

XIE Shares Taiwan (TAIEX) ETF*
(*This is a synthetic ETF) (Stock Code: 3089)
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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Directors of the Manager

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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 Taiwan (TAIEX) 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	142,255,220
Investments in derivative instruments	8,579,221
Dividends receivable	39,561
Cash and cash equivalent	40,833,557
Other receivables	10,286

TOTAL ASSETS

191,717,845

LIABILITIES

Investments in derivative instruments	4,541,497
Payable due to swap counterparties	2,283,315
Management fee payable	59,939
Audit fees payable	116,237
Other fees payable	7,605

TOTAL LIABILITIES

7,008,593

EQUITY

Net assets attributable to unitholders	<hr/> 184,709,252 <hr/>
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Number of units outstanding**19,000,000****Net asset value per unit****9.7215**

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	1,329,110
Interest income	8,689
Net gain/(loss) on investments	13,652,700
Net foreign exchange gain/(loss)	(13,655)

Total net income/(loss)	14,976,844
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OPERATING EXPENSES

Management fees	295,901
Audit fees	119,574
Preliminary expenses	5,303
Interest expense	556
Bank charges	460
Other operating expenses	58,478

Total operating expenses	480,272
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Operating profit/(loss)	14,496,572
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Profit/(loss) before taxation	14,496,572
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Dividend withholding tax	74,557
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TOTAL COMPREHENSIVE GAIN/(LOSS) FOR THE PERIOD	14,422,015
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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	142,852,837
Proceeds on issue of units	27,434,400
Payment on redemption of units	-
Net increase from unit transactions	27,434,400
Total comprehensive income for the period	14,422,015
Balance at the end of the period	<u>184,709,252</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	(20,883,669)
Proceeds from sale of investments	9,768,642
Dividends received	1,407,163
Interest received	8,689
Management fee paid	(284,204)
Dividend withholding tax paid	(74,557)
Preliminary expenses paid	(5,303)
Interest expense	(556)
Net receipts from swap counterparties	3,307,452
Other receipts and payments	(156,763)

Cash generated from/(used in) operating activities	(6,913,106)
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FINANCING ACTIVITIES

Proceeds from issue of units	27,434,400
Redemption paid on redemption of units	-

Cash flows generated from financing activities	27,434,400
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Net increase/(decrease) in cash and cash equivalents	20,521,294
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Cash and cash equivalents at beginning of period	20,325,918
Net foreign exchange loss	(13,655)

Cash and cash equivalents at end of period	40,833,557
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Analysis of balances of cash and cash equivalents

Cash and cash equivalents	40,833,557
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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	1,060	120,034	0.06%
BHP BILLITON LTD	11,304	2,968,604	1.61%
COMMONWEALTH BANK OF AUSTRALIA	4,702	2,781,951	1.51%
FORTESCUE METALS GROUP LTD	44,866	1,427,685	0.77%
ORIGIN ENERGY LTD	11,130	1,190,332	0.64%
RIO TINTO LTD	4,689	2,034,388	1.10%
WESFARMERS LTD	6,199	1,897,313	1.03%
WESTPAC BANKING CORP	6,009	1,489,263	0.81%
WOODSIDE PETROLEUM LTD	7,627	2,291,417	1.24%

Total Investments in Listed Australian Securities at Fair Value

16,200,988 8.77%

Japan	Holdings	Fair Value HKD ¹	% of Net Assets
ASTELLAS PHARMA INC	51,000	5,193,260	2.81%
BRIDGESTONE CORP	18,800	5,098,776	2.76%
DAIKIN INDUSTRIES LTD	5,800	2,836,329	1.54%
DENSO CORP	13,500	4,993,696	2.70%
FANUC CORP	4,400	5,880,814	3.18%
FAST RETAILING CO LTD	2,400	6,119,816	3.31%
HONDA MOTOR CO LTD	22,000	5,953,188	3.22%
JAPAN TOBACCO INC	7,200	2,034,247	1.10%
KDDI CORP	6,700	3,167,268	1.71%
KOMATSU LTD	19,100	3,436,865	1.86%
KYOCERA CORP	7,600	2,795,567	1.51%
MITSUBISHI ESTATE CO LTD	1,000	191,340	0.10%
NETSCOUT SYSTEMS INC	24,800	3,081,268	1.67%
NETSCOUT SYSTEMS INC	12,000	3,136,108	1.70%
SEVEN & I HOLDINGS CO LTD	15,000	4,897,873	2.65%
SHIN-ETSU CHEMICAL CO LTD	7,900	3,721,848	2.01%
SOFTBANK CORP	18,600	10,733,686	5.81%
SONY CORP	57,800	7,437,820	4.03%
SUMITOMO CORP	28,500	2,982,791	1.61%
SUZUKI MOTOR CORP	12,700	3,082,944	1.67%
TAKEDA PHARMACEUTICAL CO LTD	9,700	3,487,137	1.89%
TOYOTA MOTOR CORP	5,300	2,466,930	1.34%

Total Investments in Listed Japanese Securities at Fair Value

92,729,571 50.20%

Singapore	Holdings	Fair value HKD ¹	% of Net Assets
CAPITALAND LTD	261,400	5,200,366	2.82%
GLOBAL LOGISTIC PROPERTIES LTD	387,000	6,496,106	3.52%
SINGAPORE EXCHANGE LTD	137,000	5,919,482	3.20%
SINGAPORE PRESS HOLDINGS LTD	240,400	6,232,307	3.37%
SINGAPORE TECH ENGINEERING	10,000	236,245	0.13%
SINGAPORE TELECOM LTD	281,647	6,741,309	3.65%
WILMAR INTERNATIONAL LTD	126,000	2,498,847	1.35%

Total Investments in Listed Singaporean Securities at Fair Value

33,324,661 18.04%

Total Investments in Securities at Fair Value

142,255,220 77.02%

Index Swaps Issued by	Fair Value HKD ²	% of Net Assets
JPMORGAN CHASE BANK N.A.	372,829	0.20%
THE ROYAL BANK OF SCOTLAND PLC	6,262,721	3.39%
BNP PARIBAS	558,390	0.30%
STANDARD CHARTERED BANK (HONG KONG) LIMITED	784,989	0.42%

Total Investment in Index Swaps at Fair Value

7,978,929 4.32%

Equity Swaps Issued by	Fair Value HKD ²	% of Net Assets
JPMORGAN CHASE BANK N.A.	(190,463)	-0.10%
THE ROYAL BANK OF SCOTLAND PLC	(3,328,953)	-1.80%
BNP PARIBAS	(94,511)	-0.05%
STANDARD CHARTERED BANK (HONG KONG) LIMITED	(327,278)	-0.18%

Total Investment in Equity Swaps at Fair Value	<u>(3,941,205)</u>	<u>-2.13%</u>
Total Investments	146,292,944	79.20%
Other net assets	<u>38,416,308</u>	<u>20.80%</u>
Net assets attributable to Unitholders at 30th June 2014	<u>184,709,252</u>	<u>100%</u>
Total Investments, at cost	<u>123,967,097</u>	

¹ Exchange rate as at 30th June 2014

HK/JPY 13.07098

HKD/SGD 0.160987

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	1,060				1,060
ASTELLAS PHARMA INC	10,200		40,800		51,000
BHP BILLITON LTD	11,304				11,304
BRIDGESTONE CORP	18,800				18,800
CAPITALAND LTD	261,400				261,400
COMMONWEALTH BANK OF AUSTRALIA	4,702				4,702
DAIKIN INDUSTRIES LTD	-	5,800			5,800
DENSO CORP	13,500				13,500
FANUC CORP	2,500	1,900			4,400
FAST RETAILING CO LTD	2,400				2,400
FORTESCUE METALS GROUP LTD	44,866				44,866
GLOBAL LOGISTIC PROPERTIES LTD	387,000				387,000
HONDA MOTOR CO LTD	11,700	10,300			22,000
JAPAN TOBACCO INC	7,200				7,200
KDDI CORP	200	6,500			6,700
KOMATSU LTD	19,100				19,100
KYOCERA CORP	-	7,600			7,600
MITSUBISHI ESTATE CO LTD	1,000				1,000
MIITSUI & CO LTD	24,800				24,800
MIITSUI FUDOSAN CO LTD	12,000				12,000
ORIGIN ENERGY LTD	11,130				11,130
RIO TINTO LTD	4,689				4,689
SEVEN & I HOLDINGS CO LTD	15,000				15,000
SHIN-ETSU CHEMICAL CO LTD	7,900				7,900
SINGAPORE EXCHANGE LTD	137,000				137,000
SINGAPORE PRESS HOLDINGS LTD	240,400				240,400
SINGAPORE TECH ENGINEERING	-	10,000			10,000
SINGAPORE TELECOM LTD	281,647				281,647
SOFTBANK CORP	14,100	4,500			18,600
SONY CORP	57,800				57,800
SUMITOMO CORP	28,500				28,500
SUZUKI MOTOR CORP	-	12,700			12,700
TAKEDA PHARMACEUTICAL CO LTD	9,700				9,700
TOYOTA MOTOR CORP	5,300				5,300
WESFARMERS LTD	6,199				6,199
WESTPAC BANKING CORP	6,009				6,009
WILMAR INTERNATIONAL LTD	-	126,000			126,000
WOODSIDE PETROLEUM LTD	7,627				7,627

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.	106,121	76,245	182,366
THE ROYAL BANK OF SCOTLAND PLC	(954,614)	3,888,382	2,933,768
BNP PARIBAS	(116,125)	580,004	463,879
STANDARD CHARTERED BANK (HONG KONG) LIMITED	-	457,711	457,711

PERFORMANCE RECORD (UNAUDITED)

Highest and lowest net asset value per unit

	Lowest HKD	Highest HKD
Period ended 30th June 2014	<u>8.4687</u>	<u>9.6148</u>

Net asset value attributable to unitholders

	HKD
As at 30th June 2014	<u>184,709,252</u>

Net asset value per unit

	HKD
As at 30th June 2014	<u>9.7215</u>

During the period, the TAIEX Taiwan Index increased by 8.83% , while the net asset value per unit of XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF) increased by 8.71% ^(a) .

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

Constituent securities	Respective weighting in TAIEX Index
Taiwan Semiconductor Manufacturing Company Limited ^(b)	<u>12.25%</u>

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

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