
LIPPO FUND SERIES

LIPPO SELECT HK & MAINLAND PROPERTY ETF

SEMI-ANNUAL FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

LIPPO FUND SERIES

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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.

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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

Bruce Cheung Heung Wing
David Ng Tai Chiu

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
17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Service Agent

HK Conversion Agency Services Limited
1/F, One & Two Exchange Square
8 Connaught Place
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

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

Auditor

PricewaterhouseCoopers
22nd Floor
Prince's Building
Central
Hong Kong

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REPORT OF THE MANAGER

The dealing net asset value (“Dealing NAV”) of “The Lippon Select Hong Kong and Mainland Property Fund (“ETF”) as at the end of September 2014 was HKD 72.69 million and the Dealing NAV per unit was HKD 37.2747. The ETF achieved a return of 2.7% (dealing NAV per unit) for the six month period to the end of September 2014.

The Fund Manager, Lippon 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 Lippon Select HK & Mainland Property Index.

As at the end of September 2014, the ETF had 47 constituent stocks with a total unadjusted market capitalization of HKD 1813.7 billion

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STATEMENT OF NET ASSETS
AS AT 30 SEPTEMBER 2014 (UNAUDITED)

	As at 30 September 2014 (unaudited) HK\$	As at 31 March 2014 (audited) HK\$
CURRENT ASSETS		
Investments	72,585,959	82,298,445
Dividends receivable	264,586	218,755
Amount due to broker	88,748	-
Cash and cash equivalents	443,064	1,181,783
TOTAL ASSETS	73,382,357	83,698,983
CURRENT LIABILITIES		
Management fee payable	43,468	46,518
Establishment costs payable	433,972	433,973
Amounts due to brokers	590,318	1,020,570
Other payables	30,000	-
	1,097,758	1,501,061
NON-CURRENT LIABILITIES		
Establishment costs payable	793,425	995,069
TOTAL LIABILITIES	1,891,183	2,496,130
EQUITY		
Net assets attributable to unitholders	71,491,174	81,202,853
Number of units in issue	1,950,000	2,275,000
Net assets attributable to unitholders per unit	36.6621	35.6936

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INVESTMENT LIMITATIONS AND PROHIBITIONS UNDER THE SFC CODE (UNAUDITED)

The SFC Code allows Lippo Select HK & Mainland Property ETF (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 “Underlying Index”) and the Sub-Fund’s holding of any such constituent securities may not exceed their respective weightings in the Underlying Index (except as a result of changes in the composition of the Underlying Index and the excess is transitional and temporary in nature).

As at 30 September 2014 and 31 March 2014, the Sub-Fund did not have any constituent securities that accounted for more than 10% of its net asset value.

During the period from 1 April 2014 to 30 September 2014, the Underlying Index increased by 3.5% [31 March 2014 (audited): decreased by 9.2%], while the net asset value per unit of the Sub-Fund increased by 2.7% [31 March 2014 (audited): decreased by 10.4%].

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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 SEPTEMBER 2014

Listed investments	Holdings	Fair value HK\$	% of net assets
Equities			
AGILE PROPERTY HOLDINGS LTD	221,172	1,054,990	1.48%
C C LAND HOLDINGS LTD	165,206	224,680	0.31%
CENTRAL CHINA REAL ESTATE HKD0.10	93,288	170,717	0.24%
CHINA OVERSEAS GRAND OCEANS GROUP LTD	120,807	531,551	0.74%
CHINA OVERSEAS LAND & INVEST	212,294	4,241,634	5.93%
CHINA RESOURCES LAND LTD SHS	265,344	4,245,504	5.94%
CHINA SCE PROPERTY HOLDINGS HKD0.10	203,952	305,928	0.43%
CHINA SOUTH CITY HOLDINGS HKD0.01	410,095	1,472,241	2.06%
COUNTRY GARDEN HOLDINGS CO HKD0.10	1,042,409	3,054,258	4.27%
EMPEROR INTL HLDG LTD HKD0.01	140,540	236,107	0.33%
EVERGRANDE REAL ESTATE GROUP USD0.01	677,816	1,979,223	2.77%
FANTASIA HOLDINGS GROUP CO HKD0.10'REG S	220,480	182,998	0.26%
FRANSHION PROPERTIES HKD1	485,022	916,692	1.28%
GREAT EAGLE HOLDINGS LTD	34,718	916,555	1.28%
GREENLAND HONG KONG HOLDINGS LTD	136,053	405,438	0.57%
GREENTOWN CHINA HOLDINGS HKD0.10	114,288	830,874	1.16%
GUANGZHOU R&F PROPERTIES - H	134,340	1,054,569	1.48%
HENDERSON LAND DEVELOPMENT	90,582	4,556,275	6.37%
HUTCHISON HARBOUR RING LTD	228,905	144,210	0.20%
HYSAN DEVELOPMENT CO	84,464	3,032,258	4.24%
K WAH INTL HOLDINGS SHS	161,834	702,360	0.98%
KAISA GROUP HOLDINGS LTD HKD0.10 REGS	167,441	493,951	0.69%
KERRY PROPERTIES LTD	85,998	2,244,548	3.14%
KOWLOON DEVELOPMENT CO LTD	45,704	410,879	0.57%
KWG Property HKD0.10	172,330	939,199	1.31%
LONGFOR PROPERTIES	180,039	1,598,746	2.24%
NEW WORLD CHINA LAND L SHS	402,221	1,769,772	2.48%
NEW WORLD DEVELOPMENT	475,387	4,297,498	6.01%
POLY PROPERTY GROUP CO LTD	265,328	790,677	1.11%
ROAD KING INFRASTRUCTURE LTD ORD	32,750	227,613	0.32%
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GR	191,027	284,630	0.40%
SHENZHEN INV ORD SHS	284,939	621,167	0.87%
SHIMAO PROPERTY HOLDINDS LTD HKD0.10	183,272	2,881,036	4.03%
SINO-OCEAN LAND HOLDINGS	433,938	1,774,806	2.48%
SUN HUNG KAI PROPERTIES	39,874	4,390,127	6.14%
SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S'	220,199	1,294,770	1.81%
WHARF HOLDINGS	77,179	4,260,281	5.96%

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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 SEPTEMBER 2014 (CONTINUED)

Listed investments	Holdings	Fair value HK\$	% of net assets
Equities(continued)			
WHEELLOCK & COMPANY LTD	107,323	3,981,683	5.57%
YUEXIU PROPERTY COMPANY LTD	902,772	1,245,825	1.74%
YUZHOU PROPERTIES CO HKD0.10'REG S'	110,224	182,972	0.26%
		63,949,242	89.45%
REITS			
CHAMPION REIT REIT	303,317	982,747	1.37%
FORTUNE REIT NPV (REIT)	172,921	1,201,801	1.68%
LINK REIT NPV	101,644	4,548,569	6.36%
PROSPERITY REIT NPV (REIT)	158,658	382,366	0.53%
REGAL REAL ESTATE INVESTMENT NPV REIT	129,314	263,801	0.37%
SUNLIGHT REAL ESTATE INVEST NPV	118,454	370,761	0.52%
YUEXIU REAL ESTATE INVESTMENT TRUST	239,641	886,672	1.24%
		8,636,717	12.07%
Total listed investments		72,585,959	101.52%
Total investments, at cost		74,865,599	

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

Investments	Beginning holdings as at 1 April 2014	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2014
AGILE PROPERTY HOLDINGS LTD	215,556	6,600	36,862	37,846	221,172
C C LAND HOLDINGS LTD	202,328	-	-	37,122	165,206
CENTRAL CHINA REAL ESTATE HKD0.10	-	101,800	-	8,512	93,288
CHAMPION REIT REIT	357,289	10,800	-	64,772	303,317
CHINA OVERSEAS GRAND OCEANS GROUPLTD	126,548	18,900	-	24,641	120,807
CHINA OVERSEAS LAND & INVEST	240,791	17,200	-	45,697	212,294
CHINA RESOURCES LAND LTD SHS	285,775	22,800	-	43,231	265,344
CHINA SCE PROPERTY HOLDINGS HKD0.10	-	221,900	-	17,948	203,952
CHINA SOUTH CITY HOLDINGS HKD0.01	376,025	101,900	-	67,830	410,095
COUNTRY GARDEN HOLDINGS CO HKD0.10	1,154,308	35,000	65,150	212,049	1,042,409
EMPEROR INTL HLDG LTD HKD0.01	172,229	-	-	31,689	140,540
EVERGRANDE REAL ESTATE GROUP USD0.01	1,128,922	28,900	-	480,006	677,816
FANTASIA HOLDINGS GROUP CO HKD0.10'REG S	270,019	-	-	49,539	220,480
FORTUNE REIT NPV (REIT)	217,972	3,200	-	48,251	172,921
FRANSHION PROPERTIES HKD1	572,909	17,300	-	105,187	485,022
GREAT EAGLE HOLDINGS LTD	-	37,700	-	2,982	34,718
GREENLAND HONG KONG HOLDINGS LTD	-	146,700	-	10,647	136,053
GREENTOWN CHINA HOLDINGS HKD0.10	134,951	4,100	-	24,763	114,288
GUANGZHOU R&F PROPERTIES - H	158,740	4,800	-	29,200	134,340
HENDERSON LAND DEVELOPMENT	-	93,200	9,160	11,778	90,582
HUTCHISON HARBOUR RING LTD	-	249,800	-	20,895	228,905
HYSAN DEVELOPMENT CO	99,780	3,000	-	18,316	84,464
K WAH INTL HOLDINGS SHS	190,760	5,900	-	34,826	161,834
KAISA GROUP HOLDINGS LTD HKD0.10 REGS	234,320	9,400	-	76,279	167,441
KERRY PROPERTIES LTD	101,574	3,000	-	18,576	85,998
KOWLOON DEVELOPMENT CO LTD	54,687	1,600	-	10,583	45,704
KWG Property HKD0.10	203,527	6,200	-	37,397	172,330
LINK REIT NPV	135,020	1,900	-	35,276	101,644
LONGFOR PROPERTIES	212,715	6,400	-	39,076	180,039
NEW WORLD CHINA LAND L SHS	474,494	14,700	-	86,973	402,221
NEW WORLD DEVELOPMENT	650,433	8,800	-	183,846	475,387
POLY PROPERTY GROUP CO LTD	313,356	9,500	-	57,528	265,328
POLYTEC ASSET HOLDINGS LTD HKD0.1(POST C	208,168	-	-	208,168	-
POWERLONG REAL ESTATE HOLD	164,426	-	-	164,426	-
PROSPERITY REIT NPV (REIT)	185,514	6,200	-	33,056	158,658
REGAL REAL ESTATE INVESTMENT NPV REIT	152,776	4,600	-	28,062	129,314

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014 (CONTINUED)

Investments	Beginning holdings as at 1 April 2014	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2014
ROAD KING INFRASTRUCTURE LTD ORD	40,791	-	-	8,041	32,750
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GR	225,627	6,800	-	41,400	191,027
SHENZHEN INV ORD SHS	336,401	10,200	-	61,662	284,939
SHIMAO PROPERTY HOLDINGS LTD HKD0.10	217,184	6,600	-	40,512	183,272
SINO-OCEAN LAND HOLDINGS	512,209	15,600	-	93,871	433,938
SOHO CHINA LTD	278,633	-	-	278,633	-
SUN HUNG KA-CW16	-	-	4,250	4,250	-
SUN HUNG KAI PROPERTIES	51,002	700	-	11,828	39,874
SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S'	259,500	7,900	-	47,201	220,199
SUNLIGHT REAL ESTATE INVEST NPV	164,698	-	-	46,244	118,454
WHARF HOLDINGS	90,621	3,700	-	17,142	77,179
WHEELOCK & COMPANY LTD	127,076	3,900	-	23,653	107,323
YUEXIU PROPERTY COMPANY LTD	801,373	24,400	223,996	146,997	902,772
YUEXIU REAL ESTATE INVESTMENT TRUST	281,178	8,600	-	50,137	239,641
YUZHOU PROPERTIES CO HKD0.10'REG S'	138,000	-	-	27,776	110,224