

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF*
(*This is a synthetic ETF) (Stock Code: 3029)
a sub-fund of the XIE Shares Trust I* (*This is a synthetic ETF)

Unaudited Interim Report

For the period from 1st January 2014
to 30th June 2014

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MANAGEMENT AND ADMINISTRATION

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Participating Dealers

Citigroup Global Markets Asia Limited
J.P. Morgan Broking (Hong Kong) Limited
RBS Asia Limited
BNP Paribas Securities Services (operating through its Hong Kong branch)
Standard Chartered Bank (Hong Kong) Limited

Market Maker

BNP Paribas Securities (Asia) Limited

Registrar

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Any opinion contained in this Interim Report (if any) reflects the Manager's view as at the date of this report and is subject to amendment(s) without notice. The information contained in this Interim Report does not constitute recommendation or investment advice. Investors should refer to the Prospectus of the XIE Shares Trust I for further details (including but not limited to risk factors, fees and charges and other important information) which is available from the website www.xieshares.com.

Issued by Enhanced Investment Products Limited, the Manager of the XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF*(*This is a synthetic ETF).

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

as at 30th June 2014

30th June 2014
HKD**ASSETS**

Investments in listed securities	38,086,375
Investments in derivative instruments	772,443
Dividends receivable	10,488
Cash and cash equivalent	9,702,607
Receivable due from swap counterparties	854,866
Other receivables	10,286

TOTAL ASSETS**49,437,065****LIABILITIES**

Investments in derivative instruments	1,623,279
Management fee payable	15,828
Audit fees payable	37,466
Other fees payable	7,605

TOTAL LIABILITIES**1,684,178****EQUITY**

Net assets attributable to unitholders	47,752,887
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Number of units outstanding**5,000,000****Net asset value per unit****9.5506**

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the period ended 30th June 2014

Period from
1st January 2014
to 30th June 2014
HKD

INCOME

Dividend income	416,591
Interest income	2,764
Net gain/(loss) on investments	1,644,274
Net foreign exchange gain/(loss)	(3,449)

Total net income/(loss)	2,060,180
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OPERATING EXPENSES

Management fees	89,049
Audit fees	37,799
Preliminary expenses	5,433
Interest expense	156
Bank charges	255
Other operating expenses	58,478

Total operating expenses	191,170
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Operating profit/(loss)	1,869,010
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Profit/(loss) before taxation	1,869,010
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Dividend withholding tax	28,069
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TOTAL COMPREHENSIVE GAIN/(LOSS) FOR THE PERIOD	1,840,941
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STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)
for the period ended 30th June 2014

	Period from 1st January 2014 to 30th June 2014 HKD
Balance at the beginning of the period	45,911,946
Proceeds on issue of units	-
Payment on redemption of units	-
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Net increase from unit transactions	-
Total comprehensive income for the period	1,840,941
Balance at the end of the period	<hr/> 47,752,887 <hr/>

STATEMENT OF CASH FLOWS (UNAUDITED)

for the period ended 30th June 2014

Period from
1st January 2014
to 30th June 2014
HKD

OPERATING ACTIVITIES

Proceeds from sale of investments	2,148,828
Dividends received	438,585
Interest received	2,764
Management fee paid	(88,927)
Dividend withholding tax paid	(28,069)
Preliminary expenses paid	(5,433)
Interest expense paid	(156)
Net receipts from swap counterparties	233,316
Other receipts and payments	(88,079)

Cash generated from/(used in) operating activities	2,612,829
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FINANCING ACTIVITIES

Proceeds from issue of units	-
Redemption paid on redemption of units	-

Cash flows generated from financing activities	-
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Net increase/(decrease) in cash and cash equivalents	2,612,829
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Cash and cash equivalents at beginning of period	7,093,227
Net foreign exchange loss	(3,449)

Cash and cash equivalents at end of period	9,702,607
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Analysis of balances of cash and cash equivalents

Cash and cash equivalents	9,702,607
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INVESTMENT PORTFOLIO (UNAUDITED)

as at 30th June 2014

Investments

Listed Equities

Australia	Holdings	Fair Value HKD ¹	% of Net Assets
AGL ENERGY LTD	281	31,820	0.07%
BHP BILLITON LTD	1,946	511,050	1.07%
COMMONWEALTH BANK OF AUSTRALIA	1,359	804,056	1.68%
FORTESCUE METALS GROUP LTD	11,569	368,138	0.77%
ORIGIN ENERGY LTD	2,147	229,618	0.48%
RIO TINTO LTD	1,048	454,690	0.95%
WESFARMERS LTD	2,020	618,257	1.29%
WESTPAC BANKING CORP	1,593	394,807	0.83%
WOODSIDE PETROLEUM LTD	1,967	590,956	1.24%

Total Investments in Listed Australian Securities at Fair Value

4,003,390	8.38%
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Japan	Holdings	Fair Value HKD ¹	% of Net Assets
ASTELLAS PHARMA INC	17,000	1,731,087	3.63%
BRIDGESTONE CORPORATION	6,300	1,708,632	3.58%
CANON INC	3,200	806,917	1.69%
DENSO CORP	2,100	776,797	1.63%
FANUC CORP	1,200	1,603,858	3.36%
FAST RETAILING CO LTD	400	1,019,969	2.14%
HONDA MOTOR CO LTD	3,900	1,055,338	2.21%
JAPAN TOBACCO INC	2,300	649,829	1.36%
KDDI CORP	1,200	567,272	1.19%
KOMATSU LTD	5,100	917,697	1.92%
MITSUBISHI CORP	9,700	1,563,609	3.27%
MITSUBISHI ESTATE CO LTD	1,000	191,340	0.40%
MITSUMI & CO LTD	8,300	1,031,231	2.16%
MITSUMI FUDOSAN CO LTD	10,000	2,613,423	5.47%
SEVEN & I HOLDINGS CO LTD	5,000	1,632,624	3.42%
SHIN ETSU CHEMICAL CO LTD	2,600	1,224,912	2.57%
SOFTBANK CORP	4,700	2,712,276	5.68%
SONY CORP	7,000	900,774	1.89%
SUMITOMO CORPORATION	9,500	994,264	2.08%
TAKEDA PHARMACEUTICAL	3,200	1,150,396	2.41%
TOYOTA MOTOR CORP	3,500	1,629,105	3.41%

Total Investments in Listed Japanese Securities at Fair Value

26,481,350	55.45%
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Singapore	Holdings	Fair Value HKD ¹	% of Net Assets
CAPITALAND LTD	30,595	608,666	1.27%
GLOBAL LOGISTIC PROPERTIES LTD	108,000	1,812,867	3.80%
SINGAPORE EXCHANGE LTD	39,000	1,685,108	3.53%
SINGAPORE PRESS HOLDINGS LTD	63,000	1,633,259	3.42%
SINGAPORE TELECOM LTD	77,782	1,861,736	3.90%

Total Investments in Listed Singaporean Securities at Fair Value

7,601,635	15.92%
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Total Investments in Securities at Fair Value

38,086,375	79.76%
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Index Swaps Issued by	Fair Value HKD ²	% of Net Assets
JPMORGAN CHASE BANK N.A.	13,922	0.03%
THE ROYAL BANK OF SCOTLAND PLC	625,665	1.31%
BNP PARIBAS	17,709	0.04%

Total Investment in Index Swaps at Fair Value

657,296	1.38%
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Equity Swaps Issued by	Fair Value HKD ²	% of Net Assets
JPMORGAN CHASE BANK N.A.	(48,459)	-0.10%
THE ROYAL BANK OF SCOTLAND PLC	(1,426,746)	-2.99%
BNP PARIBAS	(32,927)	-0.07%

Total Investment in Equity Swaps at Fair Value

(1,508,132)	-3.16%
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Total Investments	37,235,539	77.98%
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Other net assets	10,517,348	22.02%
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Net assets attributable to Unitholders at 30th June 2014

47,752,887

100%

Total Investments, at cost

32,290,580

¹ Exchange rate as at 30th June 2014

HKD/JPY 13.07098

HKD/SGD 0.160850

HKD/USD 0.129026

² excludes cash margins deposited with swap counterparties

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

for the period ended 30th June 2014

Investments - Listed Equities	Holdings as at 1st January 2014	Additions	Corporate Action	Disposals	Holdings as at 30th June 2014
AGL ENERGY LTD	281	-	-	-	281
ASTELLAS PHARMA INC	3,400	-	13,600	-	17,000
BHP BILLITON LTD	1,946	-	-	-	1,946
BRIDGESTONE CORPORATION	6,300	-	-	-	6,300
CANON INC	3,200	-	-	-	3,200
CAPITALAND LTD	30,595	-	-	-	30,595
COMMONWEALTH BANK OF AUSTRALIA	1,359	-	-	-	1,359
DENSO CORP	2,100	-	-	-	2,100
FANUC CORP	1,200	-	-	-	1,200
FAST RETAILING CO LTD	400	-	-	-	400
FORTESCUE METALS GROUP LTD	11,569	-	-	-	11,569
GLOBAL LOGISTIC PROPERTIES LTD	108,000	-	-	-	108,000
HONDA MOTOR CO LTD	3,900	-	-	-	3,900
JAPAN TOBACCO INC	2,300	-	-	-	2,300
KDDI CORP	1,200	-	-	-	1,200
KOMATSU LTD	5,100	-	-	-	5,100
MITSUBISHI CORP	9,700	-	-	-	9,700
MITSUBISHI ESTATE CO LTD	1,000	-	-	-	1,000
MIITSUI & CO LTD	8,300	-	-	-	8,300
MIITSUI FUDOSAN CO LTD	10,000	-	-	-	10,000
ORIGIN ENERGY LTD	2,147	-	-	-	2,147
RIO TINTO LTD	1,048	-	-	-	1,048
SEVEN & I HOLDINGS CO LTD	5,000	-	-	-	5,000
SHIN ETSU CHEMICAL CO LTD	2,600	-	-	-	2,600
SINGAPORE EXCHANGE LTD	39,000	-	-	-	39,000
SINGAPORE PRESS HOLDINGS LTD	63,000	-	-	-	63,000
SINGAPORE TELECOM LTD	77,782	-	-	-	77,782
SOFTBANK CORP	4,700	-	-	-	4,700
SONY CORP	7,000	-	-	-	7,000
SUMITOMO CORPORATION	9,500	-	-	-	9,500
TAKEDA PHARMACEUTICAL	3,200	-	-	-	3,200
TOYOTA MOTOR CORP	3,500	-	-	-	3,500
WESFARMERS LTD	2,020	-	-	-	2,020
WESTPAC BANKING CORP	1,593	-	-	-	1,593
WOODSIDE PETROLEUM LTD	1,967	-	-	-	1,967

Swaps Issued by	Fair Value as at 1st January 2014 HKD	Fair Value Change HKD	Fair Value as at 30th June 2014 HKD
JPMORGAN CHASE BANK N.A.	1,421	(35,958)	(34,537)
THE ROYAL BANK OF SCOTLAND PLC	(837,184)	36,103	(801,081)
BNP PARIBAS	(130,111)	114,893	(15,218)

PERFORMANCE RECORD (UNAUDITED)

Highest and lowest net asset value per unit

	Lowest HKD	Highest HKD
Period ended 30th June 2014	<u>8.6371</u>	<u>9.6493</u>

Net asset value attributable to unitholders

	HKD
As at 30th June 2014	<u>47,752,887</u>

Net asset value per unit

	HKD
As at 30th June 2014	<u>9.5506</u>

During the period, the FTSE Bursa Malaysia KLCI Index increased by 2.82%, while the net asset value per unit of XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF) increased by 3.87%^(a).

The following lists the constituent securities that individually accounted for more than 10% of the FTSE Bursa Malaysia KLCI Index as at 30th June 2014 and its weighting of the FTSE Bursa Malaysia KLCI Index as at 30th June 2014:

Constituent securities	Respective weighting in FTSE Bursa Malaysia KLCI Index
Public Bank Bhd ^(b)	<u>11.50%</u>

^(a) This is the annualized return of XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF*(*This is a synthetic ETF) (net of fees and expenses) from 1st January 2014 to 30th June 2014.

^(b) XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF did not hold the constituent securities as at 30th June 2014.