdings | Fair value HK\$ | % of net assets |
|--|-----------------|------------------------|------------------------|
| Properties | | | |
| AGILE PROPERTY HOLDINGS LTD | 224,181 | 1,914,505 | 2.08% |
| C C LAND HOLDINGS LTD | 210,228 | 437,273 | 0.48% |
| CHINA OVERSEAS GRAND OCEANS GROUP LTD | 129,783 | 1,225,151 | 1.33% |
| CHINA OVERSEAS LAND & INVEST | 234,131 | 5,349,893 | 5.82% |
| CHINA RESOURCES LAND LTD SHS | 253,375 | 5,586,919 | 6.08% |
| CHINA SOUTH CITY HOLDINGS HKD0.01 | 492,225 | 1,220,718 | 1.33% |
| COUNTRY GARDEN HOLDINGS CO HKD0.10 | 1,139,408 | 5,651,464 | 6.15% |
| EMPEROR INTL HLDG LTD HKD0.01 | 178,729 | 391,417 | 0.43% |
| EVERGRANDE REAL ESTATE GROUP USD0.01 | 1,037,242 | 3,360,664 | 3.66% |
| FANTASIA HOLDINGS GROUP CO HKD0.10'REG S | 338,419 | 416,255 | 0.45% |
| FRANSHION PROPERTIES HKD1 | 595,409 | 1,518,293 | 1.65% |
| GREENTOWN CHINA HOLDINGS HKD0.10 | 122,381 | 1,784,315 | 1.94% |
| GUANGZHOU R&F PROPERTIES - H | 164,955 | 1,999,255 | 2.18% |
| HYSAN DEVELOPMENT CO | 103,245 | 3,567,115 | 3.88% |
| K WAH INTL HOLDINGS SHS | 171,460 | 716,703 | 0.78% |
| KAISA GROUP HOLDINGS LTD HKD0.10 REGS | 279,120 | 602,899 | 0.66% |
| KERRY PROPERTIES LTD | 116,474 | 3,849,466 | 4.19% |
| KOWLOON DEVELOPMENT CO LTD | 56,087 | 538,996 | 0.59% |
| KWG Property HKD0.10 | 188,027 | 919,452 | 1.00% |
| LONGFOR PROPERTIES | 220,615 | 2,713,565 | 2.95% |
| NEW WORLD CHINA LAND L SHS | 422,269 | 1,646,849 | 1.79% |
| NEW WORLD DEVELOPMENT | 491,925 | 5,735,846 | 6.24% |
| POLY PROPERTY GROUP CO LTD | 322,456 | 1,502,645 | 1.64% |
| POLYTEC ASSET HOLDINGS LTD HKD0.1(POST CONS) | 216,368 | 218,532 | 0.24% |
| POWERLONG REAL ESTATE HOLD | 164,426 | 253,216 | 0.28% |
| ROAD KING INFRASTRUCTURE LTD ORD | 42,191 | 337,106 | 0.37% |
| SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GR | 234,527 | 445,601 | 0.49% |
| SHENZHEN INV ORD SHS | 374,301 | 1,175,305 | 1.28% |
| SHIMAO PROPERTY HOLDINDS LTD HKD0.10 | 224,684 | 4,008,363 | 4.36% |
| SINO-OCEAN LAND HOLDINGS | 523,854 | 2,388,774 | 2.60% |
| SOHO CHINA LTD | 280,783 | 1,872,823 | 2.04% |
| SUN HUNG KAI PROPERTIES | 54,562 | 5,756,291 | 6.27% |
| WHARF HOLDINGS | 84,976 | 5,710,387 | 6.22% |
| WHEELLOCK & COMPANY LTD | 131,426 | 5,408,180 | 5.89% |
| YUEXIU PROPERTY COMPANY LTD | 831,073 | 1,770,185 | 1.93% |
| | | 81,994,421 | 89.27% |

**LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 SEPTEMBER 2013**

| Listed Equities | Holdings | Fair value HK\$ | % of net assets |
|---------------------------------------|-----------------|--------------------------|------------------------|
| REITS | | | |
| CHAMPION REIT REIT | 415,764 | 1,471,804 | 1.60% |
| LINK REIT NPV | 153,285 | 5,832,494 | 6.35% |
| PROSPERITY REIT NPV (REIT) | 191,114 | 456,762 | 0.50% |
| REGAL REAL ESTATE INVESTMENT NPV REIT | 158,776 | 360,422 | 0.39% |
| SUNLIGHT REAL ESTATE INVEST NPV | 170,198 | 517,402 | 0.56% |
| YUEXIU REAL ESTATE INVESTMENT TRUST | 290,678 | 1,116,204 | 1.21% |
| FORTUNE REIT NPV (REIT) | 193,372 | 1,239,515 | 1.35% |
| | | <u>10,994,603</u> | <u>11.96%</u> |
| Total listed investments | | <u>92,989,024</u> | <u>101.23%</u> |
| Total investments, at cost | | <u>83,069,399</u> | |

**LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013**

| Investments | Beginning holdings as at 01 April 2013 | Additions | Corporate actions | Disposals | Closing holdings as at 30 September 2013 |
|---|---|-----------|----------------------|-----------|---|
| PROPERTIES | | | | | |
| AGILE PROPERTY HOLDINGS LTD HKD0.10 | 372,860 | - | - | 148,679 | 224,181 |
| C C LAND HOLDINGS LTD | 341,512 | - | - | 131,284 | 210,228 |
| CHEUNG KONG HOLDINGS LTD HKD0.50 | 64,514 | - | - | 64,514 | - |
| CHINA OVERSEAS GRAND OCEANS HKD0.50 | 215,779 | - | - | 85,996 | 129,783 |
| CHINA OVERSEAS LAND & INVEST HKD0.10 | 341,370 | 2,306 | - | 109,545 | 234,131 |
| CHINA RESOURCES LAND LTD HKD0.10 | 354,844 | 13,454 | - | 114,923 | 253,375 |
| CHINA SOUTH CITY HOLDINGS HKD0.01 | 559,217 | 107,414 | - | 174,406 | 492,225 |
| COUNTRY GARDEN HOLDINGS CO HKD0.10 | 1,970,457 | - | - | 831,049 | 1,139,408 |
| EMPEROR INTL HLDG LTD HKD0.01 | 290,113 | - | - | 111,384 | 178,729 |
| EVERGRANDE REAL ESTATE GROUP USD0.01 | - | 1,041,605 | - | 4,363 | 1,037,242 |
| FANTASIA HOLDINGS GROUP CO HKD0.10'REG S' | - | 338,419 | - | - | 338,419 |
| FRANSHION PROPERTIES HKD1 | - | 595,409 | - | - | 595,409 |
| GREENTOWN CHINA HOLDINGS HKD0.10 | 202,503 | - | - | 80,122 | 122,381 |
| GUANGZHOU R&F PROPERTIES - H 'H'CN¥0.25(POST SUBD) | 274,341 | - | - | 109,386 | 164,955 |
| HKC HOLDINGS LTD HKD0.01 | 1,214,696 | - | - | 1,214,696 | - |
| HYSAN DEVELOPMENT CO HKD5 | 172,346 | - | - | 69,101 | 103,245 |
| K WAH INTL HOLDINGS HKD0.10 | 284,587 | - | - | 113,127 | 171,460 |
| KAISA GROUP HOLDINGS LTD HKD0.10 REGS | - | 279,120 | - | - | 279,120 |
| KERRY PROPERTIES LTD HKD1 | 174,987 | 11,199 | - | 69,712 | 116,474 |
| KOWLOON DEVELOPMENT CO LTD HKD0.10 | 91,046 | - | - | 34,959 | 56,087 |
| KWG PROPERTY HOLDING LTD HKD0.10 | 305,216 | - | - | 117,189 | 188,027 |
| LONGFOR PROPERTIES HKD0.10 | - | 220,615 | - | - | 220,615 |
| NEW WORLD CHINA LAND LTD HKD0.10 | 701,774 | - | - | 279,505 | 422,269 |
| NEW WORLD DEVELOPMENT HKD1 | - | 491,925 | - | - | 491,925 |
| POLY PROPERTY GROUP CO LTD | 536,109 | - | - | 213,653 | 322,456 |
| POLYTEC ASSET HOLDINGS LTD HKD0.1(POST CONS) | 351,208 | - | - | 134,840 | 216,368 |
| POWERLONG REAL ESTATE HOLD ROAD KING INFRASTRUCTURE LTD HKD0.10 | - | 164,426 | - | - | 164,426 |
| SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GR | - | 234,527 | - | - | 234,527 |
| SHENZHEN INVESTMENT LTD HKD0.05 | 604,601 | 10,776 | - | 241,076 | 374,301 |
| SHIMAO PROPERTY HOLDINGS LTD HKD0.10 | 375,358 | - | - | 150,674 | 224,684 |
| SHUI ON LAND LTD- RIGHTS | - | - | - | - | - |
| SHUI ON LAND LTD USD0.0025 | 810,564 | - | 252,916 | 1,063,480 | - |
| SINO-OCEAN LAND HOLDINGS HKD0.80 | 948,056 | - | - | 424,202 | 523,854 |
| SOHO CHINA LTD HKD0.02 | 483,541 | - | - | 202,758 | 280,783 |
| SUN HUNG KAI PROPERTIES HKD0.50 | 65,185 | 7,091 | - | 17,714 | 54,562 |
| WHARF HOLDINGS LTD HKD1 | 118,922 | 7,164 | - | 41,110 | 84,976 |
| WHELOCK & CO LTD HKD0.50 | 186,278 | 1,217 | - | 56,069 | 131,426 |
| YUEXIU PROPERTY CO LTD ORD HKD0.10 | 1,381,803 | - | - | 550,730 | 831,073 |

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013**

| Investments | Beginning holdings as at 01 April 2013 | Additions | Corporate actions | Disposals | Closing holdings as at 30 September 2013 |
|--|---|------------------|------------------------------|------------------|---|
| REITS | | | | | |
| CHAMPION REIT REIT | 689,398 | - | - | 273,634 | 415,764 |
| FORTUNE REIT NPV (REIT) | - | 193,372 | - | - | 193,372 |
| LINK REIT NPV | 188,037 | 16,324 | - | 51,076 | 153,285 |
| PROSPERITY REIT NPV (REIT) | 316,941 | - | - | 125,827 | 191,114 |
| REGAL REAL ESTATE INVESTMENT NPV REIT | 257,741 | - | - | 98,965 | 158,776 |
| SUNLIGHT REAL ESTATE INVEST NPV | 275,095 | - | - | 104,897 | 170,198 |
| YUEXIU REAL ESTATE INVESTMENT TRUST | 481,836 | - | - | 191,158 | 290,678 |