

XIE Shares Philippines (PSEi) ETF*
(*This is a synthetic ETF) (Stock Code: 3037)
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

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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 Philippines (PSEi) 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	13,715,125
Investments in derivative instruments	159,542
Cash and cash equivalent	2,874,583
Receivable due from swap counterparties	356,517
Other receivables	10,286

TOTAL ASSETS

17,116,053

LIABILITIES

Investments in derivative instruments	553,410
Management fee payable	5,770
Audit fees payable	15,243
Other fees payable	17,605

TOTAL LIABILITIES

592,028

EQUITY

Net assets attributable to unitholders	16,524,025
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Number of units outstanding	1,500,000
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Net asset value per unit	11.0160
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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	169,971
Interest income	1,327
Net gain/(loss) on investments	3,371,002
Net foreign exchange gain/(loss)	(3,756)

Total net income/(loss)	3,538,544
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OPERATING EXPENSES

Management fees	38,453
Audit fees	13,994
Preliminary expenses	5,484
Interest expense	130
Bank charges	255
Other operating expenses	58,478

Total operating expenses	116,794
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Operating profit/(loss)	3,421,750
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Profit/(loss) before taxation	3,421,750
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Dividend withholding tax	12,712
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TOTAL COMPREHENSIVE GAIN/(LOSS) FOR THE PERIOD	3,409,038
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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	18,600,337
Proceeds on issue of units	-
Payment on redemption of units	<u>(5,485,350)</u>
Net increase from unit transactions	(5,485,350)
Total comprehensive income for the period	3,409,038
Balance at the end of the period	<u>16,524,025</u>

STATEMENT OF CASH FLOWS (UNAUDITED)

for the period ended 30th June 2014

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

OPERATING ACTIVITIES

Payments for purchase of investments	(1,201,032)
Proceeds from sale of investments	7,898,338
Dividends received	187,372
Interest received	1,327
Management fee paid	(39,207)
Dividend withholding tax paid	(12,712)
Preliminary expenses paid	(5,484)
Interest expense paid	(130)
Net payments to swap counterparties	(123,893)
Other receipts and payments	(59,499)

Cash generated from/(used in) operating activities	6,645,080
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FINANCING ACTIVITIES

Proceeds from issue of units	-
Redemption paid on redemption of units	(5,485,350)

Cash flows generated from financing activities	(5,485,350)
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Net increase/(decrease) in cash and cash equivalents	1,159,730
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Cash and cash equivalents at beginning of period	1,718,609
Net foreign exchange loss	(3,756)

Cash and cash equivalents at end of period	2,874,583
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Analysis of balances of cash and cash equivalents

Cash and cash equivalents	2,874,583
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INVESTMENT PORTFOLIO (UNAUDITED)

as at 30th June 2014

Investments

Listed Equities

Japan	Holdings	Fair Value HKD ¹	% of Net Assets
ASAHI GROUP HOLDINGS LTD	400	97,315	0.59%
ASTELLAS PHARMA INC	2,000	203,657	1.23%
BRIDGESTONE CORPORATION	600	162,727	0.98%
CANON INC	1,100	277,378	1.68%
DENSO CORP	900	332,913	2.01%
FANUC CORP	300	400,965	2.43%
FAST RETAILING CO LTD	200	509,985	3.09%
FUJIFILM HOLDINGS CORP	600	129,677	0.78%
HONDA MOTOR CO LTD	1,000	270,599	1.64%
JAPAN TOBACCO INC	700	197,774	1.20%
KAO CORP	500	152,513	0.92%
KDDI CORP	700	330,909	2.00%
KOMATSU LTD	500	89,970	0.54%
KYOCERA CORP	200	73,568	0.45%
MITSUBISHI CORP	3,900	628,667	3.80%
MITSUBISHI ESTATE CO LTD	1,000	191,340	1.16%
mitsui & co ltd	2,800	347,885	2.11%
mitsui fudosan co ltd	3,000	784,027	4.74%
SECOM CO LTD	300	142,070	0.86%
SEVEN & I HOLDINGS CO LTD	1,100	359,177	2.17%
SHIN ETSU CHEMICAL CO LTD	900	424,008	2.57%
SOFTBANK CORP	1,600	923,328	5.59%
SONY CORP	700	90,077	0.55%
SUMITOMO CORPORATION	1,000	104,659	0.63%
SUZUKI MOTOR CORP	600	145,651	0.88%
TAKEDA PHARMACEUTICAL	1,100	395,449	2.39%
TOYOTA MOTOR CORP	1,100	512,004	3.10%
Total Investments in Listed Japanese Securities at Fair Value		8,278,293	50.10%

Singapore	Holdings	Fair Value HKD ¹	% of Net Assets
CAPITALAND LTD	42,000	835,560	5.06%
GLOBAL LOGISTIC PROPERTIES LTD	89,000	1,493,936	9.04%
SINGAPORE EXCHANGE LTD	21,000	907,366	5.49%
SINGAPORE PRESS HOLDINGS LTD	27,000	699,968	4.24%
SINGAPORE TELECOM LTD	62,669	1,500,002	9.08%
Total Investments in Listed Singaporean Securities at Fair Value		5,436,832	32.90%

Total Investments in Securities at Fair Value	13,715,125	83.00%
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Index Swaps Issued by	Fair Value HKD ²	% of Net Assets
THE ROYAL BANK OF SCOTLAND PLC	(254)	0.00%
BNP PARIBAS	141,422	0.86%

Total Investment in Index Swaps at Fair Value	141,168	0.86%
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Equity Swaps Issued by	Fair Value HKD ²	% of Net Assets
THE ROYAL BANK OF SCOTLAND PLC	(508,371)	-3.08%
BNP PARIBAS	(26,665)	-0.16%

Total Investment in Equity Swaps at Fair Value	(535,036)	-3.24%
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Total Investments	13,321,257	80.62%
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Other net assets	3,202,768	19.38%
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Net assets attributable to Unitholders at 30th June 2014	16,524,025	100%
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Total Investments, at cost	11,797,468	
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¹ Exchange rate as at 30th June 2014

HK/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
ASAHI GROUP HOLDINGS LTD	2,100	-	-	(1,700)	400
ASTELLAS PHARMA INC	400	-	1,600	-	2,000
BRIDGESTONE CORPORATION	600	-	-	-	600
CANON INC	1,100	-	-	-	1,100
CAPITALAND LTD	42,000	-	-	-	42,000
DAIICHI SANKYO CO LTD	2,500	-	-	(2,500)	-
DENSO CORP	900	-	-	-	900
EISAI CO LTD	1,200	-	-	(1,200)	-
FANUC CORP	300	-	-	-	300
FAST RETAILING CO LTD	200	-	-	-	200
FUJIFILM HOLDINGS CORP	2,000	-	-	(1,400)	600
GLOBAL LOGISTIC PROPERTIES LTD	60,000	46,000	-	(17,000)	89,000
HONDA MOTOR CO LTD	1,300	-	-	(300)	1,000
JAPAN TOBACCO INC	700	-	-	-	700
KAO CORP	1,800	-	-	(1,300)	500
KDDI CORP	700	-	-	-	700
KOMATSU LTD	1,700	-	-	(1,200)	500
KYOCERA CORP	1,000	-	-	(800)	200
MITSUBISHI CORP	3,900	-	-	-	3,900
MITSUBISHI ESTATE CO LTD	1,000	-	-	-	1,000
MIITSUI & CO LTD	2,800	-	-	-	2,800
MIITSUI FUDOSAN CO LTD	3,000	-	-	-	3,000
NIKON CORP	1,800	-	-	(1,800)	-
SECOM CO LTD	1,000	-	-	(700)	300
SEVEN & I HOLDINGS CO LTD	1,700	-	-	(600)	1,100
SHIN ETSU CHEMICAL CO LTD	900	-	-	-	900
SINGAPORE EXCHANGE LTD	21,000	-	-	-	21,000
SINGAPORE PRESS HOLDINGS LTD	35,000	-	-	(8,000)	27,000
SINGAPORE TELECOM LTD	41,669	21,000	-	-	62,669
SOFTBANK CORP	1,600	-	-	-	1,600
SONY CORP	2,400	-	-	(1,700)	700
SUMITOMO CORPORATION	3,200	-	-	(2,200)	1,000
SUZUKI MOTOR CORP	2,000	-	-	(1,400)	600
TAKEDA PHARMACEUTICAL	1,100	-	-	-	1,100
TOYOTA MOTOR CORP	1,100	-	-	-	1,100

Swaps Issued by	Fair Value as at 1st January 2014 HKD	Fair Value Change HKD	Fair Value as at 30th June 2014 HKD
THE ROYAL BANK OF SCOTLAND PLC	(163,014)	(345,611)	(508,625)
BNP PARIBAS	(164,283)	279,040	114,757

PERFORMANCE RECORD (UNAUDITED)

Highest and lowest net asset value per unit

	Lowest HKD	Highest HKD
Period ended 30th June 2014	<u>9.2113</u>	<u>11.2287</u>

Net asset value attributable to unitholders

	HKD
As at 30th June 2014	<u>16,524,025</u>

Net asset value per unit

	HKD
As at 30th June 2014	<u>11.0160</u>

During the period, the PSEi Index increased by 18.10%, while the net asset value per unit of XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF) increased by 18.42%^(a).

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

Constituent securities	Respective weighting in PSEi Index
Philippine Long Distance Tele ^(b)	<u>11.12%</u>

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

^(b) XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF) did not hold the constituent securities as at 30th June 2014.