

XIE Shares Trust I* (*This is a synthetic ETF)

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF) (Stock Code: 3091)

XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF) (Stock Code: 3031)

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF) (Stock Code: 3090)

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF) (Stock Code: 3029)

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

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

XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF) (Stock Code: 3069)

(Sub-funds of the XIE Shares Trust I*)(*This is a synthetic ETF)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

XIE Shares Trust I*(* This is a synthetic ETF)

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XIE Shares Trust I*(* This is a synthetic ETF)

MANAGEMENT AND ADMINISTRATION

Manager and Listing Agent

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337 New Henry House
10 Ice House Street
Central
Hong Kong

Legal Counsel to the Manager

Simmons & Simmons
13/F, One Pacific Place
88 Queensway
Hong Kong

Directors of the Manager

BLAND Tobias Christopher James
BEATTIE Nigel John (appointed on 29 August 2014)
GLADSTONE Xenophon Thomas (appointed on 29 August 2014)
LAU Che Loon David (appointed on 30 April 2014)
FORD Richard Andrew (resigned on 7 July 2014)
SO Ho Ching Paul (resigned on 30 April 2014)

Auditor

PricewaterhouseCoopers
22/F Prince's Building
10 Chater Road
Central
Hong Kong

Trustee

Cititrust Limited
50/F, Citibank Tower, Citibank Plaza
3 Garden Road
Central
Hong Kong

Custodian

Citibank, N.A. Hong Kong Branch
50/F, Citibank Tower, Citibank Plaza
3 Garden Road
Central
Hong Kong

Administrator

Cititrust, N.A.
50/F, Citibank Tower, Citibank Plaza
3 Garden Road
Central
Hong Kong

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
(appointed on 16 April 2014)

Market Maker

BNP Paribas Securities (Asia) Limited

Registrar

Computershare Hong Kong Investor Services Limited
46/F, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Service Agent

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

XIE Shares Trust I*(* This is a synthetic ETF)

REPORT OF THE MANAGER TO THE UNITHOLDERS

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF) (A Sub-Fund of XIE Shares Trust I)

Fund performance

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF) (“XIE Shares India”) seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the CNX Nifty Index (the “Index”) in Hong Kong dollar (“HK\$”) terms. As of 31 December 2014, the dealing Net Asset Value (“NAV”) per unit of the XIE Shares India was HK\$9.5086 with a total of 10,000,000 units outstanding, aggregating a total dealing NAV of approximately HK\$95,086,073.

A summary of the performance of the XIE Shares India is given below (as at 31 December 2014).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
CNX Nifty Price Return ^(b)	-5.19%	1.61%	3.75%	16.21%
CNX Nifty Total Return (Net) ^(c)	-5.16%	1.75%	4.39%	21.57%
XIE Shares India NAV-to-NAV ^(d)	-5.21%	1.51%	4.01%	18.86%
XIE Shares India Market-to-Market ^(e)	-6.18%	0.21%	3.06%	17.75%

- (a) Past performance figures shown are not indicative of the future performance of XIE Shares India.
- (b) Calculated on price return basis in HK\$. An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.
- (c) Calculated on total return (net of tax) basis in HK\$.
- (d) Unit's NAV in HK\$. Units in XIE Shares India can be created and redeemed at their NAV in exchange for cash at the primary market.
- (e) Market closing price in HK\$. Market returns are calculated using historical market closing prices of XIE Shares India in the secondary market. They do not represent the returns you would receive if you trade units at other times.
- (f) This is the annualised return since the inception of XIE Shares India. XIE Shares India inception date is 17 February 2012.
- (g) Represents performance figures for the period from 1 December 2014 to 31 December 2014.
- (h) Represents performance figures for the period from 1 October 2014 to 31 December 2014.
- (i) Represents performance figures for the period from 1 July 2014 to 31 December 2014

Source: Enhanced Investment Products Limited, Bloomberg

XIE Shares Trust I*(* This is a synthetic ETF)

REPORT OF THE MANAGER TO THE UNITHOLDERS

XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF) (A Sub-Fund of XIE Shares Trust I)

Fund performance

XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF) ("XIE Shares Indonesia") seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the LQ45 Index (the "Index") in Hong Kong dollar ("HK\$") terms. As of 31 December 2014, the dealing Net Asset Value ("NAV") per unit of the XIE Shares Indonesia was HK\$7.7788 with a total of 6,500,000 units outstanding, aggregating a total dealing NAV of approximately HK\$50,562,362.

A summary of the performance of the XIE Shares Indonesia is given below (as at 31 December 2014).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
LQ45 Price Return ^(b)	-0.10%	1.13%	4.61%	-5.68%
LQ45 Total Return (Net) ^(c)	0.04%	1.41%	5.10%	0.24%
XIE Shares Indonesia NAV-to-NAV ^(d)	0.03%	1.22%	4.68%	-2.77%
XIE Shares Indonesia Market-to-Market ^(e)	-0.64%	0.13%	4.74%	-3.25%

- (a) Past performance figures shown are not indicative of the future performance of XIE Shares Indonesia.
- (b) Calculated on price return basis in HK\$. An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.
- (c) Calculated on total return (net of tax) basis in HK\$.
- (d) Unit's NAV in HK\$. Units in XIE Shares Indonesia can be created and redeemed at their NAV in exchange for cash at the primary market.
- (e) Market closing price in HK\$. Market returns are calculated using historical market closing prices of XIE Shares Indonesia in the secondary market. They do not represent the returns you would receive if you trade units at other times.
- (f) This is the annualised return since the inception of XIE Shares Indonesia. XIE Shares Indonesia inception date is 17 February 2012.
- (g) Represents performance figures for the period from 1 December 2014 to 31 December 2014.
- (h) Represents performance figures for the period from 1 October 2014 to 31 December 2014.
- (i) Represents performance figures for the period from 1 July 2014 to 31 December 2014.

Source: Enhanced Investment Products Limited, Bloomberg

XIE Shares Trust I*(* This is a synthetic ETF)

REPORT OF THE MANAGER TO THE UNITHOLDERS

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF) (A Sub-Fund of XIE Shares Trust I)

Fund performance

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF) (“XIE Shares Korea”) seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the KOSPI 200 Index (the “Index”) in Hong Kong dollar (“HK\$”) terms. As of 31 December 2014, the dealing Net Asset Value (“NAV”) per unit of the XIE Shares Korea was HK\$7.5473 with a total of 6,000,000 units outstanding, aggregating a total dealing NAV of approximately HK\$45,283,821.

A summary of the performance of the XIE Shares Korea is given below (as at 31 December 2014).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
KOSPI 200 Price Return ^(b)	-3.04%	-8.87%	-13.73%	-5.19%
KOSPI 200 Total Return (Net) ^(c)	-3.03%	-8.86%	-13.72%	-4.38%
XIE Shares Korea NAV-to-NAV ^(d)	-3.14%	-9.13%	-14.15%	-5.66%
XIE Shares Korea Market-to-Market ^(e)	-3.22%	-9.41%	-14.27%	-6.12%

- (a) Past performance figures shown are not indicative of the future performance of XIE Shares Korea.
- (b) Calculated on price return basis in HK\$. An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.
- (c) Calculated on total return (net of tax) basis in HK\$.
- (d) Unit's NAV in HK\$. Units in XIE Shares Korea can be created and redeemed at their NAV in exchange for cash at the primary market.
- (e) Market closing price in HK\$. Market returns are calculated using historical market closing prices of XIE Shares Korea in the secondary market. They do not represent the returns you would receive if you trade units at other times.
- (f) This is the annualised return since the inception of XIE Shares Korea. XIE Shares Korea inception date is 13 February 2012.
- (g) Represents performance figures for the period from 1 December 2014 to 31 December 2014.
- (h) Represents performance figures for the period from 1 October 2014 to 31 December 2014.
- (i) Represents performance figures for the period from 1 July 2014 to 31 December 2014.

Source: Enhanced Investment Products Limited, Bloomberg

XIE Shares Trust I*(* This is a synthetic ETF)

REPORT OF THE MANAGER TO THE UNITHOLDERS

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF) (A Sub-Fund of XIE Shares Trust I)

Fund performance

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF) (“XIE Shares Malaysia”) seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE Bursa Malaysia KLCI (the “Index”) in Hong Kong dollar (“HK\$”) terms. As of 31 December 2014, the dealing Net Asset Value (“NAV”) per unit of the XIE Shares Malaysia was HK\$8.3404 with a total of 2,500,000 units outstanding, aggregating a total dealing NAV of approximately HK\$20,850,944.

A summary of the performance of the XIE Shares Malaysia is given below (as at 31 December 2014).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
FTSE Bursa Malaysia KLCI Price Return ^(b)	-6.43%	-10.62%	-14.04%	-2.53%
FTSE Bursa Malaysia KLCI Total Return (Net) ^(c)	-6.09%	-9.96%	-12.61%	7.24%
XIE Shares Malaysia NAV-to-NAV ^(d)	-6.21%	-10.32%	-13.22%	4.25%
XIE Shares Malaysia Market-to-Market ^(e)	-6.73%	-10.74%	-13.62%	3.87%

- (a) Past performance figures shown are not indicative of the future performance of XIE Shares Malaysia.
- (b) Calculated on price return basis in HK\$. An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.
- (c) Calculated on total return (net of tax) basis in HK\$.
- (d) Unit's NAV in HK\$. Units in XIE Shares Malaysia can be created and redeemed at their NAV in exchange for cash at the primary market.
- (e) Market closing price in HK\$. Market returns are calculated using historical market closing prices of XIE Shares Malaysia in the secondary market. They do not represent the returns you would receive if you trade units at other times.
- (f) This is the annualised return since the inception of XIE Shares Malaysia. XIE Shares Malaysia inception date is 13 February 2012.
- (g) Represents performance figures for the period from 1 December 2014 to 31 December 2014.
- (h) Represents performance figures for the period from 1 October 2014 to 31 December 2014.
- (i) Represents performance figures for the period from 1 July 2014 to 31 December 2014.

Source: Enhanced Investment Products Limited, Bloomberg

XIE Shares Trust I* (* This is a synthetic ETF)

REPORT OF THE MANAGER TO THE UNITHOLDERS

XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF) (A Sub-Fund of XIE Shares Trust I)

Fund performance

XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF) (“XIE Shares Philippines”) seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the PSEi Index (the “Index”) in Hong Kong dollar (“HK\$”) terms. As of 31 December 2014, the dealing Net Asset Value (“NAV”) per unit of the XIE Shares Philippines was HK\$11.4475 with a total of 1,500,000 units outstanding, aggregating a total dealing NAV of approximately HK\$17,171,216.

A summary of the performance of the XIE Shares Philippines is given below (as at 31 December 2014).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
PSEi Price Return ^(b)	-0.49%	-0.53%	3.15%	41.19%
PSEi Total Return (Net) ^(c)	-0.47%	-0.44%	3.61%	48.32%
XIE Shares Philippines NAV-to-NAV ^(d)	-0.62%	-0.91%	2.72%	43.09%
XIE Shares Philippines Market-to-Market ^(e)	-1.04%	-0.87%	2.70%	42.50%

- (a) Past performance figures shown are not indicative of the future performance of XIE Shares Philippines.
- (b) Calculated on price return basis in HK\$. An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.
- (c) Calculated on total return (net of tax) basis in HK\$.
- (d) Unit's NAV in HK\$. Units in XIE Shares Philippines can be created and redeemed at their NAV in exchange for cash at the primary market.
- (e) Market closing price in HK\$. Market returns are calculated using historical market closing prices of XIE Shares Philippines in the secondary market. They do not represent the returns you would receive if you trade units at other times.
- (f) This is the annualised return since the inception of XIE Shares Philippines. XIE Shares Philippines inception date is 17 February 2012.
- (g) Represents performance figures for the period from 1 December 2014 to 31 December 2014.
- (h) Represents performance figures for the period from 1 October 2014 to 31 December 2014.
- (i) Represents performance figures for the period from 1 July 2014 to 31 December 2014.

Source: Enhanced Investment Products Limited, Bloomberg

XIE Shares Trust I*(* This is a synthetic ETF)

REPORT OF THE MANAGER TO THE UNITHOLDERS

XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF) (A Sub-Fund of XIE Shares Trust I)

Fund performance

XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF) (“XIE Shares Taiwan”) seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the TAIEX Index (the “Index”) in Hong Kong dollar (“HK\$”) terms. As of 31 December 2014, the dealing Net Asset Value (“NAV”) per unit of the XIE Shares Taiwan was HK\$9.2976 with a total of 10,000,000 units outstanding, aggregating a total dealing NAV of approximately HK\$92,976,032.

A summary of the performance of the XIE Shares Taiwan is given below (as at 31 December 2014).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
TAIEX Price Return ^(b)	-0.79%	-0.22%	-6.33%	9.89%
TAIEX Total Return (Net) ^(c)	-0.79%	-0.21%	-4.38%	18.26%
XIE Shares Taiwan NAV-to-NAV ^(d)	-0.87%	-0.46%	-4.66%	16.22%
XIE Shares Taiwan Market-to-Market ^(e)	-1.29%	-2.03%	-5.36%	14.75%

- (a) Past performance figures shown are not indicative of the future performance of XIE Shares Taiwan.
- (b) Calculated on price return basis in HK\$. An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.
- (c) Calculated on total return (net of tax) basis in HK\$.
- (d) Unit's NAV in HK\$. Units in XIE Shares Taiwan can be created and redeemed at their NAV in exchange for cash at the primary market.
- (e) Market closing price in HK\$. Market returns are calculated using historical market closing prices of XIE Shares Taiwan in the secondary market. They do not represent the returns you would receive if you trade units at other times.
- (f) This is the annualised return since the inception of XIE Shares Taiwan. XIE Shares Taiwan inception date is 13 February 2012.
- (g) Represents performance figures for the period from 1 December 2014 to 31 December 2014.
- (h) Represents performance figures for the period from 1 October 2014 to 31 December 2014.
- (i) Represents performance figures for the period from 1 July 2014 to 31 December 2014.

Source: Enhanced Investment Products Limited, Bloomberg

XIE Shares Trust I* (* This is a synthetic ETF)

REPORT OF THE MANAGER TO THE UNITHOLDERS

XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF) (A Sub-Fund of XIE Shares Trust I)

Fund performance

XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF) (“XIE Shares Thailand”) seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the SET50 Index (the “Index”) in Hong Kong dollar (“HK\$”) terms. As of 31 December 2014, the dealing Net Asset Value (“NAV”) per unit of the XIE Shares Thailand was HK\$10.1448 with a total of 2,500,000 units outstanding, aggregating a total dealing NAV of approximately HK\$25,361,963.

A summary of the performance of the XIE Shares Thailand is given below (as at 31 December 2014).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
SET50 Price Return ^(b)	-6.58%	-6.81%	-1.16%	19.58%
SET50 Total Return (Net) ^(c)	-6.54%	-6.73%	-0.14%	30.17%
XIE Shares Thailand NAV-to-NAV ^(d)	-6.63%	-7.04%	-0.81%	26.81%
XIE Shares Thailand Market-to-Market ^(e)	-7.17%	-8.01%	-1.17%	26.25%

- (a) Past performance figures shown are not indicative of the future performance of XIE Shares Thailand.
- (b) Calculated on price return basis in HK\$. An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.
- (c) Calculated on total return (net of tax) basis in HK\$.
- (d) Unit's NAV in HK\$. Units in XIE Shares Thailand can be created and redeemed at their NAV in exchange for cash at the primary market.
- (e) Market closing price in HK\$. Market returns are calculated using historical market closing prices of the XIE Shares Thailand in the secondary market. They do not represent the returns you would receive if you trade units at other times.
- (f) This is the annualised return since the inception of XIE Shares Thailand. XIE Shares Thailand inception date is 13 February 2012.
- (g) Represents performance figures for the period from 1 December 2014 to 31 December 2014.
- (h) Represents performance figures for the period from 1 October 2014 to 31 December 2014.
- (i) Represents performance figures for the period from 1 July 2014 to 31 December 2014.

Source: Enhanced Investment Products Limited, Bloomberg

XIE Shares Trust I*(* This is a synthetic ETF)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF), XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF), XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF), XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF), XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF), XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF) and XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF), the sub-funds of (the “Sub-Funds”) of XIE Shares Trust I* (*This is a synthetic ETF) (the “Trust”) has, in all material respects, managed the Sub-Funds in accordance with the provisions of the Trust Deed dated 11 November 2011 for the year ended 31 December 2014.

Cititrust Limited

27 April 2015

XIE Shares Trust I*(* This is a synthetic ETF)

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER'S RESPONSIBILITIES

The Manager of the XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF), XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF), XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF), XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF), XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF), XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF) and XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF) (the "Sub-Funds") is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed dated 11 November 2011 (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Funds at the end of that year and of the transactions for the year ended 31 December 2014. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Sub-Funds will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Sub-Funds in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

XIE Shares Trust I*(*This is a synthetic ETF) (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 December 2014, the Trust has established seven sub-funds, namely, XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF), XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF), XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF), XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF), XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF), XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF) and XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF).

TRUSTEE'S RESPONSIBILITIES

The Trustee of the Sub-Funds is required to:

- ensure that the Sub-Funds are managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Funds and rights attaching thereto; and
- report to the Unitholders for each annual accounting period on the conduct of the Manager in the management of the Sub-Funds.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF XIE SHARES TRUST I* (*This is a synthetic ETF)
(THE "TRUST")**

Report on the Financial Statements

We have audited the financial statements of XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF), XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF), XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF), XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF), XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF), XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF) and XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF) (each a separate sub-fund of XIE Shares Trust I* (*This is a synthetic ETF) and referred to individually or collectively as the "Sub-Funds") set out on pages 13 to 94, which comprise the statements of financial position as at 31 December 2014, and the statements of comprehensive income, statements of changes in net assets attributable to unitholders and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Trustee and the Manager (the "Management") of the Sub-Funds are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and are responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 11 November 2011 (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code"), and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also required to assess whether the financial statements of the Sub-Funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Sub-Funds' preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF XIE SHARES TRUST I* (*This is a synthetic ETF)
(THE "TRUST") (CONTINUED)**

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of each of the Sub-Funds as at 31 December 2014, and of each of their financial transactions and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 27 April 2015

XIE Shares Trust I* (**This is a synthetic ETF)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

		XIE Shares India (CNX Nifty) ETF* ("This is a synthetic ETF)		XIE Shares Indonesia (LQ45) ETF* ("This is a synthetic ETF)		XIE Shares Korea (KOSPI 200) ETF* ("This is a synthetic ETF)	
	Note	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Assets - current assets							
Investments in listed securities	5(b), 10(a)(i), 10(b)	68,278,525	100,382,705	38,976,167	14,389,012	34,434,739	79,918,080
Investments in derivative instruments	10(a)(i), 10(b)	1,679,970	3,290,665	2,469,963	330,250	465,747	2,368,799
Dividends receivable		-	90,060	34,445	15,081	-	122,281
Receivable due from swap counterparties	10(b)	605,543	84,578	77,548	217,161	465,289	-
Other receivables		20,571	15,000	20,571	15,000	20,571	15,000
Cash and cash equivalents	5(b), 10(b)	25,407,683	17,143,160	11,031,272	859,968	10,522,222	14,097,636
Total assets		<u>95,992,292</u>	<u>121,006,168</u>	<u>52,609,966</u>	<u>15,826,472</u>	<u>45,908,568</u>	<u>96,521,796</u>
Liabilities - current liabilities							
Investments in derivative instruments	10(a)(i)	1,118,976	2,897,509	204,714	500,648	623,883	2,617,560
Management fee payable	5(a)	42,200	39,848	18,338	5,282	22,773	31,815
Payable due to swap counterparties	10(b)	-	1,201,830	1,938,706	-	268,086	765,442
Other payables		209,739	92,363	43,337	19,847	170,984	69,119
Total liabilities		<u>1,370,915</u>	<u>4,231,550</u>	<u>2,205,095</u>	<u>525,777</u>	<u>1,085,726</u>	<u>3,483,936</u>
Equity							
Net assets attributable to Unitholders	6	<u>94,621,377</u>	<u>116,774,618</u>	<u>50,404,871</u>	<u>15,300,695</u>	<u>44,822,842</u>	<u>93,037,860</u>

The financial statements on pages 13 to 94 were approved by the Manager on 27 April 2015.

The accompanying notes form an integral part of these financial statements.

XIE Shares Trust I* (**This is a synthetic ETF)

STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 31 DECEMBER 2014

		XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* ("This is a synthetic ETF)		XIE Shares Philippines (PSEi) ETF* ("This is a synthetic ETF)		XIE Shares Taiwan (TAIEX) ETF* ("This is a synthetic ETF)	
	Note	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Assets - current assets							
Investments in listed securities	5(b), 10(a)(i), 10(b)	17,612,443	38,705,967	13,357,176	16,974,857	74,648,802	122,489,836
Investments in derivative instruments	10(a)(i), 10(b)	956,372	489,694	173,856	280,042	3,152,462	3,637,179
Dividends receivable		-	32,481	24,939	17,401	-	117,614
Receivable due from swap counterparties	10(b)	54,974	1,101,031	155,096	232,625	-	1,217,337
Other receivables		20,571	15,000	20,571	15,000	20,571	15,000
Cash and cash equivalents	5(b), 10(b)	3,123,715	7,093,227	3,611,959	1,718,609	16,951,105	20,325,918
Total assets		<u>21,768,075</u>	<u>47,437,400</u>	<u>17,343,597</u>	<u>19,238,534</u>	<u>94,772,940</u>	<u>147,802,884</u>
Liabilities - current liabilities							
Investments in derivative instruments	10(a)(i)	442,269	1,455,568	208,014	607,339	963,450	4,601,797
Management fee payable	5(a)	9,078	15,706	6,053	6,524	40,205	48,243
Payable due to swap counterparties	10(b)	620,386	12,848	77,548	-	1,022,445	193,200
Other payables		93,539	41,332	38,733	24,334	252,362	106,807
Total liabilities		<u>1,165,272</u>	<u>1,525,454</u>	<u>330,348</u>	<u>638,197</u>	<u>2,278,462</u>	<u>4,950,047</u>
Equity							
Net assets attributable to							
Unitholders	6	20,602,803	45,911,946	17,013,249	18,600,337	92,494,478	142,852,837

The financial statements on pages 13 to 94 were approved by the Manager on 27 April 2015.

The accompanying notes form an integral part of these financial statements.

XIE Shares Trust I* (**This is a synthetic ETF)

STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 31 DECEMBER 2014

		XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)	
	Note	2014 HK\$	2013 HK\$
Assets - current assets			
Investments in listed securities			
	5(b), 10(a)(i), 10(b)	20,448,399	37,849,980
Investments in derivative instruments	10(a)(i), 10(b)	615,277	160,193
Dividends receivable		-	34,801
Receivable due from swap counterparties	10(b)	114,725	3,230,057
Other receivables		20,571	15,000
Cash and cash equivalents	5(b), 10(b)	4,706,515	1,678,510
Total assets		<u>25,905,487</u>	<u>42,968,541</u>
Liabilities - current liabilities			
Investments in derivative instruments	10(a)(i)	620,501	3,598,112
Management fee payable	5(a)	11,398	14,248
Payable due to swap counterparties	10(b)	77,548	-
Other payables		82,760	42,077
Total liabilities		<u>792,207</u>	<u>3,654,437</u>
Equity			
Net assets attributable to Unitholders	6	<u>25,113,280</u>	<u>39,314,104</u>

The financial statements on pages 13 to 94 were approved by the Manager on 27 April 2015.

The accompanying notes form an integral part of these financial statements.

XIE Shares Trust I* (**This is a synthetic ETF)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	XIE Shares India (CNX Nifty) ETF* ("This is a synthetic ETF")		XIE Shares Indonesia (LQ45) ETF* ("This is a synthetic ETF")		XIE Shares Korea (KOSPI 200) ETF* ("This is a synthetic ETF")	
		2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Income							
Dividend income		2,718,752	2,697,761	620,075	362,263	2,048,181	2,531,146
Interest income		10,612	17,073	2,870	1,763	5,642	12,620
Net gain/(loss) on investments	4	41,226,501	(7,301,938)	4,535,932	(3,839,972)	(10,764,195)	(48,239)
Net foreign exchange loss		(66,250)	(213,890)	(17,194)	(17,191)	(29,136)	(85,520)
Total net income/(loss)		<u>43,889,615</u>	<u>(4,800,994)</u>	<u>5,141,683</u>	<u>(3,493,137)</u>	<u>(8,739,508)</u>	<u>2,410,007</u>
Operating expenses							
Management fees	5(a)	549,102	453,900	162,788	66,154	331,036	343,873
Audit fees		192,711	84,357	25,118	11,846	156,850	61,114
Preliminary expenses		5,537	16,446	5,537	2,161	5,537	10,221
Interest expense		3,093	815	325	73	543	4,700
Bank charges		2,100	501	2,890	245	1,470	225
Other operating expenses		117,173	73,261	117,165	63,821	117,173	70,503
Total operating expenses		<u>869,716</u>	<u>629,280</u>	<u>313,823</u>	<u>144,300</u>	<u>612,609</u>	<u>490,636</u>
Operating profit/(loss)		<u>43,019,899</u>	<u>(5,430,274)</u>	<u>4,827,860</u>	<u>(3,637,437)</u>	<u>(9,352,117)</u>	<u>1,919,371</u>
Profit/(loss) before taxation		<u>43,019,899</u>	<u>(5,430,274)</u>	<u>4,827,860</u>	<u>(3,637,437)</u>	<u>(9,352,117)</u>	<u>1,919,371</u>
Dividend withholding tax	8	127,040	83,909	34,134	13,692	83,101	65,604
Total comprehensive income for the year attributable to unitholders		<u><u>42,892,859</u></u>	<u><u>(5,514,183)</u></u>	<u><u>4,793,726</u></u>	<u><u>(3,651,129)</u></u>	<u><u>(9,435,218)</u></u>	<u><u>1,853,767</u></u>

The accompanying notes form an integral part of these financial statements.

XIE Shares Trust I*(*This is a synthetic ETF)

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

		XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)		XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)		XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)	
	Note	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Income							
Dividend income		851,464	994,633	372,500	435,430	2,892,505	3,265,171
Interest income		4,376	5,775	1,957	3,484	14,237	15,999
Net gain/(loss) on investments	4	(3,096,096)	1,882,471	3,777,431	(1,326,865)	5,641,506	11,931,015
Net foreign exchange loss		(17,614)	(22,472)	(8,789)	(4,276)	(60,589)	(90,769)
Total net income/(loss)		<u>(2,257,870)</u>	<u>2,860,407</u>	<u>4,143,099</u>	<u>(892,227)</u>	<u>8,487,659</u>	<u>15,121,416</u>
Operating expenses							
Management fees	5(a)	155,937	173,400	72,129	84,515	568,015	523,170
Audit fees		75,874	33,329	29,485	16,333	237,699	98,799
Preliminary expenses		5,537	5,540	5,537	2,921	5,537	17,281
Interest expense		172	1,267	187	273	1,381	3,855
Bank charges		1,950	455	1,060	664	2,700	434
Other operating expenses		117,165	66,258	117,162	64,181	117,175	73,839
Total operating expenses		<u>356,635</u>	<u>280,249</u>	<u>225,560</u>	<u>168,887</u>	<u>932,507</u>	<u>717,378</u>
Operating profit/(loss)		<u>(2,614,505)</u>	<u>2,580,158</u>	<u>3,917,539</u>	<u>(1,061,114)</u>	<u>7,555,152</u>	<u>14,404,038</u>
Profit/(loss) before taxation		<u>(2,614,505)</u>	<u>2,580,158</u>	<u>3,917,539</u>	<u>(1,061,114)</u>	<u>7,555,152</u>	<u>14,404,038</u>
Dividend withholding tax	8	45,088	35,194	19,277	16,703	132,011	96,450
Total comprehensive income for the year attributable to unitholders		<u>(2,659,593)</u>	<u>2,544,964</u>	<u>3,898,262</u>	<u>(1,077,817)</u>	<u>7,423,141</u>	<u>14,307,588</u>

The accompanying notes form an integral part of these financial statements.

XIE Shares Trust I*(*This is a synthetic ETF)

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

		XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)	
	Note	2014 HK\$	2013 HK\$
Income			
Dividend income		847,519	1,051,637
Interest income		4,809	6,558
Net gain/(loss) on investments	4	6,208,295	(5,604,759)
Net foreign exchange gain/(loss)		1,873	(33,000)
Total net income/(loss)		<u>7,062,496</u>	<u>(4,579,564)</u>
Operating expenses			
Management fees	5(a)	157,159	183,020
Audit fees		62,302	34,075
Preliminary expenses		5,537	6,404
Interest expense		488	1,848
Bank charges		1,675	859
Other operating expense		117,166	66,386
Total operating expenses		<u>344,327</u>	<u>292,592</u>
Operating profit/(loss)		<u>6,718,169</u>	<u>(4,872,156)</u>
Profit before taxation		<u>6,718,169</u>	<u>(4,872,156)</u>
Dividend withholding tax	8	40,393	34,688
Total comprehensive income for the year attributable to the unitholders		<u><u>6,677,776</u></u>	<u><u>(4,906,844)</u></u>

The accompanying notes form an integral part of these financial statements.

XIE Shares Trust I*(*This is a synthetic ETF)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2014

	XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)		XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)		XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Balance at the beginning of the year	116,774,618	122,288,801	15,300,695	15,772,674	93,037,860	91,184,093
Proceeds on issue of units	55,774,600	-	37,794,500	3,179,150	33,750,800	-
Payment on redemption of units	(120,820,700)	-	(7,484,050)	-	(72,530,600)	-
Net increase/(decrease) from unit transactions	(65,046,100)	-	30,310,450	3,179,150	(38,779,800)	-
Total comprehensive income for the year	42,892,859	(5,514,183)	4,793,726	(3,651,129)	(9,435,218)	1,853,767
Balance at the end of the year	94,621,377	116,774,618	50,404,871	15,300,695	44,822,842	93,037,860

	XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)		XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)		XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Balance at the beginning of the year	45,911,946	43,366,982	18,600,337	19,678,154	142,852,837	128,545,249
Proceeds on issue of units	-	-	-	-	27,434,400	-
Payment on redemption of units	(22,649,550)	-	(5,485,350)	-	(85,215,900)	-
Net decrease from unit transactions	(22,649,550)	-	(5,485,350)	-	(57,781,500)	-
Total comprehensive income for the year	(2,659,593)	2,544,964	3,898,262	(1,077,817)	7,423,141	14,307,588
Balance at the end of the year	20,602,803	45,911,946	17,013,249	18,600,337	92,494,478	142,852,837

The accompanying notes form an integral part of these financial statements.

XIE Shares Trust I*(*This is a synthetic ETF)

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)	
	2014 HK\$	2013 HK\$
Balance at the beginning of the year	39,314,104	44,220,948
Proceeds on issue of units	-	-
Payment on redemption of units	(20,878,600)	-
	<hr/>	<hr/>
Net decrease from unit transactions	(20,878,600)	-
	<hr/>	<hr/>
Total comprehensive income for the year	6,677,776	(4,906,844)
	<hr/>	<hr/>
Balance at the end of the year	<u>25,113,280</u>	<u>39,314,104</u>

The accompanying notes form an integral part of these financial statements.

XIE Shares Trust I*(*This is a synthetic ETF)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)		XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)		XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)	
	2014	2013	2014	2013	2014	2013
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Operating activities						
Payments for purchase of investments	(72,592,123)	(25,517,693)	(37,930,741)	(4,284,880)	(35,418,698)	(19,902,677)
Proceeds from sale of investments	145,754,966	27,173,953	15,443,871	801,747	70,047,219	18,233,110
Dividends received	2,808,812	2,730,523	600,711	363,213	2,170,462	2,440,419
Interest received	10,612	17,073	2,870	1,763	5,642	12,620
Management fee paid	(546,750)	(461,364)	(149,732)	(66,177)	(340,078)	(352,613)
Dividend withholding tax paid	(127,040)	(83,909)	(34,134)	(13,692)	(83,101)	(65,604)
Preliminary expenses paid	(5,537)	(40,304)	(5,537)	(26,019)	(5,537)	(34,079)
Interest expense paid	(3,093)	(815)	(325)	(73)	(543)	(4,700)
Net receipts from/(payments to) swap counterparties	(1,722,795)	5,535,240	2,078,319	348,651	(962,645)	3,121,702
Others receipts and payments	(200,179)	(85,756)	(127,254)	(66,180)	(179,199)	(92,723)
Cash generated from/(used in) operating activities	73,376,873	9,266,948	(20,121,952)	(2,941,647)	35,233,522	3,355,455
Financing activities						
Proceeds from issue of units	55,774,600	-	37,794,500	3,179,150	33,750,800	-
Redemption paid on redemption of units	(120,820,700)	-	(7,484,050)	-	(72,530,600)	-
Cash generated from/(used in) financing activities	(65,046,100)	-	30,310,450	3,179,150	(38,779,800)	-
Net increase/(decrease) in cash and cash equivalents	8,330,773	9,266,948	10,188,498	237,503	(3,546,278)	3,355,455
Cash and cash equivalents at beginning of year	17,143,160	8,090,102	859,968	639,656	14,097,636	10,827,701
Net foreign exchange loss	(66,250)	(213,890)	(17,194)	(17,191)	(29,136)	(85,520)
Cash and cash equivalents at end of year	25,407,683	17,143,160	11,031,272	859,968	10,522,222	14,097,636
Analysis of balances of cash and cash equivalents						
Cash and cash equivalents	25,407,683	17,143,160	11,031,272	859,968	10,522,222	14,097,636

The accompanying notes form an integral part of these financial statements.

XIE Shares Trust I* (**This is a synthetic ETF)

STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

	XIE Shares Malaysia (FTSE Bursa Malaysia KLCI ETF* ("This is a synthetic ETF))		XIE Shares Philippines (PSEi) ETF* ("This is a synthetic ETF))		XIE Shares Taiwan (TAIEX) ETF* ("This is a synthetic ETF))	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Operating activities						
Payments for purchase of investments	(14,799,417)	(3,639,716)	(9,589,882)	(1,987,486)	(59,267,341)	(14,421,814)
Proceeds from sale of investments	31,316,868	5,666,600	16,691,855	1,129,144	109,596,251	13,754,983
Dividends received	883,945	995,355	364,962	436,382	3,010,119	3,191,097
Interest received	4,376	5,775	1,957	3,484	14,237	15,999
Management fee paid	(162,565)	(176,425)	(72,600)	(84,552)	(576,053)	(525,995)
Dividend withholding tax paid	(45,088)	(35,194)	(19,277)	(16,703)	(132,011)	(96,450)
Preliminary expenses paid	(5,537)	(29,398)	(5,537)	(26,779)	(5,537)	(41,139)
Interest expense paid	(172)	(1,267)	(187)	(273)	(1,381)	(3,855)
Net receipts from/(payments to) swap counterparties	1,653,595	(615,381)	155,077	(193,871)	2,046,582	3,804,647
Others receipts and payments	(148,353)	(79,002)	(138,879)	(66,959)	(217,590)	(86,372)
Cash generated from/(used in) operating activities	18,697,652	2,091,347	7,387,489	(807,613)	54,467,276	5,591,101
Financing activities						
Proceeds from issue of units	-	-	-	-	27,434,400	-
Redemption paid on redemption of units	(22,649,550)	-	(5,485,350)	-	(85,215,900)	-
Cash used in financing activities	(22,649,550)	-	(5,485,350)	-	(57,781,500)	-
Net increase/(decrease) in cash and cash equivalents	(3,951,898)	2,091,347	1,902,139	(807,613)	(3,314,224)	5,591,101
Cash and cash equivalents at beginning of year	7,093,227	5,024,352	1,718,609	2,530,498	20,325,918	14,825,586
Net foreign exchange loss	(17,614)	(22,472)	(8,789)	(4,276)	(60,589)	(90,769)
Cash and cash equivalents at end of year	3,123,715	7,093,227	3,611,959	1,718,609	16,951,105	20,325,918
Analysis of balances of cash and cash equivalents						
Cash and cash equivalents	3,123,715	7,093,227	3,611,959	1,718,609	16,951,105	20,325,918

The accompanying notes form an integral part of these financial statements.

XIE Shares Trust I*(*This is a synthetic ETF)

STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

	XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)	
	2014 HK\$	2013 HK\$
Operating activities		
Payments for purchase of investments	(19,804,138)	(3,974,973)
Proceeds from sale of investments	39,981,319	2,347,703
Dividends received	882,320	1,062,158
Interest received	4,809	6,558
Management fee paid	(160,009)	(189,389)
Dividend withholding tax paid	(40,393)	(34,688)
Preliminary expenses paid	(5,537)	(6,404)
Interest expense paid	(488)	(1,848)
Net receipts from/(payments to) swap counterparties	3,192,880	(3,276,562)
Others receipts and payments	(146,031)	(103,393)
Cash generated from/(used in) operating activities	23,904,732	(4,170,838)
Financing activities		
Proceeds from issue of units	-	-
Redemption paid on redemption of units	(20,878,600)	-
Cash used in financing activities	(20,878,600)	-
Net increase/(decrease) in cash and cash equivalents	3,026,132	(4,170,838)
Cash and cash equivalents at beginning of year	1,678,510	5,882,348
Net foreign exchange gain/(loss)	1,873	(33,000)
Cash and cash equivalents at end of year	4,706,515	1,678,510
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents	4,706,515	1,678,510

The accompanying notes form an integral part of these financial statements.

XIE Shares Trust I* (*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 General information

XIE Shares Trust I* (*This is a synthetic ETF) (the “Trust”) is an umbrella unit trust governed by a trust deed (the “Trust Deed”) dated 11 November 2011 and authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to section 104 (1) of the Securities and Futures Ordinance. The Trust is established in Hong Kong on 11 November 2011.

As at 31 December 2014, the Trust has established seven sub-funds (referred to collectively as the “Sub-Funds”):

<u>Name of Sub-Fund</u>	<u>Underlying Index</u>	<u>Listing Date on the Stock Exchange of Hong Kong Limited (The “SEHK”)</u>
XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)	CNX Nifty Index	21 February 2012
XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)	IDX LQ45 Index	21 February 2012
XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)	KOSPI 200 Index	16 February 2012
XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)	FTSE Bursa Malaysia KLCI	16 February 2012
XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)	PSEi Index	21 February 2012
XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)	TAIEX Index	16 February 2012
XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)	SET50 Index	16 February 2012

The Sub-Funds adopt a “synthetic replication” investment strategy, pursuant to which the Sub-Funds will enter into index swap transactions (“Index Swaps”) and equity swap transactions (“Equity Swaps”) with multiple swap counterparties (“Swap Counterparties”) to achieve their investment objectives.

The exposure of the Sub-Funds to the Underlying Index is primarily achieved through the unfunded swaps. The valuation of each unfunded swap will reflect the relative movements in the economic benefit/loss of the Underlying Index and the return of the portfolio of investments owned by the Sub-Funds.

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 General information (Continued)

The Sub-Funds will receive from the Swap Counterparties, through the unfunded Index Swaps, an exposure to the economic gain/loss in the performance of the Underlying Index. In return the Sub-Funds will, under the unfunded Equity Swaps, provide the Swap Counterparties an exposure to the economic gain/loss in the performance of a portfolio of listed securities which the Sub-Funds will purchase ("listed securities") with the net proceeds of any issue of its units. The Sub-Funds will own the listed securities.

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)

The investment objective of XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF) is to provide investment results that, before fees and expenses, closely correspond to the performance of the CNX Nifty Index on a total return basis.

XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)

The investment objective of XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF) is to provide investment results that, before fees and expenses, closely correspond to the performance of the LQ45 Index on a total return basis.

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)

The investment objective of XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF) is to provide investment results that, before fees and expenses, closely correspond to the performance of the KOSPI 200 Index on a total return basis.

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)

The investment objective of XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF) is to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE Bursa Malaysia KLCI on a total return basis.

XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)

The investment objective of XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF) is to provide investment results that, before fees and expenses, closely correspond to the performance of the PSEi Index on a total return basis.

XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)

The investment objective of XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF) is to provide investment results that, before fees and expenses, closely correspond to the performance of the TAIEX Index on a total return basis.

XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)

The investment objective of XIE Shares (SET50) Thailand ETF* (*This is a synthetic ETF) is to provide investment results that, before fees and expenses, closely correspond to the performance of the SET50 Index on a total return basis.

The trustee of the Trust is Cititrust Limited (the "Trustee") and the manager is Enhanced Investment Products Limited (the "Manager").

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1 General information (Continued)

The Trustee shall establish a separate pool of assets within the Trust (each such separate pool of assets a “Sub-Fund”) and the Trustee may issue different classes of units for each Sub-Fund. The assets of a Sub-Fund will be invested and administered separately from the other assets of the Trust. The Manager reserves the right to establish other Sub-Funds and to issue further classes of units in the future.

The Trust’s investment activities are managed by the Manager. The Manager was incorporated in Hong Kong with limited liability in 2002 and is licensed by the SFC to conduct type 4 (advising in securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance.

Under the Trust Deed, the monies forming part of each Sub-Fund are invested, at the direction of the Manager, in accordance with the Trust Deed. The Manager is responsible for placing purchase and sale orders and providing continuous supervision of the investment portfolio of each Sub-Fund. The Manager is also the Listing Agent for each Sub-Fund.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Sub-Funds have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the “Management”) to exercise their judgment in the process of applying the Sub-Funds’ accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

All references to net asset value (“NAV”) throughout these financial statements refer to net assets attributable to unitholders unless otherwise stated.

Relevant standards and amendments to existing standards effective 1 January 2014

Amendments to IAS 32, ‘Offsetting financial assets and financial liabilities’ is effective for annual periods beginning on or after 1 January 2014. These amendments clarify the offsetting criteria in IAS 32 and address inconsistencies in their application. This includes clarifying the meaning of ‘currently has a legally enforceable right of set-off’ and that some gross settlement systems may be considered equivalent to net settlement. The amendments did not have any impact on the Sub-Funds’ financial position or performance.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

2 Summary of significant accounting policies (Continued)

New standards, amendments and interpretations effective after 1 January 2014 and have not been early adopted

IFRS 9, 'Financial instruments'. The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The basis of classification depends on the Sub-Funds' business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss.

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

The effective date for IFRS 9 is 1 January 2018. Earlier application is permitted. If the Sub-Funds elect to early apply it must apply all of the requirements at the same time with the following exception: Sub-Funds with a date of initial application before 1 February 2015 continue to have the option to apply the standard in phases. The Management is yet to assess HKAS 9's full impact.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Sub-Funds.

(b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Funds operate (the "functional currency"). The performance of the Sub-Funds are measured and reported to the unitholders in Hong Kong dollar. The Management considers the Hong Kong dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Hong Kong dollars, which is the Sub-Funds' functional and presentation currency.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

2 Summary of significant accounting policies (Continued)

(b) Foreign currency translation (Continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within “net foreign exchange gain/(loss)”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net gain/(loss) on investments”.

(c) Investments

i. Classification

The Sub-Funds classify their investments as financial assets or financial liabilities at fair value through profit or loss. This category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

Financial assets and liabilities held for trading

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading. The Sub-Funds do not classify derivatives as hedges in a hedging relationship.

Financial assets and liabilities designated at fair value through profit or loss at inception

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Sub-Funds’ documented investment strategy.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

2 Summary of significant accounting policies (Continued)

(c) Investments (Continued)

ii. Recognition, derecognition and measurement

Regular way of purchases and sales of investments are recognised on the trade date - the date on which the Sub-Funds commit to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Funds have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Sub-Funds' right to receive payments is established.

iii. Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Sub-Funds utilise the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Management will determine the point within the bid-ask spread that is most representative of fair value.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Sub-Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, benchmarking to comparable market index and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

2 Summary of significant accounting policies (Continued)

(e) Amounts due from/to brokers

Amounts due from and to brokers represent receivables for securities sold, and payables for securities purchased, that have been contracted for but not yet settled or delivered by the end of the reporting period.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from brokers. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Sub-Funds will not be able to collect all amounts due from the relevant broker.

Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amounts due from brokers are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the statement of comprehensive income. Amounts due from brokers in the statement of financial position are stated net of such provision.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Sub-Funds estimate cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts. Bank overdrafts, if any, are shown in the current liabilities in the statement of financial position.

(g) Interest income and dividend income

Interest income is recognised on a time-proportionate basis using the effective interest method.

Dividend income is rewarded on an ex-dividend basis and is recognised when the right to receive payment is established.

(h) Expenses

Expenses are accounted for on an accruals basis.

(i) Redeemable units

The Sub-Funds issue redeemable units which are redeemable at the holder's option and represents puttable financial instruments of the Sub-Funds. The Sub-funds classify their puttable financial instruments as equity in accordance with IAS 32 (Amendment), "Financial instruments: Presentation" as those puttable financial instruments meet all the following criteria:

- the puttable instruments entitle the holder to a pro-rata share of net assets;
- the puttable instruments are the most subordinated unit in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable instrument over its life are based substantially on the profit or loss of the Sub-Funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

2 Summary of significant accounting policies (Continued)

(i) Redeemable units (Continued)

Units are issued and redeemed at the holder's option at price based on the Sub-Funds' net asset value per share at the time of issue or redemption. The Sub-Funds' net asset value per share is calculated by dividing the net assets attributable to the holders of each class of units with total number of outstanding units. In accordance with the provisions of the Trust's regulations, investment positions are valued based on the official closing price, or if unavailable, the last traded price on the market.

(j) Receivables due from/payable due to swap counterparties

Under each unfunded Equity Swap and unfunded Index Swap, the Sub-Funds will have an obligation to pay the return of the portfolio of listed securities to the relevant Swap Counterparty and the Swap Counterparty will have an obligation to pay the economic benefit/loss of the Underlying Index to each of the Sub-Funds. The movement of the Underlying Index and the movement of the portfolio of listed securities will be marked to market daily, which will determine whether the Sub-Funds receive from or pay cash to the Swap Counterparty on a daily basis. These two cash flows are added together (or netted off if they are opposing amounts). Any net cash receivable by the Sub-Funds as at the official close of trading on the market on which securities are listed on each dealing day (the "Valuation Point") represents that the Sub-Funds' net counterparty exposure to the relevant Swap Counterparty. The calculation is determined on an accrual basis.

(k) Distributions to unitholders

Distributions to unitholders are recognised in the statement of changes in net assets attributable to unitholders when they are approved by the Manager.

(l) Taxation

The Sub-Funds currently incur withholding taxes imposed by certain countries on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included as taxation in the statement of comprehensive income.

3 Critical accounting estimates and judgments

The Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Fair value of securities not quoted in an active market

The Sub-Funds may, from time to time, hold financial instruments that are not quoted in active markets, such as over-the-counter derivatives. The fair value of such securities not quoted in an active market may be determined by the Sub-Funds using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Manager would exercise judgment and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Manager may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The models used to determine fair values are validated and periodically reviewed by the Manager.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

3 Critical accounting estimates and judgements (Continued)

(a) Fair value of securities not quoted in an active market (Continued)

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The determination of what constitutes ‘observable’ requires significant judgment by the Manager. The Manager considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that actively involved in the relevant market.

(b) Taxation

In preparing these financial statements, the Manager has made certain assumptions and used various estimates concerning the tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

In August 2011, the Australian Treasury has issued an exposure draft legislation introducing the Investment Manager Regime (“IMR”). The central theme of the IMR classifies foreign managed funds to be eligible for tax relief if certain criteria and conditions can be met. The Australian Treasury may impose measures to exempt income and gains realised by an IMR foreign managed fund on or before 30 June 2011. The Australian Treasury has also released additional exposure draft legislation which should assist with the interpretation of the taxing requirements after 30 June 2011.

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF), XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF), XIE Shares Malaysia (FTSE Bursa Malaysia KLCI)ETF* (*This is a synthetic ETF), XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF) and XIE Shares Thailand (SET50)ETF* (*This is a synthetic ETF) invest in securities listed on the stock exchange in Australia. Capital gains generated from disposals of Australian investments may be exposed to Australian tax at the rate of 30%. The Manager considers that the charge for capital gains tax on Australian investments is uncertain and remote as at the date of approval of these financial statements and have exercised judgment when assessing the provision as currently enacted. The Manager expects there will be further developments on the Australian tax law which may be relevant to the Sub-Funds. As at 31 December 2014 and 31 December 2013, no provision for such tax was made, as the Manager believes that there are insufficient grounds to make a provision as there are still uncertainties in the existing tax law and in whether the draft legislation will be further amended prior to enactment, including the extent of scope or exemptions and the calculation methodology, which will affect the tax exposures on the Sub-Funds. This assessment represents the best estimate of the Manager, and the amount ultimately payable could differ significantly.

(c) Functional currency

The Trustee considers Hong Kong dollar to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Hong Kong dollar is the currency in which the Sub-Funds measure their performance and report their results, as well as the currency in which the Sub-Funds determine the net asset value per unit at the time of creation or redemption. This determination also considers that the Sub-Funds are all listed on The Stock Exchange of Hong Kong Limited (“SEHK”) and their shares are quoted in Hong Kong dollars.

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

4 Net gain/(loss) on investments

	XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)	XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)
	2014 HK\$	2013 HK\$
Net realised gain on financial assets at fair value through profit or loss		
-Investments in listed securities	4,703,709	8,176,273
-Investments in derivative instruments	42,124,251	(20,339,002)
Net change in unrealised gain/loss on financial assets at fair value through profit or loss		
-Investments in listed securities	(5,769,297)	1,400,294
-Investments in derivative instruments	167,838	3,460,497
	<u>41,226,501</u>	<u>(7,301,938)</u>
	XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)	XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)
	2014 HK\$	2013 HK\$
Net realised gain on financial assets at fair value through profit or loss		
-Investments in listed securities	748,802	1,536,868
-Investments in derivative instruments	1,524,309	(6,055,154)
Net change in unrealised gain/loss on financial assets at fair value through profit or loss		
-Investments in listed securities	(172,826)	547,699
-Investments in derivative instruments	2,435,647	130,615
	<u>4,535,932</u>	<u>(3,839,972)</u>

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

4 Net gain/(loss) on investments (Continued)

	XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)	XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)
	2014 HK\$	2013 HK\$
Net realised gain on financial assets at fair value through profit or loss		
-Investments in listed securities	1,475,880	5,080,998
-Investments in derivative instruments	(7,471,966)	(9,789,476)
Net change in unrealised gain/loss on financial assets at fair value through profit or loss		
-Investments in listed securities	(4,858,734)	3,411,876
-Investments in derivative instruments	90,625	1,248,363
	<u>(10,764,195)</u>	<u>(48,239)</u>
	XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)	XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)
	2014 HK\$	2013 HK\$
Net realised gain on financial assets at fair value through profit or loss		
-Investments in listed securities	5,535,415	2,548,941
-Investments in derivative instruments	(2,563,032)	(4,698,512)
Net change in unrealised gain/loss on financial assets at fair value through profit or loss		
-Investments in listed securities	(7,548,456)	4,374,399
-Investments in derivative instruments	1,479,977	(342,357)
	<u>(3,096,096)</u>	<u>1,882,471</u>

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

4 Net gain/(loss) on investments (Continued)

	XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)	XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)
	2014 HK\$	2013 HK\$
Net realised gain on financial assets at fair value through profit or loss		
-Investments in listed securities	2,017,028	1,066,654
-Investments in derivative instruments	3,976,101	(3,821,152)
Net change in unrealised gain/loss on financial assets at fair value through profit or loss		
-Investments in listed securities	(2,508,837)	1,705,666
-Investments in derivative instruments	293,139	(278,033)
	<u>3,777,431</u>	<u>(1,326,865)</u>
	XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)	XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)
	2014 HK\$	2013 HK\$
Net realised gain on financial assets at fair value through profit or loss		
-Investments in listed securities	15,568,744	6,982,563
-Investments in derivative instruments	7,118,315	(11,919,356)
Net change in unrealised gain/loss on financial assets at fair value through profit or loss		
-Investments in listed securities	(20,199,183)	14,825,455
-Investments in derivative instruments	3,153,630	2,042,353
	<u>5,641,506</u>	<u>11,931,015</u>

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

4 Net gain/(loss) on investments (Continued)

	XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)	XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)
	2014 HK\$	2013 HK\$
Net realised gain on financial assets at fair value through profit or loss		
-Investments in listed securities	3,826,471	3,742,174
-Investments in derivative instruments	3,785,435	(9,127,590)
Net change in unrealised gain/loss on financial assets at fair value through profit or loss		
-Investments in listed securities	(4,836,306)	2,888,282
-Investments in derivative instruments	3,432,695	(3,107,625)
	<u>6,208,295</u>	<u>(5,604,759)</u>

5 Transactions with the Trustee, Manager and Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Sub-Funds, the Trustee, the Manager and their Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the year between the Sub-Funds and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Funds do not have any other transactions with Connected Persons except for those disclosed below:

(a) Management fee

The Manager is entitled to receive a management fee, currently at the annual rate of 0.39% of the NAV of each of the Sub-Funds. The fee is accrued daily and calculated as at each dealing day and payable monthly in arrears. Pursuant to the prospectus, prior to 25 July 2013, management fee included trustee fee, administration fee, registrar fee and audit fee. With effect from 25 July 2013, management fee includes trustee fee and administration fee only and the registrar fee and audit fee have to be borne by each of the Sub-Funds.

XIE Shares Trust I* (*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

5 Transactions with the Trustee, Manager and connected persons (Continued)

(b) Bank balances and securities held by the Custodian

Bank balances are maintained with Citibank N.A., which carry interest at normal commercial rates. Equity investments are held with Citibank N.A. as the Custodian of the Trust. Bank balances and securities held by the Custodian at 31 December 2014 and 2013 were as follows:

Sub-Funds

	2014 HK\$	2013 HK\$
<u>XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)</u>		
Bank balances	25,407,683	17,143,160
Equity investments	68,278,525	100,382,705
	<hr/>	<hr/>
<u>XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)</u>		
Bank balances	11,031,272	859,968
Equity investments	38,976,167	14,389,012
	<hr/>	<hr/>
<u>XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)</u>		
Bank balances	10,522,222	14,097,636
Equity investments	34,434,739	79,918,080
	<hr/>	<hr/>
<u>XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)</u>		
Bank balances	3,123,715	7,093,227
Equity investments	17,612,443	38,705,967
	<hr/>	<hr/>
<u>XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)</u>		
Bank balances	3,611,959	1,718,609
Equity investments	13,357,176	16,974,857
	<hr/>	<hr/>
<u>XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)</u>		
Bank balances	16,951,105	20,325,918
Equity investments	74,648,802	122,489,836
	<hr/>	<hr/>
<u>XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)</u>		
Bank balances	4,706,515	1,678,510
Equity investments	20,448,399	37,849,980
	<hr/>	<hr/>

XIE Shares Trust I*(*This is a synthetic ETF)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014****5 Transactions with the Trustee, Manager and connected persons (Continued)****(c) Transaction fee**

Pursuant to the prospectus, the Sub-Funds receive a transaction fee of HK\$10,000 per total aggregate issue and redemption order from the Participating Dealer on behalf of the Trustee. As at 31 December 2014, the following are the outstanding transaction fees payable to the Trustee of each Sub-Fund.

	Transaction fee 2014 HK\$
Sub-Funds	
XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)	10,000
XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)	10,000
XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)	10,000
XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)	10,000
XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)	-
XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)	10,000
XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)	10,000

As at 31 December 2013, there are no outstanding transaction fees payable to the Trustee.

(d) Unitholders

As at 31 December 2014 and 2013, E.I.P. Overlay Fund and Enhanced Philippines Index Fund had invested in the Sub-Funds. The Manager of the Sub-Funds is also the investment advisor of E.I.P. Overlay Fund and Enhanced Philippines Index Fund up to 30 August 2014. E.I.P. Overlay Fund and Enhanced Philippines Index Fund hold the units of the Sub-Funds as follows:

E.I.P. Overlay Fund	2014		2013	
	Number of units	% of NAV	Number of units	% of NAV
XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)	-	-	98,700	3.95%
XIE Shares Korea (KOSPI200) ETF* (*This is a synthetic ETF)	-	-	27,300	0.25%
XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)	251,100	16.74%	-	-
XIE Shares Thailand (SET 50) ETF* (*This is a synthetic ETF)	-	-	55,800	1.24%

Enhanced Philippines Index Fund	2014		2013	
	Number of units	% of NAV	Number of units	% of NAV
XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)	78,000	5.20%	78,000	3.90%

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

5 Transactions with the Trustee, Manager and connected persons (Continued)

(e) Transaction with the Director of the Manager

As at 31 December 2014, the Director of the Manager has held the units of the following Sub-Funds:

	2014		2013	
	Number of units	% of NAV	Number of units	% of NAV
XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)	-	-	3,900	0.02%
XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)	-	-	24,900	1.00%
XIE Shares Korea(KOSPI200) ETF* (*This is a synthetic ETF)	-	-	3,300	0.03%
XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)	-	-	11,400	0.23%
XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)	-	-	5,100	0.26%
XIE Shares Thailand (SET 50) ETF* (*This is a synthetic ETF)	-	-	22,800	0.51%

6 Net assets attributable to unitholders and movement of redeemable units

(a) Net assets attributable to unitholders

As stated in Note 2(i), redeemable units of the Sub-Funds, which are represented by assets less liabilities, are classified as equity and accounted for in accordance with IFRS (the "Accounting NAV"). For the purpose of determining the NAV per unit for subscriptions and redemptions and for various fee calculations (the "Dealing NAV"), the Management ensures that the calculation of the Dealing NAV is in accordance with the provisions of the Sub-Funds' Trust Deed, which may be different from the accounting policies under IFRS.

In accordance with the prospectus of the Trust, the preliminary expenses of establishing the Trust will be allocated proportionately to each Sub-Fund. The preliminary expenses will be amortised over the first 5 accounting periods of the Trust. However, with respect to the Trust and the Sub-Funds for the purpose of financial statements preparation in compliance with IFRS, their accounting policy is to expense the preliminary expenses in the statement of comprehensive income as incurred.

During the year ended 31 December 2014 and 2013, no other comprehensive income has been incurred or recognised in the statement of comprehensive income. As at 31 December 2014 and 2013, no other comprehensive income is recognised in the statement of changes in net assets attributable to unitholders.

The difference between the Accounting NAV reported in the statement of financial position and the Dealing NAV for the purpose of calculating the net asset value per unit for processing subscriptions and redemptions and for various fee calculations as at 31 December 2014 and 2013 is reconciled below:

XIE Shares Trust I* (*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

**6 Net assets attributable to unitholders and movement of redeemable units
(Continued)**

(a) Net assets attributable to unitholders (Continued)

	XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)		XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Accounting NAV as reported in the statement of financial position	94,621,377	116,774,618	50,404,871	15,300,695
Adjustment for preliminary expenses	464,696	664,211	157,491	220,291
Dealing NAV	<u>95,086,073</u>	<u>117,438,829</u>	<u>50,562,362</u>	<u>15,520,986</u>
	XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)		XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Accounting NAV as reported in the statement of financial position	44,822,842	93,037,860	20,602,803	45,911,946
Adjustment for preliminary expenses	460,979	659,391	248,141	351,509
Dealing NAV	<u>45,283,821</u>	<u>93,697,251</u>	<u>20,850,944</u>	<u>46,263,455</u>
	XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)		XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Accounting NAV as reported in the statement of financial position	17,013,249	18,600,337	92,494,478	142,852,837
Adjustment for preliminary expenses	157,967	220,922	481,554	688,620
Dealing NAV	<u>17,171,216</u>	<u>18,821,259</u>	<u>92,976,032</u>	<u>143,541,457</u>

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

**6 Net assets attributable to unitholders and movement of redeemable units
(Continued)**

(a) Net assets attributable to unitholders (Continued)

	XIE Shares Thailand (SET50)ETF* (*This is a synthetic ETF)	
	2014 HK\$	2013 HK\$
Accounting NAV as reported in the statement of financial position	25,113,280	39,314,104
Adjustment for preliminary expenses	248,683	352,226
Dealing NAV	<u>25,361,963</u>	<u>39,666,330</u>

(b) Movement of the redeemable units

The movements of the redeemable units of the Sub-Funds for the year ended 31 December 2014 and 2013 are as follows:

	XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)	XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)
	2014	2013
	Units	Units
Units in issue at the beginning of the year	16,000,000	16,000,000
Issue of units	7,000,000	-
Redemption of units	(13,000,000)	-
Units in issue at the end of the year	10,000,000	16,000,000
Net assets attributable to unitholders (Accounting NAV)	HK\$94,621,377	HK\$116,774,618
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$9.4621	HK\$7.2984
Net assets attributable to unitholders (Dealing NAV)	HK\$95,086,073	HK\$117,438,829
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$9.5086	HK\$7.3399

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

**6 Net assets attributable to Unitholders and movement of redeemable units
(Continued)**

(b) Movement of the redeemable units (Continued)

	XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)	XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)
	2014	2013
	Units	Units
Units in issue at the beginning of the year	2,500,000	2,000,000
Issue of units	5,000,000	500,000
Redemption of units	(1,000,000)	-
Units in issue at the end of the year	6,500,000	2,500,000
Net assets attributable to unitholders (Accounting NAV)	HK\$50,404,871	HK\$15,300,695
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$7.7546	HK\$6.1203
Net assets attributable to unitholders (Dealing NAV)	HK\$50,562,362	HK\$15,520,986
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$7.7788	HK\$6.2084
	XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)	XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)
	2014	2013
	Units	Units
Units in issue at the beginning of the year	11,000,000	11,000,000
Issue of units	4,000,000	-
Redemption of units	(9,000,000)	-
Units in issue at the end of the year	6,000,000	11,000,000
Net assets attributable to unitholders (Accounting NAV)	HK\$44,822,842	HK\$93,037,860
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$7.4705	HK\$8.4580
Net assets attributable to unitholders (Dealing NAV)	HK\$45,283,821	HK\$93,697,251
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$7.5473	HK\$8.5179

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

**6 Net assets attributable to Unitholders and movement of redeemable units
(Continued)**

(b) Movement of the redeemable units (Continued)

	XIE Shares Malaysia (FTSE Bursa Malaysia KLCI)ETF* (*This is a synthetic ETF)	XIE Shares Malaysia (FTSE Bursa Malaysia KLCI)ETF* (*This is a synthetic ETF)
	2014	2013
	Units	Units
Units in issue at the beginning of the year	5,000,000	5,000,000
Issue of units	-	-
Redemption of units	(2,500,000)	-
Units in issue at the end of the year	2,500,000	5,000,000
Net assets attributable to unitholders (Accounting NAV)	HK\$20,602,803	HK\$45,911,946
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$8.2411	HK\$9.1824
Net assets attributable to unitholders (Dealing NAV)	HK\$20,850,944	HK\$46,263,455
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$8.3404	HK\$9.2527
	XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)	XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)
	2014	2013
	Units	Units
Units in issue at the beginning of the year	2,000,000	2,000,000
Issue of units	-	-
Redemption of units	(500,000)	-
Units in issue at the end of the year	1,500,000	2,000,000
Net assets attributable to unitholders (Accounting NAV)	HK\$17,013,249	HK\$18,600,337
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$11.3422	HK\$9.3002
Net assets attributable to unitholders (Dealing NAV)	HK\$17,171,216	HK\$18,821,259
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$11.4475	HK\$9.4106

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

**6 Net assets attributable to Unitholders and movement of redeemable units
(Continued)**

(b) Movement of the redeemable units (Continued)

	XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)	XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)
	2014	2013
	Units	Units
Units in issue at the beginning of the year	16,000,000	16,000,000
Issue of units	3,000,000	-
Redemption of units	(9,000,000)	-
Units in issue at the end of the year	10,000,000	16,000,000
Net assets attributable to unitholders (Accounting NAV)	HK\$92,494,478	HK\$142,852,837
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$9.2494	HK\$8.9283
Net assets attributable to unitholders (Dealing NAV)	HK\$92,976,032	HK\$143,541,457
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$9.2976	HK\$8.9713
	XIE Shares Thailand (SET50)ETF* (*This is a synthetic ETF)	XIE Shares Thailand (SET50)ETF* (*This is a synthetic ETF)
	2014	2013
	Units	Units
Units in issue at the beginning of the year	4,500,000	4,500,000
Issue of units	-	-
Redemption of units	(2,000,000)	-
Units in issue at the end of the year	2,500,000	4,500,000
Net assets attributable to unitholders (Accounting NAV)	HK\$25,113,280	HK\$39,314,104
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$10.0453	HK\$8.7365
Net assets attributable to unitholders (Dealing NAV)	HK\$25,361,963	HK\$39,666,330
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$10.1448	HK\$8.8147

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

7 Distributions

The Manager may in its absolute discretion distribute income to unitholders at such time or times as it may determine in each financial year or determine that no distribution shall be made in any financial year.

The Sub-Funds did not make any distributions for the year ended 31 December 2014 and 2013.

8 Taxation

No provision for Hong Kong profits tax has been made as the Sub-Funds were authorised as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and are therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

The Sub-Funds invested in Australian investments and the Trustee and the Manager have made certain assumptions and estimations concerning these tax exposures. Refer to Note 3.

For the year ended 31 December 2014 and 2013, overseas withholding tax was charged on certain dividend income received by the Sub-Funds.

9 Soft commission arrangements

The Manager confirms that there has been no soft commission arrangement existing during the year in relation to directing transactions of the Sub-Funds through a broker or dealer (2013: Nil).

10 Financial risk management

The objective of the Sub-Funds is to provide investment results that, before fees and expenses, closely correspond to the performance of their respective Underlying Indices. The Sub-Funds' activities may expose them to a variety of risks including but not limited to: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Funds invest.

The following is a summary of the main risks and risk management policies.

(a) Market risk

(i) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether those changes were caused by factors specific to the individual investment or factors affecting all instruments in the market.

The Sub-Funds are designated to track the performance of their respective Underlying Indices, therefore the exposures to market risk in the Sub-Funds will be substantially the same as those tracked indices. The Manager manages the Sub-Funds' exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned with the characteristics of the tracked Underlying Indices.

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)

As at 31 December 2014 and 2013, the Sub-Fund's fair value of investments exposed to price risk was as follows:

XIE Shares India (CNX Nifty) ETF* **(*This is a synthetic ETF)**

		Fair value 2014 HK\$	% of NAV
As at 31 December 2014			
Equity			
-Listed equities			
Australia		8,025,529	8.48%
Japan		55,124,079	58.26%
Singapore		5,128,917	5.42%
		<u>68,278,525</u>	<u>72.16%</u>
	Notional value 2014 HK\$	Fair value 2014 HK\$	% of NAV
Derivative financial assets			
-Index swaps - CNX Nifty Index	76,173,720	372,855	0.39%
-Equity swaps	(40,798,365)	1,307,115	1.39%
		<u>1,679,970</u>	<u>1.78%</u>
Derivative financial liabilities			
-Index swaps - CNX Nifty Index	18,722,270	(847,374)	(0.89)%
-Equity swaps	(27,480,668)	(271,602)	(0.29)%
		<u>(1,118,976)</u>	<u>(1.18)%</u>

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)

		Fair value 2013 HK\$	% of NAV
As at 31 December 2013			
Equity			
-Listed equities			
Australia		10,971,411	9.40%
Japan		63,734,560	54.58%
Singapore		25,676,734	21.99%
		<u>100,382,705</u>	<u>85.97%</u>
	Notional value 2013 HK\$	Fair value 2013 HK\$	% of NAV
Derivative financial assets			
-Index swaps - CNX Nifty Index	117,128,159	2,829,584	2.42%
-Equity swaps	(19,372,277)	461,081	0.40%
		<u>3,290,665</u>	<u>2.82%</u>
Derivative financial liabilities			
-Equity swaps	(81,010,368)	(2,897,509)	(2.48)%
		<u>(2,897,509)</u>	<u>(2.48)%</u>

The Sub-Fund invested in Index Swaps which are linked to investments of those Indian companies comprising the CNX Nifty Index in substantially the same weightings as constituted in the Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the CNX Nifty Index.

Sensitivity analysis in the event of a possible change in the index by 3% (2013: 3%) as estimated by the Manager

As at 31 December 2014, if the XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF) had increased by 3% (2013: 3%) with all other variables held constant, this would have increased the post-tax profit for the year by approximately HK\$2,838,497 (2013: HK\$3,503,215). Conversely, if the XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF) had decreased by 3% (2013: 3%), this would have decreased the post-tax profit for the year by equal amounts.

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)

As at 31 December 2014 and 2013, the Sub-Fund's fair value of investments exposed to price risk was as follows:

**XIE Shares Indonesia (LQ45) ETF*
(*This is a synthetic ETF)**

		Fair value 2014 HK\$	% of NAV
As at 31 December 2014			
Equity			
-Listed equities			
Japan		31,953,410	63.40%
Singapore		7,022,757	13.93%
		<u>38,976,167</u>	<u>77.33%</u>
	Notional value 2014 HK\$	Fair value 2014 HK\$	% of NAV
Derivative financial assets			
-Index swaps – IDX LQ45 Index	50,370,749	2,184,079	4.33%
-Equity swaps	(21,982,619)	285,884	0.57%
		<u>2,469,963</u>	<u>4.90%</u>
Derivative financial liabilities			
-Equity swaps	(16,993,802)	(204,714)	(0.41)%
		<u>(204,714)</u>	<u>(0.41)%</u>

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares Indonesia (LQ45) ETF*
(*This is a synthetic ETF)

		Fair value 2013 HK\$	% of NAV
As at 31 December 2013			
Equity			
-Listed equities			
Japan		8,648,363	56.52%
Singapore		5,740,649	37.52%
		<u>14,389,012</u>	<u>94.04%</u>
	Notional value 2013 HK\$	Fair value 2013 HK\$	% of NAV
Derivative financial assets			
-Index swaps – IDX LQ45 Index	15,483,094	286,152	1.87%
-Equity swaps	(1,869,610)	44,098	0.29%
		<u>330,250</u>	<u>2.16%</u>
Derivative financial liabilities			
-Equity swaps	(12,519,401)	(500,648)	(3.27)%
		<u>(500,648)</u>	<u>(3.27)%</u>

The Sub-Fund invested in Index Swaps which are linked to investments of those Indonesian companies comprising the LQ45 Index in substantially the same weightings as constituted in the Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the LQ45 Index.

Sensitivity analysis in the event of a possible change in the index by 3% (2013: 3%) as estimated by the Manager

As at 31 December 2014, if the XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF) had increased by 3% (2013: 3%) with all other variables held constant, this would have increased the post-tax profit for the year by approximately HK\$1,512,122 (2013: HK\$459,006). Conversely, if the XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF) had decreased by 3% (2013: 3%), this would have decreased the post- profit for the year by equal amounts.

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)

As at 31 December 2014 and 2013, the Sub-Fund's fair value of investments exposed to price risk was as follows:

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)

		Fair value 2014 HK\$	% of NAV
As at 31 December 2014			
Equity			
-Listed equities			
Australia		6,070,602	13.54%
Japan		25,339,926	56.53%
Singapore		3,024,211	6.75%
		<u>34,434,739</u>	<u>76.82%</u>
	Notional value 2014 HK\$	Fair value 2014 HK\$	% of NAV
Derivative financial assets			
-Equity swaps	(19,681,507)	465,747	1.04%
		<u>465,747</u>	<u>1.04%</u>
Derivative financial liabilities			
-Index swaps – KOSPI 200 Index	45,222,928	(409,816)	(0.91)%
-Equity swaps	(14,753,556)	(214,067)	(0.48)%
		<u>(623,883)</u>	<u>(1.39)%</u>

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)

		Fair value 2013 HK\$	% of NAV
As at 31 December 2013			
Equity			
-Listed equities			
Australia		7,628,444	8.20%
Japan		43,633,449	46.90%
Singapore		28,656,187	30.80%
		<u>79,918,080</u>	<u>85.90%</u>
	Notional value 2013 HK\$	Fair value 2013 HK\$	% of NAV
Derivative financial assets			
-Index swaps – KOSPI 200 Index	93,542,287	1,877,208	2.02%
-Equity swaps	(10,079,465)	491,591	0.53%
		<u>2,368,799</u>	<u>2.55%</u>
Derivative financial liabilities			
-Equity swaps	(69,902,734)	(2,617,560)	(2.81)%
		<u>(2,617,560)</u>	<u>(2.81)%</u>

The Sub-Fund invested in Index Swaps which are linked to investments of those Korean companies comprising the KOSPI 200 Index in substantially the same weightings as constituted in the Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the KOSPI 200 Index.

Sensitivity analysis in the event of a possible change in the index by 3% (2013: 3%) as estimated by the Manager

As at 31 December 2014, if the XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF) had increased by 3% (2013: 3%) with all other variables held constant, this would have increased the post-tax profit for the year by approximately HK\$1,344,139 (2013: HK\$2,790,327). Conversely, if the XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF) had decreased by 3% (2013: 3%), this would have decreased the post-tax profit for the year by equal amounts.

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)

As at 31 December 2014 and 2013, the Sub-Fund's fair value of investments exposed to price risk was as follows:

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* **(*This is a synthetic ETF)**

		Fair value 2014 HK\$	% of NAV
As at 31 December 2014			
Equity			
-Listed equities			
Australia		3,206,391	15.57%
Japan		14,406,052	69.92%
		<u>17,612,443</u>	<u>85.49%</u>
	Notional value 2014 HK\$	Fair value 2014 HK\$	% of NAV
Derivative financial assets			
-Index swaps – FTSE Bursa Malaysia KLCI	16,640,210	627,932	3.05%
-Equity swaps	(10,543,596)	328,440	1.59%
		<u>956,372</u>	<u>4.64%</u>
Derivative financial liabilities			
-Index swaps – FTSE Bursa Malaysia KLCI	4,179,990	(276,554)	(1.34)%
-Equity swaps	(7,069,015)	(165,715)	(0.81)%
		<u>(442,269)</u>	<u>(2.15)%</u>

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)

		Fair value 2013 HK\$	% of NAV
As at 31 December 2013			
Equity			
-Listed equities			
Australia		3,953,560	8.61%
Japan		27,185,329	59.21%
Singapore		7,567,078	16.48%
		<u>38,705,967</u>	<u>84.30%</u>
	Notional value 2013 HK\$	Fair value 2013 HK\$	% of NAV
Derivative financial assets			
-Index swaps – FTSE Bursa Malaysia KLCI	46,208,020	361,870	0.79%
-Equity swaps	(3,448,370)	127,824	0.28%
		<u>489,694</u>	<u>1.07%</u>
Derivative financial liabilities			
-Equity swaps	(35,257,573)	(1,455,568)	(3.17)%
		<u>(1,455,568)</u>	<u>(3.17)%</u>

The Sub-Fund invested in Index Swaps which are linked to investments of those Malaysian companies comprising the FTSE Bursa Malaysia KLCI in substantially the same weightings as constituted in the Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the FTSE Bursa Malaysia KLCI.

Sensitivity analysis in the event of a possible change in the index by 3% (2013: 3%) as estimated by the Manager

As at 31 December 2014, if the XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF) had increased by 3% (2013: 3%) with all other variables held constant, this would have increased the post-tax profit for the year by approximately HK\$618,063 (2013: HK\$1,377,306). Conversely, if the XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF) had decreased by 3% (2013: 3%), this would have decreased the post-tax profit for the year by equal amounts.

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)

As at 31 December 2014 and 2013, the Sub-Fund's fair value of investments exposed to price risk was as follows:

**XIE Shares Philippines (PSEi) ETF*
(*This is a synthetic ETF)**

		Fair value 2014 HK\$	% of NAV
As at 31 December 2014			
Equity			
-Listed equities			
Japan		8,196,490	48.18%
Singapore		5,160,686	30.33%
		<u>13,357,176</u>	<u>78.51%</u>
	Notional value 2014 HK\$	Fair value 2014 HK\$	% of NAV
Derivative financial assets			
-Index swaps – PSEi Index	5,696,067	1,775	0.01%
-Equity swaps	(7,979,101)	172,081	1.01%
		<u>173,856</u>	<u>1.02%</u>
Derivative financial liabilities			
-Index swaps – PSEi Index	11,423,104	(77,637)	(0.46)%
-Equity swaps	(5,378,289)	(130,377)	(0.76)%
		<u>(208,014)</u>	<u>(1.22)%</u>

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)

		Fair value 2013 HK\$	% of NAV
As at 31 December 2013			
Equity			
-Listed equities			
Japan		12,370,095	66.50%
Singapore		4,604,762	24.76%
		<u>16,974,857</u>	<u>91.26%</u>
	Notional value 2013 HK\$	Fair value 2013 HK\$	% of NAV
Derivative financial assets			
-Index swaps – PSEi Index	14,088,644	226,405	1.22%
-Equity swaps	(2,421,125)	53,637	0.29%
		<u>280,042</u>	<u>1.51%</u>
Derivative financial liabilities			
-Index swaps – PSEi Index	4,709,591	(18,465)	(0.10)%
-Equity swaps	(14,553,729)	(588,874)	(3.17)%
		<u>(607,339)</u>	<u>(3.27)%</u>

The Sub-Fund invested in Index Swaps which are linked to investments of those Philippines companies comprising the PSEi Index in substantially the same weightings as constituted in the Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the PSEi Index.

Sensitivity analysis in the event of a possible change in the index by 3% (2013: 3%) as estimated by the Manager

As at 31 December 2014, if the XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF) had increased by 3% (2013: 3%) with all other variables held constant, this would have increased the post-tax profit for the year by approximately HK\$510,385 (2013: HK\$557,995). Conversely, if the XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF) had decreased by 3% (2013: 3%), this would have decreased the post-tax profit for the year by equal amounts.

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)

As at 31 December 2014 and 2013, the Sub-Fund's fair value of investments exposed to price risk was as follows:

XIE Shares Taiwan (TAIEX) ETF* **(*This is a synthetic ETF)**

		Fair value 2014 HK\$	% of NAV
As at 31 December 2014			
Equity			
-Listed equities			
Australia		12,799,858	13.84%
Japan		59,260,842	64.07%
Singapore		2,588,102	2.80%
		<u>74,648,802</u>	<u>80.71%</u>
	Notional value 2014 HK\$	Fair value 2014 HK\$	% of NAV
Derivative financial assets			
-Index swaps –TAIEX Index	92,456,461	1,997,534	2.16%
-Equity swaps	(39,742,173)	1,154,928	1.25%
		<u>3,152,462</u>	<u>3.41%</u>
Derivative financial liabilities			
-Equity swaps	(34,907,317)	(963,450)	(1.04)%
		<u>(963,450)</u>	<u>(1.04)%</u>

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)

		Fair value 2013 HK\$	% of NAV
As at 31 December 2013			
Equity			
-Listed equities			
Australia		16,044,094	11.23%
Japan		76,192,487	53.34%
Singapore		30,253,255	21.18%
		<u>122,489,836</u>	<u>85.75%</u>
	Notional value 2013 HK\$	Fair value 2013 HK\$	% of NAV
Derivative financial assets			
-Index swaps –TAIEX Index	142,997,817	3,193,758	2.24%
-Equity swaps	(13,055,270)	443,421	0.31%
		<u>3,637,179</u>	<u>2.55%</u>
Derivative financial liabilities			
-Equity swaps	(109,434,481)	(4,601,797)	(3.22)%
		<u>(4,601,797)</u>	<u>(3.22)%</u>

The Sub-Fund invested in Index Swaps which are linked to investments of those Taiwanese companies comprising the TAIEX Index in substantially the same weightings as constituted in the Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the TAIEX Index.

Sensitivity analysis in the event of a possible change in the index by 3% (2013: 3%) as estimated by the Manager

As at 31 December 2014, if the XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF) had increased by 3% (2013: 3%) with all other variables held constant, this would have increased the post-tax profit for the year by approximately HK\$2,774,718 (2013: HK\$4,285,396). Conversely, if the XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF) had decreased by 3% (2013: 3%), this would have decreased the post-tax profit for the year by equal amounts.

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)

As at 31 December 2014 and 2013, the Sub-Fund's fair value of investments exposed to price risk was as follows:

XIE Shares Thailand (SET50) ETF* **(*This is a synthetic ETF)**

		Fair value 2014 HK\$	% of NAV
As at 31 December 2014			
Equity			
-Listed equities			
Australia		3,584,324	14.27%
Japan		16,864,075	67.15%
		<u>20,448,399</u>	<u>81.42%</u>
	Notional value 2014 HK\$	Fair value 2014 HK\$	% of NAV
Derivative financial assets			
-Index swaps –SET50 Index	20,269,329	301,971	1.20%
-Equity swaps	(10,734,698)	313,306	1.25%
		<u>615,277</u>	<u>2.45%</u>
Derivative financial liabilities			
-Index swaps –SET50 Index	5,069,437	(292,599)	(1.16)%
-Equity swaps	(9,713,892)	(327,902)	(1.31)%
		<u>(620,501)</u>	<u>(2.47)%</u>

XIE Shares Trust I* (*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

**XIE Shares Thailand (SET50) ETF*
(*This is a synthetic ETF)**

		Fair value 2013 HK\$	% of NAV
As at 31 December 2013			
Equity			
-Listed equities			
Australia		4,440,312	11.29%
Japan		24,357,847	61.96%
Singapore		9,051,821	23.02%
		<u>37,849,980</u>	<u>96.27%</u>
	Notional value 2013 HK\$	Fair value 2013 HK\$	% of NAV
Derivative financial assets			
-Equity swaps	(5,671,957)	160,193	0.41%
		<u>160,193</u>	<u>0.41%</u>
Derivative financial liabilities			
-Index swaps –SET50 Index	39,605,513	(2,232,072)	(5.68)%
-Equity swaps	(32,177,998)	(1,366,040)	(3.47)%
		<u>(3,598,112)</u>	<u>(9.15)%</u>

The Sub-Fund invested in Index Swaps which are linked to investments of those Thai companies comprising the SET50 Index in substantially the same weightings as constituted in the Index. The Sub-Fund is therefore exposed to substantially the same market price risk as the SET50 Index.

Sensitivity analysis in the event of a possible change in the index by 3% (2013: 3%) as estimated by the Manager

As at 31 December 2014, if the XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF) had increased by 3% (2013: 3%) with all other variables held constant, this would have increased the post-tax profit for the year by approximately HK\$753,365 (2013: HK\$1,179,409). Conversely, if the XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF) had decreased by 3% (2013: 3%), this would have decreased the post-tax profit for the year by equal amounts.

The Manager has used their view of what would be a “reasonable shift” in each key market to estimate the change for use in the market sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in market index percentage are revised annually depending on the Manager’s current view of market volatility and other relevant factors.

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

As at 31 December 2014 and 2013, interest rate risk arises only from bank balances. As these interest bearing assets are short-term in nature, the Manager considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. Therefore, no sensitivity analysis has been disclosed for these bank balances.

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Sub-Funds hold assets and liabilities denominated in currencies other than their functional currency, Hong Kong dollar, and are therefore exposed to currency risk with respect to these currencies. The Manager considers that there is no currency risk to the United States dollar ("US dollar") which is a linked currency with the Hong Kong dollar.

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)

The Sub-Fund is exposed to currency risk related to the Hong Kong dollar against the Indian Rupee ("INR").

The table below summarises the Sub-Fund's net exposure, monetary and non-monetary, which are denominated in a currency other than the Hong Kong dollar and the US dollar.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
INR	-	94,895,989
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
INR	-	117,128,159

The table below summarises the sensitivity of the Sub-Fund's net exposure, both monetary and non-monetary, to changes in foreign exchange movements at 31 December 2014. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2013: 2%) with respect to the Hong Kong dollar, with all other variables held constant. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates and the possible impact to the Sub-Fund's net asset value and total comprehensive income.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
INR	-	1,897,920
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
INR	-	2,342,563

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(a) Market risk (Continued)

(iii) Currency risk (Continued)

XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)

The Sub-Fund is exposed to currency risk related to the Hong Kong dollar against the Indonesian Rupiah ("IDR").

The table below summarises the Sub-Fund's net exposure, monetary and non-monetary, which are denominated in a currency other than the Hong Kong dollar and the US dollar.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
IDR	-	50,370,753
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
IDR	-	15,483,094

The table below summarises the sensitivity of the Sub-Fund's net exposure, both monetary and non-monetary, to changes in foreign exchange movements at 31 December 2014. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2013: 2%) with respect to the Hong Kong dollar, with all other variables held constant. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates and the possible impact to the Sub-Fund's net asset value and total comprehensive income.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
IDR	-	1,007,415
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
IDR	-	309,662

XIE Shares Korea (KOSPI200) ETF* (*This is a synthetic ETF)

The Sub-Fund is exposed to currency risk related to the Hong Kong dollar against the Korean Won ("KRW").

The table below summarises the Sub-Fund's net exposure, monetary and non-monetary, which are denominated in a currency other than the Hong Kong dollar and the US dollar.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
KRW	-	45,222,928
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
KRW	-	93,542,287

XIE Shares Trust I* (*This is a synthetic ETF)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014****10 Financial risk management (Continued)****(a) Market risk (Continued)****(iii) Currency risk (Continued)****XIE Shares Korea (KOSPI200) ETF* (*This is a synthetic ETF) (Continued)**

The table below summarises the sensitivity of the Sub-Fund's net exposure, both monetary and non-monetary, to changes in foreign exchange movements at 31 December 2014. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2013: 2%) with respect to the Hong Kong dollar, with all other variables held constant. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates and the possible impact to the Sub-Fund's net asset value and total comprehensive income.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
KRW	-	904,459
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
KRW	-	1,870,846

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)

The Sub-Fund is exposed to currency risk related to the Hong Kong dollar against the Malaysian Ringgit ("MYR").

The table below summarises the Sub-Fund's net exposure, monetary and non-monetary, which are denominated in a currency other than the Hong Kong dollar and the US dollar.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
MYR	-	20,820,200
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
MYR	-	46,208,020

The table below summarises the sensitivity of the Sub-Fund's net exposure, both monetary and non-monetary, to changes in foreign exchange movements at 31 December 2014. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2013: 2%) with respect to the Hong Kong dollar, with all other variables held constant. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates and the possible impact to the Sub-Fund's net asset value and total comprehensive income and the possible impact to the Sub-Fund's net asset value and total comprehensive income.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
MYR	-	416,404
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
MYR	-	924,160

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(a) Market risk (Continued)

(iii) Currency risk (Continued)

XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)

The Sub-Fund is exposed to currency risk related to the Hong Kong dollar against the Philippine Peso ("PHP").

The table below summarises the Sub-Fund's net exposure, monetary and non-monetary, which are denominated in a currency other than the Hong Kong dollar and the US dollar.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
PHP	-	17,119,171
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
PHP	-	18,798,235

The table below summarises the sensitivity of the Sub-Fund's net exposure, both monetary and non-monetary, to changes in foreign exchange movements at 31 December 2014. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2013: 2%) with respect to the Hong Kong dollar, with all other variables held constant. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates and the possible impact to the Sub-Fund's net asset value and total comprehensive income.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
PHP	-	342,383
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
PHP	-	375,965

XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)

The Sub-Fund is exposed to currency risk related to the Hong Kong dollar against the Taiwanese dollar ("TWD").

The table below summarises the Sub-Fund's net exposure, monetary and non-monetary, which are denominated in a currency other than the Hong Kong dollar and the US dollar.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
TWD	-	92,456,461
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
TWD	-	142,997,817

XIE Shares Trust I* (*This is a synthetic ETF)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014****10 Financial risk management (Continued)****(a) Market risk (Continued)****(iii) Currency risk (Continued)****XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF) (Continued)**

The table below summarises the sensitivity of the Sub-Fund's net exposure, both monetary and non-monetary, to changes in foreign exchange movements at 31 December 2014. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2013: 2%) with respect to the Hong Kong dollar, with all other variables held constant. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates and the possible impact to the Sub-Fund's net asset value and total comprehensive income.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
TWD	-	1,849,129
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
TWD	-	2,859,956

XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)

The Sub-Fund is exposed to currency risk related to the Hong Kong dollar against the Thai Baht ("THB").

The table below summarises the Sub-Fund's net exposure, monetary and non-monetary, which are denominated in a currency other than the Hong Kong dollar and the US dollar.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
THB	-	25,338,768
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
THB	-	39,605,513

The table below summarises the sensitivity of the Sub-Fund's net exposure, both monetary and non-monetary, to changes in foreign exchange movements at 31 December 2014. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2013: 2%) with respect to the Hong Kong dollar, with all other variables held constant. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates and the possible impact to the Sub-Fund's net asset value and total comprehensive income.

As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
THB	-	506,775
As at 31 December 2013	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
THB	-	792,110

The Manager has used their view of what would be a "reasonable shift" in exchange rates to estimate the change for use in currency risk sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in exchange rate percentage are revised annually depending on the Manager's current view of exchange rates volatility and other relevant factors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Funds.

Financial assets which potentially subject the Sub-Funds to concentrations of credit and counterparty risk consist principally of investments issued by swap issuers. To achieve the investment objective, the investment strategy of the Sub-Funds is to use synthetic replication to track the performance of the Underlying Index. The Sub-Funds will invest in a portfolio of securities and enter into one or more unfunded swaps with one or more swap counterparties.

The Sub-Funds limit their exposures to credit and counterparty risk by transacting the majority of their investments and contractual commitment activity with well-established broker-dealers, banks and regulated exchanges with minimum credit rating of S&P's A-.

The exposure of the Sub-Funds to the Underlying Index is primarily achieved through the Unfunded Swaps. The valuation of each Unfunded Swap will reflect the relative movements in the economic benefit/loss of the Underlying Index and the return of the portfolio of invested assets.

All transactions in listed investments are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal since delivery of investments sold is only made once the Sub-Funds' custodians have received payment. On a purchase, payment is made once the investments have been received by the broker. If either party fails to meet their obligation, the trade will fail.

The Manager intends to adopt a multiple counterparty strategy and enter into more than one Unfunded Swap in respect of a Sub-Fund, in order to diversify counterparty risks. The Manager will also mitigate the Sub-Fund's counterparty risk exposure to each swap counterparty under the relevant Unfunded Swap, as described below.

The Manager will manage the Sub-Funds such that their aggregate net counterparty exposures to all swap counterparties is no more than 5% of the net asset value as at each valuation point. Under each Unfunded Swap, the Sub-Funds will have an obligation to pay the return of the portfolio of invested assets to the relevant swap counterparty and the swap counterparty will have an obligation to pay the economic benefit/loss of the underlying index to the Sub-Funds.

The movement of the Underlying Index and the movement of the portfolio of invested assets will be marked to market daily, which will determine whether the Sub-Funds receive or pay cash on a daily basis. In practice, these two cash flows are added together (or netted off if they are opposing amounts). Any net cash receivable by the Sub-Funds as at a valuation point represents that the Sub-Fund's net counterparty exposure to the relevant swap counterparty has exceeded zero on that particular trading day. In such circumstances, the swap counterparty will be required to make a cash payment on the next trading day to the Trustee, for the benefit of the Sub-Funds, in order to maintain the Sub-Funds' aggregate net counterparty exposure to all swap counterparties at no more than 5% of net asset value as at each valuation point. In other words, the aggregate value of the invested assets held by the Sub-Funds will be maintained at a level that is no less than 95% of the Net Asset Value of the Sub-Funds as at each valuation point.

In the event of market fluctuations where the Sub-Funds' aggregate net counterparty exposure to all swap counterparties exceeds 5% of net asset value during a trading day, the relevant swap counterparty(ies) will be required to make a cash payment on that trading day to the Trustee, for the benefit of the Sub-Funds, in order to maintain the Sub-Funds' aggregate net counterparty exposure to all swap counterparties at no more than 5% of net asset value as at the valuation point on that trading day.

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
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10 Financial risk management (Continued)

(b) Credit and counterparty risk (Continued)

The following tables set out the net exposure of the Sub-Funds to counterparties as at 31 December 2014 together with their credit ratings of senior long-term debt by Standard & Poor's Rating Services:

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)

		2014		2013
	S&P Credit Rating	Net exposure to counterparties HK\$	S&P Credit Rating	Net exposure to counterparties HK\$
Bank / Custodian				
Citibank N.A. Hong Kong Branch	A-		A-	
- Listed equities		68,278,525		100,382,705
- Cash and cash equivalents		25,407,683		17,143,160
		<u>93,686,208</u>		<u>117,525,865</u>
Counterparties				
JPMorgan Chase Bank N.A.	A+		A+	
- Derivative instruments		94,494		(126,711)
- Receivable due from swap counterparties		140,254		84,578
		<u>234,748</u>		<u>(42,133)</u>
The Royal Bank of Scotland Plc	A-		A-	
- Derivative instruments		-		587,401
- Payable due to swap counterparties		-		(1,124,292)
		<u>-</u>		<u>(536,891)</u>
BNP Paribas	A+		A+	
- Derivative instruments		5,883		(67,534)
- Payable due to swap counterparties		-		(77,538)
		<u>5,883</u>		<u>(145,072)</u>
Standard Chartered Bank	AA-		AA-	
-Derivative instruments		460,617		-
-Receivable due from swap counterparties		465,289		-
		<u>925,906</u>		<u>-</u>

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of financial position. None of the assets are impaired nor past due but not impaired.

XIE Shares Trust I* (*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
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10 Financial risk management (Continued)

(b) Credit and counterparty risk (Continued)

XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)

	2014		2013	
	S&P Credit	Net exposure to	S&P	Net exposure to
	Rating	counterparties	Credit	counterparties
		HK\$	Rating	HK\$
Bank / Custodian				
Citibank N.A. Hong Kong Branch	A-		A-	
- Listed equities		38,976,167		14,389,012
- Cash and cash equivalents		11,031,272		859,968
		<u>50,007,439</u>		<u>15,248,980</u>
Counterparties				
The Royal Bank of Scotland Plc	A-		A-	
- Derivative instruments		-		(29,020)
- Receivable due from swap counterparties		-		62,031
		<u>-</u>		<u>33,011</u>
BNP Paribas	A+		A+	
- Derivative instruments		4,922		(141,378)
- Receivable due from swap counterparties		77,548		155,130
		<u>82,470</u>		<u>13,752</u>
Standard Chartered Bank	AA-		AA-	
-Derivative instruments		2,260,327		-
-Payable due to swap counterparties		(1,938,706)		-
		<u>321,621</u>		<u>-</u>

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of financial position. None of the assets are impaired nor past due but not impaired.

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
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10 Financial risk management (Continued)

(b) Credit and counterparty risk (Continued)

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)

		2014		2013
	S&P Credit Rating	Net exposure to counterparties HK\$	S&P Credit Rating	Net exposure to counterparties HK\$
Bank / Custodian				
Citibank N.A. Hong Kong Branch	A-		A-	
- Listed equities		34,434,739		79,918,080
- Cash and cash equivalents		10,522,222		14,097,636
		<u>44,956,961</u>		<u>94,015,716</u>
Counterparties				
JPMorgan Chase Bank N.A.	A-		A+	
- Derivative instruments		279,701		(32,127)
- Payable due to swap counterparties		(268,086)		(44,344)
		<u>11,615</u>		<u>(76,471)</u>
The Royal Bank of Scotland Plc	A-		A-	
- Derivative instruments		-		47,676
- Payable due to swap counterparties		-		(488,486)
		<u>-</u>		<u>(440,810)</u>
BNP Paribas	A+		A+	
- Derivative instruments		-		(264,310)
- Payable due to swap counterparties		-		(232,612)
		<u>-</u>		<u>(496,922)</u>
Standard Chartered Bank	AA-		AA-	
-Derivative instruments		(437,837)		-
-Receivable from swap counterparties		465,289		-
		<u>27,452</u>		<u>-</u>

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of financial position. None of the assets are impaired nor past due but not impaired.

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(b) Credit and counterparty risk (Continued)

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)

		2014	2013
	S&P Credit Rating	Net exposure to counterparties HK\$	Net exposure to counterparties HK\$
Bank / Custodian			
Citibank N.A. Hong Kong Branch	A-		
- Listed equities		17,612,443	38,705,967
- Cash and cash equivalents		3,123,715	7,093,227
		<u>20,736,158</u>	<u>45,799,194</u>
Counterparties			
JPMorgan Chase Bank N.A.	A+		
- Derivative instruments		(107,064)	1,421
- Receivable from/(Payable due to) swap counterparties		54,974	(12,848)
		<u>(52,090)</u>	<u>(11,427)</u>
The Royal Bank of Scotland Plc	A-		
- Derivative instruments		-	(837,184)
- Receivable due from swap counterparties		-	945,956
		<u>-</u>	<u>108,772</u>
BNP Paribas	A+		
- Derivative instruments		-	(130,111)
- Receivable due from swap counterparties		-	155,075
		<u>-</u>	<u>24,964</u>
Standard Chartered Bank	AA-		
- Derivative instruments		621,167	-
- Receivable from/(payable due to) swap counterparties		(620,386)	-
		<u>781</u>	<u>-</u>

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of financial position. None of the assets are impaired nor past due but not impaired.

XIE Shares Trust I* (*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(b) Credit and counterparty risk (Continued)

XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)

		2014		2013
	S&P Credit Rating	Net exposure to counterparties HK\$	S&P Credit Rating	Net exposure to counterparties HK\$
Bank / Custodian				
Citibank N.A. Hong Kong Branch	A-		A-	
- Listed equities		13,357,176		16,974,857
- Cash and cash equivalents		3,611,959		1,718,609
		<u>16,969,135</u>		<u>18,693,466</u>
Counterparties				
The Royal Bank of Scotland Plc	A-		A-	
- Derivative instruments		-		(163,014)
- Receivable due from swap counterparties		-		77,536
		<u>-</u>		<u>(85,478)</u>
BNP Paribas	A+		A+	
- Derivative instruments		54,281		(164,283)
- Receivable from / (Payable due to) swap counterparties		(77,548)		155,089
		<u>(23,267)</u>		<u>(9,194)</u>
Standard Chartered Bank	AA-		AA-	
- Derivative instruments		(88,439)		-
- Receivable due from swap counterparties		155,096		-
		<u>66,657</u>		<u>-</u>

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of financial position. None of the assets are impaired nor past due but not impaired.

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(b) Credit and counterparty risk (Continued)

XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)

		2014		2013
	S&P Credit Rating	Net exposure to counterparties HK\$	S&P Credit Rating	Net exposure to counterparties HK\$
Bank / Custodian				
Citibank N.A. Hong Kong Branch	A-		A-	
- Listed equities		74,648,802		122,489,836
- Cash and cash equivalents		16,951,105		20,325,918
		<u>91,599,907</u>		<u>142,815,754</u>
Counterparties				
JPMorgan Chase Bank N.A.	A+		A+	
- Derivative instruments		846,975		106,121
- Payable due to swap counterparties		(479,607)		(115,662)
		<u>367,368</u>		<u>(9,541)</u>
The Royal Bank of Scotland Plc	A-		A-	
- Derivative instruments		-		(954,614)
- Receivable due from swap counterparties		-		1,217,337
		<u>-</u>		<u>262,723</u>
BNP Paribas	A+		A+	
- Derivative instruments		-		(116,125)
- Payable due to swap counterparties		-		(77,538)
		<u>-</u>		<u>(193,663)</u>
Standard Chartered Bank	AA-		AA-	
- Derivative instruments		1,342,037		-
- Payable due to swap counterparties		(542,838)		-
		<u>799,199</u>		<u>-</u>

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of financial position. None of the assets are impaired nor past due but not impaired.

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(b) Credit and counterparty risk (Continued)

XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)

		2014		2013
	S&P Credit Rating	Net exposure to counterparties HK\$	S&P Credit Rating	Net exposure to counterparties HK\$
Bank / Custodian				
Citibank N.A. Hong Kong Branch	A-		A-	
- Listed equities		20,448,399		37,849,980
- Cash and cash equivalents		4,706,515		1,678,510
		<u>25,154,914</u>		<u>39,528,490</u>
Counterparties				
JPMorgan Chase Bank N.A.	A+		A+	
- Derivative instruments		(87,816)		(301,263)
- Receivable due from swap counterparties		114,725		252,578
		<u>26,909</u>		<u>(48,685)</u>
The Royal Bank of Scotland Plc	A-		A-	
- Derivative instruments		-		(2,374,258)
- Receivable due from swap counterparties		-		2,202,063
		<u>-</u>		<u>(172,195)</u>
BNP Paribas	A+		A+	
- Derivative instruments		-		(762,398)
- Receivable due from swap counterparties		-		775,416
		<u>-</u>		<u>13,018</u>
Standard Chartered Bank	AA-		AA-	
- Derivative instruments		82,592		-
- Payable to swap counterparties		(77,548)		-
		<u>5,044</u>		<u>-</u>

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of financial position. None of the assets are impaired nor past due but not impaired.

XIE Shares Trust I* (*This is a synthetic ETF)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014****10 Financial risk management (Continued)****(c) Liquidity risk**

Liquidity risk is the risk that the Sub-Funds may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

As at 31 December 2014 and 2013, all of the Sub-Funds' financial liabilities have contractual maturities not later than one month. As at 31 December 2014 and 2013, each Sub-Fund held liquid assets, comprising bank balances and other receivables that are expected to readily generate cash inflows for managing liquidity risk within one month.

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)

	Maturity less than 1 month HK\$	Maturity 1 to 3 months HK\$	No stated maturity HK\$	Total HK\$
As at 31 December 2014				
Total financial assets	27,713,767	-	68,278,525	95,992,292
Total financial liabilities	1,370,915	-	-	1,370,915
As at 31 December 2013				
Total financial assets	20,623,463	-	100,382,705	121,006,168
Total financial liabilities	4,231,550	-	-	4,231,550

XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)

	Maturity less than 1 month HK\$	Maturity 1 to 3 months HK\$	No stated maturity HK\$	Total HK\$
As at 31 December 2014				
Total financial assets	13,633,799	-	38,976,167	52,609,966
Total financial liabilities	2,205,095	-	-	2,205,095
As at 31 December 2013				
Total financial assets	1,437,460	-	14,389,012	15,826,472
Total financial liabilities	525,777	-	-	525,777

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(c) Liquidity risk (Continued)

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)

As at 31 December 2014	Maturity less than 1 month HK\$	Maturity 1 to 3 months HK\$	No stated maturity HK\$	Total HK\$
Total financial assets	11,473,829	-	34,434,739	45,908,568
Total financial liabilities	1,085,726	-	-	1,085,726

As at 31 December 2013	Maturity less than 1 month HK\$	Maturity 1 to 3 months HK\$	No stated maturity HK\$	Total HK\$
Total financial assets	16,603,716	-	79,918,080	96,521,796
Total financial liabilities	3,483,936	-	-	3,483,936

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)

As at 31 December 2014	Maturity less than 1 month HK\$	Maturity 1 to 3 months HK\$	No stated maturity HK\$	Total HK\$
Total financial assets	4,155,632	-	17,612,443	21,768,075
Total financial liabilities	1,165,272	-	-	1,165,272

As at 31 December 2013	Maturity less than 1 month HK\$	Maturity 1 to 3 months HK\$	No stated maturity HK\$	Total HK\$
Total financial assets	8,731,433	-	38,705,967	47,437,400
Total financial liabilities	1,525,454	-	-	1,525,454

XIE Shares Trust I* (*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(c) Liquidity risk (Continued)

XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)

	Maturity less than 1 month HK\$	Maturity 1 to 3 months HK\$	No stated maturity HK\$	Total HK\$
As at 31 December 2014				
Total financial assets	3,986,421	-	13,357,176	17,343,597
Total financial liabilities	330,348	-	-	330,348
As at 31 December 2013				
Total financial assets	2,263,677	-	16,974,857	19,238,534
Total financial liabilities	638,197	-	-	638,197

XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)

	Maturity less than 1 month HK\$	Maturity 1 to 3 months HK\$	No stated maturity HK\$	Total HK\$
As at 31 December 2014				
Total financial assets	20,124,138	-	74,648,802	94,772,940
Total financial liabilities	2,278,462	-	-	2,278,462
As at 31 December 2013				
Total financial assets	25,313,048	-	122,489,836	147,802,884
Total financial liabilities	4,950,047	-	-	4,950,047

XIE Shares Trust I* (*This is a synthetic ETF)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014****10 Financial risk management (Continued)****(c) Liquidity risk (Continued)****XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)**

	Maturity less than 1 month HK\$	Maturity 1 to 3 months HK\$	No stated maturity HK\$	Total HK\$
As at 31 December 2014				
Total financial assets	5,457,088	-	20,448,399	25,905,487
Total financial liabilities	792,207	-	-	792,207
As at 31 December 2013				
Total financial assets	5,118,561	-	37,849,980	42,968,541
Total financial liabilities	3,654,437	-	-	3,654,437

(d) Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the year end date. The Sub-Funds utilise the last traded market price as their fair valuation inputs for both financial assets and financial liabilities.

An active market is a market in which transactions for the assets or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Sub-Funds for similar financial instruments.

The Sub-Funds classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2).
- Inputs for the asset or liability that are unobservable inputs (Level 3).

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
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10 Financial risk management (Continued)

(d) Fair value estimation (Continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Sub-Funds. The Sub-Funds considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Sub-Funds' investments (by class) measured at fair value at 31 December 2014 and 2013:

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
As at 31 December 2014				
Financial assets at fair value through profit or loss				
- Listed securities	68,278,525	-	-	68,278,525
- Index swaps	-	372,855	-	372,855
- Equity swaps	-	1,307,115	-	1,307,115
	<u>68,278,525</u>	<u>1,679,970</u>	<u>-</u>	<u>69,958,495</u>
Financial liabilities at fair value through profit or loss				
- Index swaps	-	847,374	-	847,374
- Equity swaps	-	271,602	-	271,602
	<u>-</u>	<u>1,118,976</u>	<u>-</u>	<u>1,118,976</u>
As at 31 December 2013	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	100,382,705	-	-	100,382,705
- Index swaps	-	2,829,584	-	2,829,584
- Equity swaps	-	461,081	-	461,081
	<u>100,382,705</u>	<u>3,290,665</u>	<u>-</u>	<u>103,673,370</u>
Financial liabilities at fair value through profit or loss				
- Equity swaps	-	2,897,509	-	2,897,509
	<u>-</u>	<u>2,897,509</u>	<u>-</u>	<u>2,897,509</u>

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(d) Fair value estimation (Continued)

XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)

As at 31 December 2014	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	38,976,167	-	-	38,976,167
- Index swaps	-	2,184,079	-	2,184,079
- Equity swaps	-	285,884	-	285,884
	<u>38,976,167</u>	<u>2,469,963</u>	<u>-</u>	<u>41,446,130</u>
Financial liabilities at fair value through profit or loss				
- Equity swaps	-	204,714	-	204,714
	<u>-</u>	<u>204,714</u>	<u>-</u>	<u>204,714</u>
As at 31 December 2013	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	14,389,012	-	-	14,389,012
- Index swaps	-	286,152	-	286,152
- Equity swaps	-	44,098	-	44,098
	<u>14,389,012</u>	<u>330,250</u>	<u>-</u>	<u>14,719,262</u>
Financial liabilities at fair value through profit or loss				
- Equity swaps	-	500,648	-	500,648
	<u>-</u>	<u>500,648</u>	<u>-</u>	<u>500,648</u>

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
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10 Financial risk management (Continued)

(d) Fair value estimation (Continued)

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)

As at 31 December 2014	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	34,434,739	-	-	34,434,739
- Equity swaps	-	465,747	-	465,747
	<u>34,434,739</u>	<u>465,747</u>	<u>-</u>	<u>34,900,486</u>
Financial liabilities at fair value through profit or loss				
- Index swaps	-	409,816	-	409,816
- Equity swaps	-	214,067	-	214,067
	<u>-</u>	<u>623,883</u>	<u>-</u>	<u>623,883</u>
As at 31 December 2013	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	79,918,080	-	-	79,918,080
- Index swaps	-	1,877,208	-	1,877,208
- Equity swaps	-	491,591	-	491,591
	<u>79,918,080</u>	<u>2,368,799</u>	<u>-</u>	<u>82,286,879</u>
Financial liabilities at fair value through profit or loss				
- Equity swaps	-	2,617,560	-	2,617,560

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
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10 Financial risk management (Continued)

(d) Fair value estimation (Continued)

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)

As at 31 December 2014	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	17,612,443	-	-	17,612,443
- Index swaps	-	627,932	-	627,932
- Equity swaps	-	328,440	-	328,440
	<u>17,612,443</u>	<u>956,372</u>	<u>-</u>	<u>18,568,815</u>
Financial liabilities at fair value through profit or loss				
- Index swaps	-	276,554	-	276,554
- Equity swaps	-	165,715	-	165,715
	<u>-</u>	<u>442,269</u>	<u>-</u>	<u>442,269</u>
As at 31 December 2013	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	38,705,967	-	-	38,705,967
- Index swaps	-	361,870	-	361,870
- Equity swaps	-	127,824	-	127,824
	<u>38,705,967</u>	<u>489,694</u>	<u>-</u>	<u>39,195,661</u>
Financial liabilities at fair value through profit or loss				
- Equity swaps	-	1,455,568	-	1,455,568

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(d) Fair value estimation (Continued)

XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)

As at 31 December 2014	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	13,357,176	-	-	13,357,176
- Index swaps	-	1,775	-	1,775
- Equity swaps	-	172,081	-	172,081
	<u>13,357,176</u>	<u>173,856</u>	<u>-</u>	<u>13,531,032</u>
Financial liabilities at fair value through profit or loss				
- Index swaps	-	77,637	-	77,637
- Equity swaps	-	130,377	-	130,377
	<u>-</u>	<u>208,014</u>	<u>-</u>	<u>208,014</u>
As at 31 December 2013	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	16,974,857	-	-	16,974,857
- Index swaps	-	226,405	-	226,405
- Equity swaps	-	53,637	-	53,637
	<u>16,974,857</u>	<u>280,042</u>	<u>-</u>	<u>17,254,899</u>
Financial liabilities at fair value through profit or loss				
- Index swaps	-	18,465	-	18,465
- Equity swaps	-	588,874	-	588,874
	<u>-</u>	<u>607,339</u>	<u>-</u>	<u>607,339</u>

XIE Shares Trust I* (*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(d) Fair value estimation (Continued)

XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)

As at 31 December 2014	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	74,648,802	-	-	74,648,802
- Index swaps	-	1,997,534	-	1,997,534
- Equity swaps	-	1,154,928	-	1,154,928
	<u>74,648,802</u>	<u>3,152,462</u>	<u>-</u>	<u>77,801,264</u>
Financial liabilities at fair value through profit or loss				
- Equity swaps	-	963,450	-	963,450
	<u>-</u>	<u>963,450</u>	<u>-</u>	<u>963,450</u>
As at 31 December 2013	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	122,489,836	-	-	122,489,836
- Index swaps	-	3,193,758	-	3,193,758
- Equity swaps	-	443,421	-	443,421
	<u>122,489,836</u>	<u>3,637,179</u>	<u>-</u>	<u>126,127,015</u>
Financial liabilities at fair value through profit or loss				
- Equity swaps	-	4,601,797	-	4,601,797
	<u>-</u>	<u>4,601,797</u>	<u>-</u>	<u>4,601,797</u>

XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)

As at 31 December 2014	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	20,448,399	-	-	20,448,399
- Index swaps	-	301,971	-	301,971
- Equity swaps	-	313,306	-	313,306
	<u>20,448,399</u>	<u>615,277</u>	<u>-</u>	<u>21,063,676</u>
Financial liabilities at fair value through profit or loss				
- Index swaps	-	292,599	-	292,599
- Equity swaps	-	327,902	-	327,902
	<u>-</u>	<u>620,501</u>	<u>-</u>	<u>620,501</u>

XIE Shares Trust I* (*This is a synthetic ETF)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014****10 Financial risk management (Continued)****(d) Fair value estimation (Continued)****XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF) (Continued)**

As at 31 December 2013	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	37,849,980	-	-	37,849,980
- Index swaps	-	-	-	-
- Equity swaps	-	160,193	-	160,193
	<u>37,849,980</u>	<u>160,193</u>	<u>-</u>	<u>38,010,173</u>
Financial liabilities at fair value through profit or loss				
- Index swaps	-	2,232,072	-	2,232,072
- Equity swaps	-	1,366,040	-	1,366,040
	<u>-</u>	<u>3,598,112</u>	<u>-</u>	<u>3,598,112</u>

Investments whose value are based on quoted market prices in active markets, and therefore classified within level 1, include active listed and quoted equity securities. The Sub-Funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As of 31 December 2014 and 2013, the Sub-Funds did not hold any investments classified in level 3.

The assets and liabilities included in the statement of financial position, except financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, are carried at amortised cost; their carrying values are a reasonable approximation of fair value. There are no other assets and liabilities not carried at fair value but for which fair value is disclosed.

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

10 Financial risk management (Continued)

(e) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 31 December 2014 and 2013, the Sub-Funds were subject to the master netting arrangements with their derivative counterparties. All of the derivative assets and liabilities of the Sub-Funds are held with these counterparties.

The following tables present the Sub-Funds' financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D		E = C-D
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set-off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not set-off in the statement of financial position		
				D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2014</u>						
Derivative assets	1,679,970	-	1,679,970	1,118,976	-	560,994
Receivable due from swap counterparties	605,543	-	605,543	-	-	605,543
<u>2013</u>						
Derivative assets	3,290,665	-	3,290,665	3,290,665	-	-
Receivable due from swap counterparties	84,578	-	84,578	84,578	-	-

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D		E = C-D
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set-off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not set-off in the statement of financial position		
				D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2014</u>						
Derivative liabilities	1,118,976	-	1,118,976	1,118,976	-	-
<u>2013</u>						
Derivative liabilities	2,897,509	-	2,897,509	2,787,842	-	109,667
Amount due to brokers	1,201,830	-	1,201,830	587,401	-	614,429

XIE Shares Trust I* (*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(e) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D		E = C-D
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set-off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not set-off in the statement of financial position		
				D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2014</u>						
Derivative assets	2,469,963	-	2,469,963	2,143,420	-	326,543
Receivable due from swap counterparties	77,548	-	77,548	-	-	77,548
<u>2013</u>						
Derivative assets	330,250	-	330,250	330,250	-	-
Receivable due from swap counterparties	217,161	-	217,161	170,398	-	46,763

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D		E = C-D
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set-off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not set-off in the statement of financial position		
				D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2014</u>						
Derivative liabilities	204,714	-	204,714	204,714	-	-
Payable due to swap counterparties	1,938,706	-	1,938,706	1,938,706	-	-
<u>2013</u>						
Derivative liabilities	500,648	-	500,648	500,648	-	-

XIE Shares Trust I* (*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(e) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D		E = C-D
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set-off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not set-off in the statement of financial position		
				D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2014</u>						
Derivative assets	465,747	-	465,747	454,132	-	11,615
Receivable due from swap counterparties	465,289	-	465,289	437,837	-	27,452
<u>2013</u>						
Derivative assets	2,368,799	-	2,368,799	2,321,123	-	47,676

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D		E = C-D
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set-off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not set-off in the statement of financial position		
				D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2014</u>						
Derivative liabilities	623,883	-	623,883	623,883	-	-
Payable due to swap counterparties	268,086	-	268,086	268,086	-	-
<u>2013</u>						
Derivative liabilities	2,617,560	-	2,617,560	2,321,123	-	296,437
Payable due to swap counterparties	765,442	-	765,442	-	-	765,442

XIE Shares Trust I*(*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(e) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B		D	E = C-D
		Gross amounts of recognised financial liabilities	Net amounts of financial assets presented in the statement of financial position	Related amounts not set-off in the statement of financial position D(i) Financial instruments	D(ii) Cash collateral	Net amount
	Gross amounts of recognised financial assets	set-off in the statement of financial position				
<u>2014</u>						
Derivative assets	956,372	-	956,372	955,591	-	781
Receivable due from swap counterparties	54,974	-	54,974	54,974	-	-
<u>2013</u>						
Derivative assets	489,694	-	489,694	489,694	-	-
Receivable due from swap counterparties	1,101,031	-	1,101,031	967,295	-	133,736

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B		D	E = C-D
		Gross amounts of recognised financial assets	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not set-off in the statement of financial position D(i) Financial instruments	D(ii) Cash collateral	Net amount
	Gross amounts of recognised financial liabilities	set-off in the statement of financial position				
<u>2014</u>						
Derivative liabilities	442,269	-	442,269	390,179	-	52,090
Payable due to swap counterparties	620,386	-	620,386	620,386	-	-
<u>2013</u>						
Derivative liabilities	1,455,568	-	1,455,568	1,455,568	-	-
Payable due to swap counterparties	12,848	-	12,848	1,421	-	11,427

XIE Shares Trust I* (*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(e) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D		E = C-D
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set-off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not set-off in the statement of financial position		
				D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2014</u>						
Derivative assets	173,856	-	173,856	173,856	-	-
Receivable due from swap counterparties	155,096	-	155,096	88,439	-	66,657
<u>2013</u>						
Derivative assets	280,042	-	280,042	280,042	-	-
Receivable due from swap counterparties	232,625	-	232,625	232,625	-	-

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D		E = C-D
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set-off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not set-off in the statement of financial position		
				D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2014</u>						
Derivative liabilities	208,014	-	208,014	208,014	-	-
Payable due to swap counterparties	77,548	-	77,548	54,281	-	23,267
<u>2013</u>						
Derivative liabilities	607,339	-	607,339	512,667	-	94,672

XIE Shares Trust I* (*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(e) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D		E = C-D
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set-off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not set-off in the statement of financial position		
				D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2014</u>						
Derivative assets	3,152,462	-	3,152,462	1,985,895	-	1,166,567
<u>2013</u>						
Derivative assets	3,637,179	-	3,637,179	3,637,179	-	-
Receivable due from swap counterparties	1,217,337	-	1,217,337	954,614	-	262,723

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D		E = C-D
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set-off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not set-off in the statement of financial position		
				D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2014</u>						
Derivative liabilities	963,450	-	963,450	963,450	-	-
Payable due to swap counterparties	1,022,445	-	1,022,445	1,022,445	-	-
<u>2013</u>						
Derivative liabilities	4,601,797	-	4,601,797	4,485,672	-	116,125
Payable due to swap counterparties	193,200	-	193,200	106,121	-	87,079

XIE Shares Trust I* (*This is a synthetic ETF)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(e) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D		E = C-D
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set-off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not set-off in the statement of financial position		
				D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2014</u>						
Derivative assets	615,277	-	615,277	610,233	-	5,044
Receivable due from swap counterparties	114,725	-	114,725	87,816	-	26,909
<u>2013</u>						
Derivative assets	160,193	-	160,193	160,193	-	-
Receivable due from swap counterparties	3,230,057	-	3,230,057	3,217,039	-	13,018

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

	A	B	C = A-B	D		E = C-D
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set-off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not set-off in the statement of financial position		
				D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2014</u>						
Derivative liabilities	620,501	-	620,501	620,501	-	-
Payable due to swap counterparties	77,548	-	77,548	77,548	-	-
<u>2013</u>						
Derivative liabilities	3,598,112	-	3,598,112	3,377,232	-	220,880

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10 Financial risk management (Continued)

(e) Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

Amounts in D(i) and D(ii) above relate to amounts subject to set-off that do not qualify for offsetting under (B) above. This includes (i) amounts which are subject to set-off against the asset (or liability) disclosed in 'A' which have not been offset in the statement of financial position, and (ii) any financial collateral (including cash collateral), both received and pledged.

The Sub-Funds and their counterparties have elected to settle all transactions on a gross basis however, each party has the option to settle all open contracts on a net basis in the event of default of the other party. According to the 2002 Master Agreement ("the Agreement"), an event of default includes the following:

- failure by a party to make any payment when due, under the Agreement;
- failure by a party to comply with or perform any agreement or obligation required by the Agreement (other than payment) if such failure is not remedied within 30 days after notice of such failure is given to the party;
- bankruptcy.

(f) Capital risk management

The Sub-Funds' capital are represented by the redeemable units outstanding. The Sub-Funds' objective is to provide investment results that correspond generally to the performance of the respective indices. The Manager may:

- Redeem and issue new units in accordance with the constitutive documents of the Sub-Funds;
- Exercise discretion when determining the amount of distributions of the Sub-Funds to the Unitholders; and
- Suspend the issue and redemption of units under certain circumstances stipulated in the prospectus.

The Sub-Funds do not have any internally and externally imposed capital requirements and therefore the Sub-Funds are not subject to significant capital risk.

(g) Financial instruments by category

Financial assets

Apart from financial assets of investments in listed securities and derivative instruments as disclosed in the statement of financial position which are classified as fair value through profit or loss, all other financial assets as disclosed in the statement of financial position, including dividend receivable, amounts due from brokers, receivables due from swap counterparties, other receivables and cash and cash equivalents, are categorised as "loans and receivables".

Financial liabilities

Apart from financial liabilities of investments in derivative instruments as disclosed in the statement of financial position which are classified as the fair value through profit or loss, all other financial liabilities as disclosed in the statement of financial position, including amounts due to brokers, management fee payable, payables due to swap counterparties and other payables, are categorised as "other financial liabilities".

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

11 Segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

The Manager makes the strategic resource allocations on behalf of the Sub-Funds and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that each Sub-Fund has a single operating segment which is investing in securities. The objective of the Sub-Funds are to track the performance of their respective indices and invest in substantially all the index constituents with security weight and industry weight that are closely aligned to the characteristics of the tracked indices.

The internal financial information used by the Manager for the Sub-Funds' assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Funds are domiciled in Hong Kong. All of the Sub-Funds' income is from investments in securities which constitute the relevant tracked indices. The Sub-Funds' investments have been categorised by relevant geography.

The Sub-Funds have no assets classified as non-current assets. The Sub-Funds have portfolios that closely correspond to the security weight and industry weight of the relevant tracked indices.

12 Investment limitation and prohibitions under the SFC Code

Pursuant to the SFC's Guidelines for Regulating Index Tracking Exchange Trade Funds (the "ETF Guidelines"), the Sub-Funds' holding of any such constituent securities may not exceed their respective weightings in the underlying index, except where the weightings are exceeded as a result of changes in the composition of the underlying index and the excess is only transitional and temporary in nature.

The Manager and the Trustee have confirmed that the Sub-Funds have complied with this limit during the year ended 31 December 2014 and 31 December 2013 for XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF), XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF), XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF), XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF), XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF), XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF) and XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF).

As at 31 December 2014 and 2013, the Sub-Funds did not hold the constituent securities of their respective Underlying Indices.

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)

There were no constituent securities that individually accounted for more than 10% of their respective weightings of the CNX Nifty Index as at 31 December 2014 and 2013.

During the year ended 31 December 2014, the CNX Nifty Index increased by 30.53% (2013: decreased by 3.91%), while the net asset value per unit of the Sub-Fund increased by 29.55% (2013: decreased by 4.64%).

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

12 Investment limitation and prohibitions under the SFC Code (Continued)

XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)

There were no constituent securities that individually accounted for more than 10% of their respective weightings of IDX LQ45 Index as at 31 December 2014. The following lists the constituent securities that individually account for more than 10% of IDX LQ45 Index as at 31 December 2013:

Constituent securities	Respective weighting in IDX LQ45 Index	
	2014	2013
Astra International ORD DM IDR 50		10.84%

During the year ended 31 December 2014, the IDX LQ45 Index increased by 26.68% (2013: decreased by 21.86%), while the net asset value per unit of the Sub-Fund increased by 25.29% (2013: decreased by 22.75%).

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)

The following lists the constituent securities that individually accounted for more than 10% of KOSPI 200 Index as 31 December 2014 and 2013:

Constituent securities	Respective weighting in KOSPI 200 Index	
	2014	2013
Samsung Electronics Co Ltd	22.79%	22.02%

During the year ended 31 December 2014, the KOSPI 200 Index decreased by 11.30% (2013: increased by 1.61%), while the net asset value per unit of the Sub-Fund decreased by 11.39% (2013: increased by 1.79%).

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)

The following lists the constituent securities that individually accounted for more than 10% of FTSE Bursa Malaysia KLCI Index at 31 December 2014 and 2013:

Constituent securities	Respective weighting in FTSE Bursa Malaysia KLCI	
	2014	2013
Public Bank Bhd	11.50%	10.54%

During the year ended 31 December 2014, the FTSE Bursa Malaysia KLCI Index decreased by 8.77% (2013: increased by 6.54%), while the net asset value per unit of the Sub-Fund decreased by 9.86% (2013: increased by 5.54%).

XIE Shares Trust I*(*This is a synthetic ETF)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

12 Investment limitation and prohibitions under the SFC Code (Continued)

XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)

The following lists the constituent securities that individually accounted for more than 10% of PSEi Index as at 31 December 2014 and 2013:

Constituent securities	Respective weighting in PSEi Index	
	2014	2013
Philippine Long Distance Telephone	<u>10.19%</u>	<u>11.73%</u>

During the year ended 31 December 2014, the PSEi Index increased by 23.68% (2013: decreased by 4.70%), while the net asset value per unit of the Sub-Fund increased by 21.64% (2013: decreased by 5.79%).

XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)

The following lists the constituent securities that individually accounted for more than 10% of TAIEX Index as at 31 December 2014 and 2013:

Constituent securities	Respective weighting in TAIEX Index	
	2014	2013
Taiwan Semiconductor Manufacturing Company Limited	<u>13.66%</u>	<u>11.21%</u>

During the year ended 31 December 2014, the TAIEX Index increased by 4.32% (2013: increased by 11.47%), while the net asset value per unit of the Sub-Fund increased by 3.64% (2013: increased by 10.89%).

XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)

There were no constituent securities that individually accounted for more than 10% of their respective weightings of the SET50 Index as at 31 December 2014 and 2013.

During the year ended 31 December 2014, the Underlying Index increased by 16.48% (2013: decreased by 10.47%), while the net asset value per unit of the Sub-Fund increased by 15.09% (2013: decreased by 11.24%).

13 Approval of financial statements

The financial statements were approved by the Trustee and the Manager on 27 April 2015.

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited)**

As at 31 December 2014

Investments			
Listed equities	Holdings	Fair value HK\$	% of net assets
Australia			
BHP BILLITON LTD	32,396	6,038,184	6.38%
RIO TINTO LTD	2,458	904,734	0.96%
WESFARMERS LTD	4,089	1,082,611	1.14%
Total investments in listed Australian securities at fair value		8,025,529	8.48%

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited) (Continued)**

As at 31 December 2014

Investments**Listed equities****Holdings****Fair value
HK\$****% of net
assets****Japan**

ASTELLAS PHARMA INC SHS	2,600	283,616	0.31%
BRIDGESTONE CORPORATION	1,100	298,751	0.32%
CANON INC	500	124,202	0.13%
DAIKIN INDUSTRIES LTD	12,100	6,112,335	6.46%
DENTSU INC	1,500	493,833	0.52%
FANUC CORP	4,000	5,160,179	5.45%
FAST RETAILING CO LTD	300	854,554	0.90%
FUJIFILM HOLDINGS CORP	500	139,062	0.15%
HONDA MOTOR CO LTD	21,300	4,857,722	5.13%
JAPAN TOBACCO INC	600	129,153	0.14%
KAO CORP	1,400	430,757	0.46%
KDDI CORP	15,400	7,607,015	8.04%
KYOCERA CORP	15,800	5,677,931	6.00%
MITSUBISHI CORP	700	100,377	0.11%
NITTO DENKO CORP	1,900	832,349	0.88%
NTT DATA CORPORATION	1,500	438,046	0.46%
PANASONIC CORP	3,300	304,585	0.32%
SECOM CO LTD	900	404,283	0.43%
SHIN ETSU CHEMICAL CO LTD	2,100	1,068,425	1.13%
SOFTBANK CORP	15,000	6,995,154	7.39%
SUZUKI MOTOR CORP	31,800	7,486,853	7.91%
TAKEDA PHARMACEUTICAL	3,100	1,001,840	1.06%
TERUMO CORP	17,000	3,031,492	3.20%
TOKYO ELECTRON LIMITED	1,100	656,057	0.69%
TOYOTA MOTOR CORP	1,300	635,508	0.67%

**Total investments in listed Japanese securities at
fair value**

55,124,079

58.26%

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited) (Continued)**

As at 31 December 2014

	Holdings	Fair value HK\$	% of net assets
Singapore			
SINGAPORE TECH ENGINEERING	10,000	198,977	0.21%
WILMAR INTERNATIONAL LTD	260,000	4,929,940	5.21%
Total investments in listed Singaporean securities at fair value		<u>5,128,917</u>	<u>5.42%</u>
Total investments in securities at fair value		<u>68,278,525</u>	<u>72.16%</u>
Index swaps issued by		Fair value HK\$	% of net assets
BNP PARIBAS		5,883	0.01%
JPMORGAN CHASE BANK N.A.		(847,374)	(0.90)%
STANDARD CHARTERED BANK HONG KONG		366,972	0.39%
Total investment in index swaps at fair value		<u>(474,519)</u>	<u>(0.50)%</u>
Equity swaps issued by			
JPMORGAN CHASE BANK N.A.		941,868	1.00%
STANDARD CHARTERED BANK		93,645	0.10%
Total investment in equity swaps at fair value		<u>1,035,513</u>	<u>1.10%</u>
Total investments		68,839,519	72.76%
Other net assets		<u>25,781,858</u>	27.24%
Net assets attributable to unitholders at 31 December 2014		<u>94,621,377</u>	100.00%
Total investments, at cost		<u>71,559,823</u>	

XIE Shares Trust I* (*This is a synthetic ETF)**XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)****Statement of movements in investment portfolio (Unaudited)**

For the year ended 31 December 2014

Investments - listed equities	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
ASAHI GROUP HOLDINGS LTD	6,800	-	-	(6,800)	-
ASTELLAS PHARMA INC	4,000	18,600	-	(20,000)	2,600
BHP BILLITON LTD	32,396	-	-	-	32,396
BRIDGESTONE CORPORATION	7,100	1,100	-	(7,100)	1,100
CANON INC	9,100	500	-	(9,100)	500
CAPITALAND LTD	249,400	80,500	-	(329,900)	-
DAIICHI SANKYO CO LTD	16,300	-	-	(16,300)	-
DENSO CORP	1,400	-	-	(1,400)	-
DENTSU INC	-	1,500	-	-	1,500
EISAI CO LTD	7,800	-	-	(7,800)	-
FANUC CORP	1,000	4,000	-	(1,000)	4,000
FAST RETAILING CO LTD	200	300	-	(200)	300
FUJI HEAVY INDUSTRY	-	500	-	-	500
FUJIFILM HOLDINGS CORP	13,000	-	-	(13,000)	-
GLOBAL LOGISTIC PROPERTIES	249,000	245,000	-	(494,000)	-
HONDA MOTOR CO LTD	8,500	21,300	-	(8,500)	21,300
JAPAN TOBACCO INC	13,500	600	-	(13,500)	600
KAO CORP	11,700	1,400	-	(11,700)	1,400
KDDI CORP	3,000	19,000	-	(6,600)	15,400
KOMATSU LTD	21,100	-	-	(21,000)	100
KYOCERA CORP	3,200	15,800	-	(3,200)	15,800
MITSUBISHI CORP	24,400	700	-	(24,400)	700
MITSUBISHI ESTATE CO LTD	4,800	-	-	(4,800)	-
mitsui & co LTD	18,200	-	-	(18,200)	-
mitsui FUDOSAN CO LTD	13,800	-	-	(13,800)	-
NIKON CORP	11,700	-	-	(11,700)	-
RIO TINTO LTD	2,458	-	-	-	2,458

XIE Shares Trust I*(*This is a synthetic ETF)

XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)

Statement of movements in investment portfolio (Unaudited) (Continued)

For the year ended 31 December 2014

Investments - listed equities	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
SECOM CO LTD	6,500	900	-	(6,500)	900
SEVEN & I HOLDINGS CO LTD	2,400	-	-	(2,400)	-
SHIN ETSU CHEMICAL CO LTD	5,900	2,100	-	(5,900)	2,100
SINGAPORE EXCHANGE LTD	133,800	35,500	-	(169,300)	-
SINGAPORE PRESS HOLDINGS LTD	229,400	-	-	(229,400)	-
SINGAPORE TECH ENGINEERING	-	10,000	-	-	10,000
SINGAPORE TELECOM LTD	215,664	133,000	-	(348,664)	-
SOFTBANK CORP	1,100	15,000	-	(1,100)	15,000
SONY CORP	6,300	-	-	(6,300)	-
SUMITOMO CORPORATION	20,800	-	-	(20,800)	-
SUZUKI MOTOR CORP	13,000	38,600	-	(19,800)	31,800
TAKEDA PHARMACEUTICAL	7,200	3,100	-	(7,200)	3,100
TERUMO CORP	-	17,000	-	-	17,000
TOKYO ELECTRON LIMITED	-	1,100	-	-	1,100
TOYOTA MOTOR CORP	7,000	1,300	-	(7,000)	1,300
WESFARMERS LTD	4,162	-	-	(73)	4,089
WILMAR INTERNATIONAL LTD	-	260,000	-	-	260,000
Swaps issued by	Fair value as at 1 January 2014 HK\$	Fair value change	Fair value as at 31 December 2014 HK\$		
THE ROYAL BANK OF SCOTLAND PLC	587,401	(587,401)	-		
JPMORGAN CHASE BANK N.A.	(126,711)	221,205	94,494		
BNP PARIBAS	(67,534)	73,417	5,883		
STANDARD CHARTERED BANK	-	460,617	460,617		

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares India (CNX Nifty) ETF* (*This is a synthetic ETF)****Performance record (Unaudited)**

For the year ended 31 December 2014

Net asset value attributable to unitholders

	Dealing net asset value per unit HK\$	Dealing net asset value of the Sub-Fund HK\$
At end of financial period dated		
31 December 2012	7.6972	123,155,454
31 December 2013	7.3399	117,438,829
31 December 2014	9.5086	95,086,073

Highest and lowest net asset value per unit

	Lowest HK\$	Highest HK\$
Year ended 31 December 2012	<u>6.1143</u>	<u>8.0558</u>
Year ended 31 December 2013	<u>5.5909</u>	<u>8.1044</u>
Year ended 31 December 2014	<u>6.9190</u>	<u>10.0307</u>

During the year ended 31 December 2014, the Underlying Index increased by 30.53%, while the net asset value per unit of the Sub-Fund increased by 29.55%^(a).

There were no constituent securities of that CNX Nifty Index that accounted for more than 10% of the weighting of CNX Nifty Index as at 31 December 2014 and 2013^(b).

(a) This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2014 to 31 December 2014.

(b) The Sub-Fund did not hold the constituent securities as at 31 December 2013 and 2014.

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited)**

As at 31 December 2014

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Japan			
AJINOMOTO INC COM	1,000	145,077	0.29%
ASAHI GROUP HOLDINGS LTD	1,200	290,789	0.58%
ASTELLAS PHARMA INC	2,400	261,799	0.52%
BRIDGESTONE CORPORATION	1,000	271,592	0.54%
CANON INC	200	49,681	0.10%
CHUGAI PHARMACEUTICAL CO LTD	500	95,856	0.19%
DAIKIN INDUSTRIES LTD	8,000	4,041,213	8.02%
DENTSU INC	900	296,300	0.59%
EISAI CO LTD	200	60,437	0.12%
FANUC CORP	2,600	3,354,117	6.65%
FAST RETAILING CO LTD	200	569,702	1.13%
FUJI HEAVY INDUSTRY	500	139,062	0.28%
HONDA MOTOR CO LTD	14,800	3,375,319	6.70%
JAPAN TOBACCO INC	300	64,577	0.13%
KAO CORP	1,300	399,988	0.79%
KDDI CORP	9,000	4,445,658	8.82%
KIRIN HOLDINGS COMPANY LTD	1,300	125,874	0.25%
KYOCERA CORP	10,500	3,773,308	7.49%
MITSUBISHI CORP	700	100,377	0.20%
NITTO DENKO CORP	1,000	438,078	0.87%
NTT DATA CORPORATION	500	146,015	0.29%
OLYMPUS CORP	1,000	276,184	0.55%
PANASONIC CORP	3,000	276,896	0.55%
SECOM CO LTD	400	179,681	0.36%
SEVEN & I HOLDINGS CO LTD	600	169,145	0.34%
SHIN ETSU CHEMICAL CO LTD	500	254,387	0.50%
SOFTBANK CORP	6,600	3,077,868	6.11%
SUMITOMO CORPORATION	100	26,723	0.05%
SUZUKI MOTOR CORP	17,500	4,120,123	8.16%
TAKEDA PHARMACEUTICAL	500	161,587	0.32%
TERUMO CORP	2,100	374,478	0.74%
TOKYO ELECTRON LIMITED	500	298,208	0.59%
TOYOTA MOTOR CORP	600	293,311	0.58%
Total investments in listed Japanese securities at market value		31,953,410	63.40%

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited) (Continued)**

As at 31 December 2014

Listed equities	Holdings	Fair value HK\$	% of net assets
Singapore			
CAPITALAND LTD	18,500	358,363	0.71%
DBS GROUP HOLDINGS LTD	5,800	699,227	1.39%
GENTING SINGAPORE PLC	31,000	195,933	0.39%
GLOBAL LOGISTIC PROPERTIES	33,500	486,205	0.96%
SINGAPORE AIRLINES LTD	4,500	305,488	0.61%
SINGAPORE EXCHANGE LTD	4,000	182,824	0.36%
SINGAPORE PRESS HOLDINGS LTD	10,500	258,699	0.51%
SINGAPORE TECH ENGINEERING	21,000	417,853	0.83%
SINGAPORE TELECOM LTD	86,556	1,975,537	3.92%
WILMAR INTERNATIONAL LTD	113,000	2,142,628	4.25%
Total investments in listed Singaporean securities at fair value		<u>7,022,757</u>	<u>13.93%</u>
Total investments in securities at fair value		<u>38,976,167</u>	<u>77.33%</u>
Index swaps issued by		Fair value HK\$	% of net assets
BNP PARIBAS		15,234	0.03%
STANDARD CHARTERED BANK		2,168,845	4.30%
Total investment in index swaps at fair value		<u>2,184,079</u>	<u>4.33%</u>
Equity swaps issued by			
BNP PARIBAS		(10,312)	(0.02)%
STANDARD CHARTERED BANK		91,482	0.18%
Total investment in equity swaps at fair value		<u>81,170</u>	<u>0.16%</u>
Total investments		41,241,416	81.82%
Other net assets		<u>9,163,455</u>	<u>18.18%</u>
Net assets attributable to unitholders at 31 December 2014		<u>50,404,871</u>	<u>100%</u>
Total investments, at cost		<u>38,298,921</u>	

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)****Statement of movements in investment portfolio (Unaudited)**

For the year ended 31 December 2014

Investments - listed equities	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
AJINOMOTO INC COM	-	1,000	-	-	1,000
ASAHI GROUP HOLDINGS LTD	2,100	1,200	-	(2,100)	1,200
ASTELLAS PHARMA INC	400	2,400	1,600	(2,000)	2,400
BRIDGESTONE CORPORATION	700	1,000	-	(700)	1,000
CANON INC	1,100	200	-	(1,100)	200
CAPITALAND LTD	37,000	-	-	(18,500)	18,500
CHUGAI PHARMACEUTICAL CO LTD	-	500	-	-	500
DAIICHI SANKYO CO LTD	2,500	-	-	(2,500)	-
DAIKIN INDUSTRIES LTD	-	8,000	-	-	8,000
DBS GROUP HOLDINGS LTD	-	11,600	-	(5,800)	5,800
DENSO CORP	100	-	-	(100)	-
DENTSU INC	-	900	-	-	900
EISAI CO LTD	600	200	-	(600)	200
FANUC CORP	200	2,600	-	(200)	2,600
FAST RETAILING CO LTD	100	200	-	(100)	200
FUJIFILM HOLDINGS CORP	2,000	-	-	(2,000)	-
FJUI HEAVY INDUSTRY	-	500	-	-	500
GENTING SINGAPORE PLC	62,000	-	-	(31,000)	31,000
GLOBAL LOGISTIC PROPERTIES	21,000	55,000	-	(42,500)	33,500
HONDA MOTOR CO LTD	1,300	14,800	-	(1,300)	14,800
JAPAN TOBACCO INC	100	300	-	(100)	300
KAO CORP	900	1,300	-	(900)	1,300
KDDI CORP	500	9,000	-	(500)	9,000
KIRIN HOLDINGS COMPANY LTD	-	1,300	-	-	1,300
KOMATSU LTD	1,700	-	-	(1,700)	-
KYOCERA CORP	1,000	10,500	-	(1,000)	10,500
MITSUBISHI CORP	2,400	700	-	(2,400)	700
MITSUBISHI ESTATE CO LTD	1,000	-	-	(1,000)	-
MITSUMI & CO LTD	2,800	-	-	(2,800)	-

XIE Shares Trust I* (*This is a synthetic ETF)
XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)
Statement of movements in investment portfolio (Unaudited) (Continued)

For the year ended 31 December 2014

Investments - listed equities	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
MITSUI FUDOSAN CO LTD	800	-	-	(800)	-
NIKON CORP	1,800	-	-	(1,800)	-
NITTO DENKO CORP	-	1,000	-	-	1,000
NTT DATA CORPORATION	-	500	-	-	500
OLYMPUS CORP	-	1,000	-	-	1,000
OVERSEA-CHINESE BANKING CORP	8,000	12,000	-	(20,000)	-
PANASONIC	-	3,000	-	-	3,000
SECOM CO LTD	1,000	400	-	(1,000)	400
SEVEN & I HOLDINGS CO LTD	1,200	600	-	(1,200)	600
SHIN ETSU CHEMICAL CO LTD	900	500	-	(900)	500
SINGAPORE AIRLINES LTD	9,000	-	-	(4,500)	4,500
SINGAPORE EXCHANGE LTD	8,000	-	-	(4,000)	4,000
SINGAPORE PRESS HOLDINGS LTD	31,000	-	-	(20,500)	10,500
SINGAPORE TECH ENGINEERING	22,000	10,000	-	(11,000)	21,000
SINGAPORE TELECOM LTD	36,113	77,000	-	(26,557)	86,556
SOFTBANK CORP	-	6,600	-	-	6,600
SONY CORP	2,400	-	-	(2,400)	-
SUMITOMO CORPORATION	3,200	100	-	(3,200)	100
SUZUKI MOTOR CORP	2,000	17,500	-	(2,000)	17,500
TAKEDA PHARMACEUTICAL	1,100	500	-	(1,100)	500
TERUMO CORP	-	2,100	-	-	2,100
TOKYO ELECTRON LIMITED	-	500	-	-	500
TOYOTA MOTOR CORP	600	600	-	(600)	600
WILMAR INTERNATIONAL LTD	26,000	100,000	-	(13,000)	113,000

Swaps issued by	Fair value as at 1 January 2014 HK\$	Fair value change HK\$	Fair value as at 31 December 2014 HK\$
THE ROYAL BANK OF SCOTLAND PLC	(29,020)	29,020	-
BNP PARIBAS	(141,378)	146,300	4,922
STANDARD CHARTERED BANK	-	2,260,327	2,260,327

XIE Shares Trust I* (*This is a synthetic ETF)**XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)****Performance record (Unaudited)**

For the year ended 31 December 2014

Net asset value attributable to unitholders

	Dealing net asset value per unit HK\$	Dealing net asset value of the Sub-Fund HK\$
At end of financial period dated		
31 December 2012	8.0367	16,073,335
31 December 2013	6.2084	15,520,986
31 December 2014	7.7788	50,562,362

Highest and lowest net asset value per unit

	Lowest HK\$	Highest HK\$
Year ended 31 December 2012	<u>6.8629</u>	<u>8.3389</u>
Year ended 31 December 2013	<u>5.9788</u>	<u>9.5687</u>
Year ended 31 December 2014	<u>6.0284</u>	<u>8.1608</u>

During the year ended 31 December 2014, the Underlying Index decreased by 26.68%, while the net asset value per unit of the Sub-Fund decreased by 25.29%^(a).

There were no constituent securities of that IDX LQ45 Index that accounted for more than 10% of the weighting of IDX LQ45 Index as at 31 December 2014.

The following lists the constituent securities that individually accounted for more than 10% of IDX LQ45 Index as at 31 December 2013.

Constituent securities	Respective weighting in IDX LQ45 Index
Astra International ORD DM IDR 50 ^(b)	<u>10.84%</u>

(a) This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2014 to 31 December 2014.

(b) The Sub-Fund did not hold the constituent securities as at 31 December 2013 and 2014.

XIE Shares Trust I* (*This is a synthetic ETF)**XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited)**

As at 31 December 2014

Listed equities	Holdings	Fair value HK\$	% of net assets
Australia			
AGL ENERGY LTD	576	48,836	0.11%
BHP BILLITON LTD	3,553	662,232	1.48%
COMMONWEALTH BANK OF AUSTRALIA	1,861	1,011,544	2.26%
FORTESCUE METALS GROUP LTD	24,251	421,688	0.94%
ORIGIN ENERGY LTD	6,016	445,543	0.99%
RIO TINTO LTD	2,525	929,395	2.07%
WESFARMERS LTD	3,285	869,742	1.94%
WESTPAC BANKING CORP	3,265	687,082	1.53%
WOODSIDE PETROLEUM LTD	4,123	994,540	2.22%
Total investments in listed Australian securities at fair value		6,070,602	13.54%

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited)(Continued)**

As at 31 December 2014

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Japan			
ASTELLAS PHARMA INC	2,900	316,341	0.71%
BRIDGESTONE CORPORATION	1,200	325,910	0.73%
CANON INC	500	124,202	0.28%
DAIKIN INDUSTRIES LTD	6,900	3,485,546	7.77%
DENTSU INC	1,600	526,755	1.18%
FANUC CORP	2,400	3,096,108	6.90%
FAST RETAILING CO LTD	600	1,709,107	3.81%
FUJI HEAVY INDUSTRIES	600	166,875	0.37%
HONDA MOTOR CO LTD	7,900	1,801,690	4.02%
JAPAN TOBACCO INC	300	64,577	0.14%
KAO CORP	1,500	461,525	1.03%
KDDI CORP	5,300	2,617,999	5.84%
KYOCERA CORP ORD	9,000	3,234,264	7.22%
MITSUBISHI CORP ORD	1,600	229,433	0.51%
NITTO DENKO CORP	2,100	919,965	2.05%
NTT DATA CORPORATION	500	146,015	0.33%
PANASONIC CORP	3,600	332,275	0.74%
SECOM CO LTD	300	134,761	0.30%
SHIN ETSU CHEMICAL CO LTD	1,200	610,529	1.36%
SOFTBANK CORP	1,900	886,053	1.98%
SUZUKI MOTOR CORP	10,800	2,542,705	5.67%
TAKEDA PHARMACEUTICAL	1,700	549,396	1.23%
TOKYO ELECTRON LTD	1,200	715,698	1.60%
TOYOTA MOTOR CORP	700	342,197	0.76%
Total investments in listed Japanese securities at fair value		25,339,926	56.53%

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited) (Continued)**

As at 31 December 2014

Listed equities	Holdings	Fair value HK\$	% of net assets
Singapore			
SINGAPORE TECH ENGINEERING	10,000	198,977	0.45%
WILMAR INTERNATIONAL LTD	149,000	2,825,234	6.30%
Total investments in listed Singaporean securities at fair value		<u>3,024,211</u>	<u>6.75%</u>
Total investments in securities at fair value		<u><u>34,434,739</u></u>	<u><u>76.82%</u></u>
Index swaps issued by		Fair value HK\$	% of net assets
JPMORGAN CHASE BANK N.A.		(80,631)	(0.18)%
STANDARD CHARTERED BANK		(329,185)	(0.73)%
Total investment in index swaps at fair value		<u>(409,816)</u>	<u>(0.91)%</u>
Equity swaps issued by		Fair value HK\$	% of net assets
JPMORGAN CHASE BANK N.A.		360,332	0.80%
STANDARD CHARTERED BANK		(108,652)	(0.24)%
Total investment in equity swaps at fair value		<u>251,680</u>	<u>0.56%</u>
Total investments		34,276,603	76.47%
Other net assets		<u>10,546,239</u>	<u>23.53%</u>
Net assets attributable to unitholders at 31 December 2014		<u><u>44,822,842</u></u>	<u><u>100.00%</u></u>
Total investments, at cost		<u><u>35,302,265</u></u>	

XIE Shares Trust I*(*This is a synthetic ETF)

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)

Statement of movements in investment portfolio (Unaudited)

For the year ended 31 December 2014

Investments - listed equities	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
AGL ENERGY LTD	576	-	115	(115)	576
ASTELLAS PHARMA INC	5,500	24,900	-	(27,500)	2,900
BHP BILLITON LTD	3,553	-	-	-	3,553
BRIDGESTONE CORPORATION	5,400	1,200	-	(5,400)	1,200
CANON INC	-	500	-	-	500
CAPITALAND LTD	120,203	-	-	(120,203)	-
COMMONWEALTH BANK OF AUSTRALIA	1,861	-	-	-	1,861
DAIKIN INDUSTRIES	-	6,900	-	-	6,900
DENTSU INC	-	1,600	-	-	1,600
DENSO CORP	4,600	-	-	(4,600)	-
FANUC CORP	1,300	2,400	-	(1,300)	2,400
FAST RETAILING CO LTD	-	600	-	-	600
FORTESCUE METALS GROUP LTD	24,251	-	-	-	24,251
FUJI HEAVY INDUSTRIES LTD	-	600	-	-	600
GLOBAL LOGISTIC PROPERTIES	403,000	-	-	(403,000)	-
HONDA MOTOR CO LTD	11,700	7,900	-	(11,700)	7,900
JAPAN TOBACCO INC	15,000	300	-	(15,000)	300
KAO CORP	-	1,500	-	-	1,500
KDDI CORP	1,600	10,800	-	(7,100)	5,300
KYOCERA CORP LTD	-	9,000	-	-	9,000
MITSUBISHI CORP	18,300	1,600	-	(18,300)	1,600
MITSUBISHI ESTATE CO LTD	3,000	-	-	(3,000)	-
MTSUI & CO LTD	24,800	-	-	(24,800)	-
MTSUI FUDOSAN CO LTD	14,300	-	-	(14,300)	-
NITTO DENKO CORP	-	2,100	-	-	2,100
NTT DATA CORPORATION	-	500	-	-	500
ORIGIN ENERGY LTD	6,016	-	-	-	6,016
PANASONIC CORP	-	3,600	-	-	3,600
RIO TINTO LTD	2,525	-	-	-	2,525
SECOM CO LTD	-	300	-	-	300
SEVEN & I HOLDINGS CO LTD	8,000	-	-	(8,000)	-
SHIN ETSU CHEMICAL CO LTD	4,000	1,200	-	(4,000)	1,200
SINGAPORE EXCHANGE LTD	142,600	-	-	(142,600)	-
SINGAPORE PRESS HOLDINGS LTD	250,100	-	-	(250,100)	-

XIE Shares Trust I*(*This is a synthetic ETF)

XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)

Statement of movements in investment portfolio (Unaudited)(Continued)

For the year ended 31 December 2014

Investments - listed equities	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
SINGAPORE TECH ENGINEERING	-	10,000	-	-	10,000
SINGAPORE TELECOM LTD	292,823	-	-	(292,823)	-
SOFTBANK CORP	1,100	7,500	-	(6,700)	1,900
SONY CORP	21,100	-	-	(21,100)	-
SUMITOMO CORPORATION	28,500	-	-	(28,500)	-
SUZUJI MOTOR CORP	-	23,100	-	(12,300)	10,800
TAKEDA PHARMACEUTICAL	9,700	1,700	-	(9,700)	1,700
TOKYO ELECTRON LTD	-	1,200	-	-	1,200
TOYOTA MOTOR CORP	7,000	700	-	(7,000)	700
WESFARMERS LTD	3,343	-	(58)	-	3,285
WESTPAC BANKING CORP	3,265	-	-	-	3,265
WILMAR INTERNATIONAL LTD	-	149,000	-	-	149,000
WOODSIDE PETROLEUM LTD	4,123	-	-	-	4,123

Swaps issued by	Fair value as at 1 January 2014 HK\$	Fair value change HK\$	Fair value as at 31 December 2014 HK\$
THE ROYAL BANK OF SCOTLAND PLC	47,676	(47,676)	-
JPMORGAN CHASE BANK N.A.	(32,127)	311,828	279,701
BNP PARIBAS	(264,310)	264,310	-
STANDARD CHARTERED BANK	-	(437,837)	(437,837)

XIE Shares Trust I* (*This is a synthetic ETF)**XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)****Performance record (Unaudited)**

For the year ended 31 December 2014

Net asset value attributable to unitholders

	Dealing net asset value per unit HK\$	Dealing net asset value of the Sub-Fund HK\$
At end of financial period dated		
31 December 2012	8.3683	92,051,225
31 December 2013	8.5179	93,697,251
31 December 2014	7.5473	45,283,821

Highest and lowest net asset value per unit

	Lowest HK\$	Highest HK\$
Year ended 31 December 2012	<u>6.8215</u>	<u>8.4104</u>
Year ended 31 December 2013	<u>6.8257</u>	<u>8.7228</u>
Year ended 31 December 2014	<u>7.5269</u>	<u>9.0299</u>

During the year ended 31 December 2014, the Underlying Index decreased by 11.30%, while the net asset value per unit of the Sub-Fund decreased by 11.39%^(a).

The following lists the constituent securities that individually accounted for more than 10% of KOSPI 200 Index as 31 December 2014 and its weighting of the KOSPI 200 Index as at 31 December 2014:

Constituent securities	Respective weighting in KOSPI 200 Index
Samsung Electronics Co Ltd ^(b)	<u>22.79%</u>

The following lists the constituent securities that individually accounted for more than 10% of KOSPI 200 Index as 31 December 2013 and its weighting of the KOSPI 200 Index as at 31 December 2013:

Constituent securities	Respective weighting in KOSPI 200 Index
Samsung Electronics Co Ltd ^(b)	<u>22.02%</u>

(a) This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2014 to 31 December 2014.

(b) The Sub-Fund did not hold the constituent securities as at 31 December 2013 and 2014.

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited)**

As at 31 December 2014

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Australia			
AGL ENERGY LTD	281	23,825	0.12%
BHP BILLITON LTD	1,946	362,709	1.76%
COMMONWEALTH BANK OF AUSTRALIA	1,359	738,683	3.59%
FORTESCUE METALS GROUP LTD	11,569	201,167	0.98%
ORIGIN ENERGY LTD	2,147	159,006	0.77%
RIO TINTO LTD	1,048	385,745	1.87%
WESFARMERS LTD	1,985	525,552	2.55%
WESTPAC BANKING CORP	1,593	335,229	1.63%
WOODSIDE PETROLEUM LTD	1,967	474,475	2.30%
Total investments in listed Australian securities at fair value		3,206,391	15.57%

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited)(Continued)**

As at 31 December 2014

Listed equities	Holdings	Fair value HK\$	% of net assets
Japan			
AJINOMOTO INC COM	1,000	145,077	0.70%
ASAHI GROUP HOLDINGS LTD	1,900	460,416	2.23%
ASTELLAS PHARMA INC	10,300	1,123,555	5.45%
BRIDGESTONE CORPORATION	3,900	1,059,208	5.14%
CANON INC	5,200	1,291,701	6.28%
CHUGAI PHARMACEUTICAL LTD	1,900	364,253	1.77%
DENTSU INC	500	164,611	0.80%
EISAI CO LTD	300	90,656	0.44%
FAST RETAILING CO LTD	500	1,424,256	6.92%
FUJI HEAVY INDUSTRIES LTD	2,000	556,249	2.70%
JAPAN TOBACCO INC	5,900	1,270,007	6.16%
KAO CORP	1,400	430,757	2.09%
KIRIN HOLDINGS COMPANY LTD	700	67,778	0.33%
MITSUBISHI CORP	6,700	960,752	4.66%
NITTO DENKO CORP	400	175,231	0.85%
NTT DATA CORP	500	146,015	0.71%
OLYMPUS CORP	500	138,092	0.67%
PANASONIC CORP	4,800	443,033	2.15%
SECOM CO LTD	300	134,761	0.65%
SEVEN & I HOLDINGS CO LTD	1,200	338,290	1.64%
SHIN ETSU CHEMICAL CO LTD	900	457,896	2.22%
SUMITOMO REALTY & DEVELOPMENT	300	80,168	0.39%
TAKEDA PHARMACEUTICAL	3,100	1,001,840	4.86%
TERUMO CORP	800	142,658	0.69%
TOKYO ELECTRON LTD	300	178,925	0.87%
TOYOTA MOTOR CORP	3,600	1,759,867	8.55%
Total investments in listed Japanese securities at fair value		14,406,052	69.92%
Total investments in securities at fair value		17,612,443	85.49%

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited) (Continued)**

As at 31 December 2014

Index swaps issued by	Fair value HK\$	% of net assets
JPMORGAN CHASE BANK N.A.	(276,554)	(1.34)%
STANDARD CHARTERED BANK	627,932	3.05%
Total investment in index swaps at fair value	351,378	1.71%
Equity swaps issued by		
JPMORGAN CHASE BANK N.A.	169,490	0.81%
STANDARD CHARTERED BANK	(6,765)	(0.03)%
Total investment in equity swaps at fair value	162,725	0.78%
Total investments	18,126,546	87.98%
Other net assets	2,476,257	12.02%
Net assets attributable to unitholders at 31 December 2014	20,602,803	100.00%
Total investments, at cost	18,745,512	

XIE Shares Trust I*(*This is a synthetic ETF)

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)

Statement of movements in investment portfolio (Unaudited)

For the year ended 31 December 2014

Investments - listed equities	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
AGL ENERGY LTD	281	-	56	(56)	281
AJINOMOTO INC COM	-	1,000	-	-	1,000
ASTELLAS PHARMA INC	3,400	23,900	-	(17,000)	10,300
ASAHI GROUP HOLDINGS LTD	-	1,900	-	-	1,900
BHP BILLITON LTD	1,946	-	-	-	1,946
BRIDGESTONE CORPORATION	6,300	3,900	-	(6,300)	3,900
CANON INC	3,200	5,200	-	(3,200)	5,200
CAPITALAND LTD	30,595	-	-	(30,595)	-
CHUGAI PHARMACEUTICAL LTD	-	1,900	-	-	1,900
COMMONWEALTH BANK OF AUSTRALIA	1,359	-	-	-	1,359
DENSO CORP	2,100	-	-	(2,100)	-
DENTSU INC	-	500	-	-	500
EISAI CO LTD	-	300	-	-	300
FANUC CORP	1,200	-	-	(1,200)	-
FAST RETAILING CO LTD	400	500	-	(400)	500
FORTESCUE METALS GROUP LTD	11,569	-	-	-	11,569
FUJI HEAVY INDUSTRIES LTD	-	2,000	-	-	2,000
GLOBAL LOGISTIC PROPERTIES	108,000	-	-	(108,000)	-
HONDA MOTOR CO LTD	3,900	-	-	(3,900)	-
JAPAN TOBACCO INC	2,300	5,900	-	(2,300)	5,900
KAO CORP	-	1,400	-	-	1,400
KDDI CORP	1,200	-	-	(1,200)	-
KIRIN HOLDINGS COMPANY LTD	-	700	-	-	700
KOMATSU LTD	5,100	-	-	(5,100)	-
MITSUBISHI CORP	9,700	6,700	-	(9,700)	6,700
MITSUBISHI ESTATE CO LTD	1,000	-	-	(1,000)	-

XIE Shares Trust I* (*This is a synthetic ETF)
XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)
Statement of movements in investment portfolio (Unaudited) (Continued)

For the year ended 31 December 2014

Investments - listed equities	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
MITSUI & CO LTD	8,300	-	-	(8,300)	-
MITSUI FUDOSAN CO LTD	10,000	-	-	(10,000)	-
NITTO DENKO CORP	-	400	-	-	400
NTT DATA CORPORATION	-	500	-	-	500
OLYMPUS CORP	-	500	-	-	500
ORIGIN ENERGY LTD	2,147	-	-	-	2,147
PANASONIC CORP	-	4,800	-	-	4,800
RIO TINTO LTD	1,048	-	-	-	1,048
SECOM CO LTD	-	300	-	-	300
SEVEN & I HOLDINGS CO LTD	5,000	1,200	-	(5,000)	1,200
SHIN ETSU CHEMICAL CO LTD	2,600	900	-	(2,600)	900
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)	-
SUMITOMO REALTY & DEVELOPMENT	-	300	-	-	300
TAKEDA PHARMACEUTICAL	3,200	3,100	-	(3,200)	3,100
TERUMO CORP	-	800	-	-	800
TOKYO ELECTRON LTD	-	300	-	-	300
TOYOTA MOTOR CORP	3,500	3,600	-	(3,500)	3,600
WESFARMERS LTD	2,020	-	(35)	-	1,985
WESTPAC BANKING CORP	1,593	-	-	-	1,593
WOODSIDE PETROLEUM LTD	1,967	-	-	-	1,967

Swaps issued by	Fair value as at 1 January 2014 HK\$	Fair value change HK\$	Fair value as at 31 December 2014 HK\$
THE ROYAL BANK OF SCOTLAND PLC	(837,184)	837,184	-
JPMORGAN CHASE BANK N.A.	1,421	(108,485)	(107,064)
BNP PARIBAS	(130,111)	130,111	-
STANDARD CHARTERED BANK	-	621,167	621,167

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)****Performance record (Unaudited)**

For the year ended 31 December 2014

Net asset value attributable to unitholders

	Dealing net asset value per unit HK\$	Dealing net asset value of the Sub- Fund HK\$
At end of financial period dated		
31 December 2012	8.7672	43,835,961
31 December 2013	9.2527	46,263,455
31 December 2014	8.3404	20,850,944

Highest and lowest net asset value per unit

	Lowest HK\$	Highest HK\$
Year ended 31 December 2012	<u>7.6270</u>	<u>8.7672</u>
Year ended 31 December 2013	<u>8.1503</u>	<u>9.5905</u>
Year ended 31 December 2014	<u>7.9406</u>	<u>9.7887</u>

During the year ended 31 December 2014, the Underlying Index decreased by 8.77%, while the net asset value per unit of the Sub-Fund decreased by 9.86%^(a).

The following lists the constituent securities that individually accounted for more than 10% of FTSE Bursa Malaysia KLCI at 31 December 2014 and its weighting of the FTSE Bursa Malaysia KLCI as at 31 December 2014:

Constituent securities	Respective weighting in FTSE Bursa Malaysia KLCI
Public Bank Bhd ^(b)	11.50%

The following lists the constituent securities that individually accounted for more than 10% of FTSE Bursa Malaysia KLCI at 31 December 2013 and its weighting of the FTSE Bursa Malaysia KLCI as at 31 December 2013:

Constituent securities	Respective weighting in FTSE Bursa Malaysia KLCI
Public Bank Bhd ^(b)	10.54%

- (a) This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2014 to 31 December 2014.
- (b) The Sub-Fund did not hold the constituent securities as at 31 December 2013 and 2014.

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited)**

As at 31 December 2014

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Japan			
AJINOMOTO INC COM	1,000	145,077	0.85%
ASAHI GROUP HOLDINGS LTD	2,200	533,113	3.13%
ASTELLAS PHARMA INC	6,000	654,498	3.85%
BRIDGESTONE CORPORATION	2,200	597,502	3.51%
CANON INC	1,500	372,606	2.19%
CHUGAI PHARMACEUTICAL LTD	2,500	479,280	2.82%
DENTSU INC	300	98,767	0.58%
EISAI CO LTD	300	90,656	0.53%
FAST RETAILING CO LTD	200	569,702	3.35%
FUJIFILM HEAVY INDUSTRIES LTD	2,500	695,311	4.10%
JAPAN TOBACCO INC	300	64,577	0.38%
KAO CORP	2,000	615,367	3.62%
KIRIN HOLDINGS COMPANY LTD	800	77,461	0.46%
MITSUBISHI CORP	3,900	559,244	3.29%
NITTO DENKO CORP	200	87,616	0.51%
NTT DATA CORPORATION	300	87,609	0.51%
OLYMPUS CORP	300	82,855	0.49%
PANASONIC CORP	6,400	590,711	3.47%
SECOM CO LTD	500	224,602	1.32%
SEVEN & I HOLDINGS CO LTD	800	225,527	1.33%
SHIN ETSU CHEMICAL CO LTD	600	305,264	1.79%
SUMITOMO REALTY & DEVELOPMENT	200	53,445	0.31%
TAKEDA PHARMACEUTICAL	1,800	581,714	3.42%
TERUMO CORP	500	89,162	0.52%
TOKYO ELECTRON	200	119,283	0.70%
TOYOTA MOTOR CORP	400	195,541	1.15%
Total investments in listed Japanese securities at fair value		8,196,490	48.18%

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited) (Continued)**

As at 31 December 2014

Investments			
Listed equities	Holdings	Fair value HK\$	% of net assets
Singapore			
CAPITALAND LTD	42,000	813,580	4.78%
GLOBAL LOGISTIC PROPERTIES	89,000	1,291,709	7.59%
SINGAPORE EXCHANGE LTD	21,000	959,828	5.64%
SINGAPORE PRESS HOLDINGS LTD	27,000	665,226	3.91%
SINGAPORE TELECOM LTD	62,669	1,430,343	8.41%
Total investments in listed Singaporean securities at fair value		<u>5,160,686</u>	<u>30.33%</u>
Total investments in securities at fair value		<u>13,357,176</u>	<u>78.51%</u>
Index swaps issued by			
		Fair value HK\$	% of net assets
BNP PARIBAS		1,775	0.01%
STANDARD CHARTERED BANK		(77,637)	(0.46)%
Total investment in index swaps at fair value		<u>(75,862)</u>	<u>(0.45)%</u>
Equity swaps issued by			
BNP PARIBAS		52,506	0.31%
STANDARD CHARTERED BANK		(10,802)	(0.06)%
Total investment in equity swaps at fair value		<u>41,704</u>	<u>0.25%</u>
Total investments		13,323,018	78.31%
Other net assets		<u>3,690,231</u>	<u>21.69%</u>
Net assets attributable to unitholders at 31 December 2014		<u>17,013,249</u>	<u>100.00%</u>
Total investments, at cost		<u>13,713,978</u>	

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)****Statement of movements in investment portfolio (Unaudited)**

For the year ended 31 December 2014

Investments - listed equities	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
AJINOMOTO INC COM	-	1,000	-	-	1,000
ASAHI GROUP HOLDINGS LTD	2,100	2,200	-	(2,100)	2,200
ASTELLAS PHARMA INC	400	6,000	1,600	(2,000)	6,000
BRIDGESTONE CORPORATION	600	2,200	-	(600)	2,200
CANON INC	1,100	1,500	-	(1,100)	1,500
CAPITALAND LTD	42,000	-	-	-	42,000
CHUGAI PHARMACEUTICAL LTD	-	2,500	-	-	2,500
DENTSU INC	-	300	-	-	300
DENSO CORP	900	-	-	(900)	-
DAIICHI SANKYO CO LTD	2,500	-	-	(2,500)	-
EISAI CO LTD	1,200	300	-	(1,200)	300
FANUC CORP	300	-	-	(300)	-
FAST RETAILING CO LTD	200	200	-	(200)	200
FUJI HEAVY INDUSTRIES LTD	-	2,500	-	-	2,500
FUJIFILM HOLDINGS CORP	2,000	-	-	(2,000)	-
GLOBAL LOGISTIC PROPERTIES	60,000	46,000	-	(17,000)	89,000
HONDA MOTOR CO LTD	1,300	-	-	(1,300)	-
JAPAN TOBACCO INC	700	300	-	(700)	300
KAO CORP	1,800	2,000	-	(1,800)	2,000
KDDI CORP	700	-	-	(700)	-
KIRIN HOLDINGS COMPANY LTD	-	800	-	-	800
KOMATSU LTD	1,700	-	-	(1,700)	-
KYOCERA CORP	1,000	-	-	(1,000)	-
MITSUBISHI CORP	3,900	3,900	-	(3,900)	3,900
MITSUBISHI ESTATE CO LTD	1,000	-	-	(1,000)	-
MITSUMI & CO LTD	2,800	-	-	(2,800)	-
MITSUMI FUDOSAN CO LTD	3,000	-	-	(3,000)	-
NITTO DENKO CORP	-	200	-	-	200
NTT DATA CORPORATION	-	300	-	-	300
NIKON CORP	1,800	-	-	(1,800)	-
OLYMPUS CORP	-	300	-	-	300
PANASONIC CORP	-	6,400	-	-	6,400
SECOM CO LTD	1,000	500	-	(1,000)	500
SEVEN & I HOLDINGS CO LTD	1,700	800	-	(1,700)	800

XIE Shares Trust I*(*This is a synthetic ETF)

XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)

Statement of movements in investment portfolio (Unaudited) (Continued)

For the year ended 31 December 2014

Investments - listed equities	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
SHIN ETSU CHEMICAL CO LTD	900	600	-	(900)	600
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	-	-	(2,400)	-
SUMITOMO CORPORATION	3,200	-	-	(3,200)	-
SUZUKI MOTOR CORP	2,000	-	-	(2,000)	-
SUMITOMO REALTY & DEVELOPMENT	-	200	-	-	200
TAKEDA PHARMACEUTICAL	1,100	1,800	-	(1,100)	1,800
TERUMO CORP	-	500	-	-	500
TOKYO ELECTRON LTD	-	200	-	-	200
TOYOTA MOTOR CORP	1,100	400	-	(1,100)	400

Swaps issued by	Fair value as at 1 January 2014 HK\$	Fair value change HK\$	Fair value as at 31 December 2014 HK\$
THE ROYAL BANK OF SCOTLAND PLC	(163,014)	163,014	-
BNP PARIBAS	(164,283)	218,564	54,281
STANDARD CHARTERED BANK	-	(88,439)	(88,439)

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)****Performance record (Unaudited)**

For the year ended 31 December 2014

Net asset value attributable to unitholders

	Dealing net asset value per unit HK\$	Dealing net asset value of the Sub- Fund HK\$
At end of financial period dated		
31 December 2012	9.9894	19,978,815
31 December 2013	9.4106	18,821,259
31 December 2014	11.4475	17,171,216

Highest and lowest net asset value per unit

	Lowest HK\$	Highest HK\$
Year ended 31 December 2012	<u>7.8023</u>	<u>10.0508</u>
Year ended 31 December 2013	<u>9.1316</u>	<u>12.7343</u>
Year ended 31 December 2014	<u>9.2113</u>	<u>11.9409</u>

During the year ended 31 December 2014, the Underlying Index increased by 23.68%, while the net asset value per unit of the Sub-Fund increased by 21.64% ^(a).

The following lists the constituent securities that individually accounted for more than 10% of PSEi Index as at 31 December 2014 and its weighting of the PSEi Index as at 31 December 2014:

Constituent securities	Respective weighting in PSEi Index
Philippine Long Distance Telephone ^(b)	<u>10.19%</u>

The following lists the constituent securities that individually accounted for more than 10% of PSEi Index as at 31 December 2013 and its weighting of the PSEi Index as at 31 December 2013:

Constituent securities	Respective weighting in PSEi Index
Philippine Long Distance Telephone ^(b)	<u>11.73%</u>

(a) This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2014 to 31 December 2014.

(b) The Sub-Fund did not hold the constituent securities as at 31 December 2013 and 2014.

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited)**

As at 31 December 2014

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Australia			
AGL ENERGY LTD	1,060	89,872	0.10%
BHP BILLITON LTD	11,304	2,106,915	2.28%
COMMONWEALTH BANK OF AUSTRALIA	4,702	2,555,766	2.76%
FORTESCUE METALS GROUP LTD	44,866	780,151	0.84%
ORIGIN ENERGY LTD	11,130	824,284	0.89%
RIO TINTO LTD	4,689	1,725,914	1.87%
WESFARMERS LTD	6,091	1,612,664	1.74%
WESTPAC BANKING CORP	6,009	1,264,526	1.37%
WOODSIDE PETROLEUM LTD	7,627	1,839,766	1.99%
Total investments in listed Australian securities at fair value		12,799,858	13.84%

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited) (Continued)**

As at 31 December 2014

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Japan			
ASTELLAS PHARMA INC	17,600	1,919,861	2.08%
BRIDGESTONE CORPORATION	7,200	1,955,461	2.11%
CANON INC	1,600	397,446	0.43%
DAIKIN INDUSTRIES LTD	5,800	2,929,880	3.17%
DENTSU INC	10,100	3,325,140	3.59%
FANUC CORP	1,900	2,451,085	2.65%
FAST RETAILING CO LTD	1,300	3,703,066	4.00%
FUJI HEAVY INDUSTRIES LTD	3,600	1,001,248	1.08%
HONDA MOTOR CO LTD	10,300	2,349,039	2.54%
JAPAN TOBACCO INC	2,000	430,511	0.47%
KAO CORP	9,300	2,861,455	3.09%
KDDI CORP	6,500	3,210,753	3.47%
KYOCERA CORP ORD	7,600	2,731,157	2.95%
MITSUBISHI CORP ORD	4,900	702,639	0.76%
NITTO DENKO CORP	12,700	5,563,597	6.02%
NTT DATA CORPORATION	5,000	1,460,154	1.58%
PANASONIC CORP	22,200	2,049,027	2.22%
SECOM CO LTD	3,100	1,392,530	1.51%
SHIN ETSU CHEMICAL CO LTD	7,100	3,612,294	3.91%
SOFTBANK CORP	4,500	2,098,546	2.27%
SUZUKI MOTOR CORP	12,700	2,990,032	3.23%
TAKEDA PHARMACEUTICAL	10,500	3,393,329	3.67%
TOKYO ELECTRON LTD	7,600	4,532,757	4.89%
TOYOTA MOTOR CORP	4,500	2,199,835	2.38%
Total investments in listed Japanese securities at fair value		59,260,842	64.07%

XIE Shares Trust I* (*This is a synthetic ETF)**XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited) (Continued)**

As at 31 December 2014

Investments	Holdings	Fair value HK\$	% of net assets
Listed equities			
Singapore			
SINGAPORE TECH ENGINEERING	10,000	198,977	0.22%
WILMAR INTERNATIONAL LTD	126,000	2,389,125	2.58%
Total investments in listed Singaporean securities at fair value		<u>2,588,102</u>	<u>2.80%</u>
Total investments in securities at fair value		<u>74,648,802</u>	<u>80.71%</u>
Index swaps issued by		Fair value HK\$	% of net assets
JPMORGAN CHASE BANK N.A.		56,820	0.06%
STANDARD CHARTERD BANK		1,940,714	2.10%
Total investment in index swaps at fair value		<u>1,997,534</u>	<u>2.16%</u>
Equity swaps issued by			
JPMORGAN CHASE BANK N.A.		790,155	0.85%
STANDARD CHARTERD BANK		(598,677)	(0.64)%
Total investment in equity swaps at fair value		<u>191,478</u>	<u>0.21%</u>
Total investments		76,837,814	83.08%
Other net assets		<u>15,656,664</u>	<u>16.92%</u>
Net assets attributable to unitholders at 31 December 2014		<u>92,494,478</u>	<u>100.00%</u>
Total investments, at cost		<u>75,441,577</u>	

XIE Shares Trust I* (*This is a synthetic ETF)**XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)****Statement of movements in investment portfolio (Unaudited)**

For the year ended 31 December 2014

Investments - listed equities	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
AGL ENERGY LTD	1,060	424	-	(424)	1,060
ASTELLAS PHARMA INC	10,200	58,400	-	(51,000)	17,600
BHP BILLITON LTD	11,304	-	-	-	11,304
BRIDGESTONE CORPORATION	18,800	7,200	-	(18,800)	7,200
CAPITALAND LTD	261,400	-	-	(261,400)	-
COMMONWEALTH BANK OF AUSTRALIA	4,702	-	-	-	4,702
DAIKIN INDUSTRIES LTD	-	5,800	-	-	5,800
DENTSU INC	-	10,100	-	-	10,100
DENSO CORP	13,500	-	-	(13,500)	-
FANUC CORP	2,500	1,900	-	(2,500)	1,900
FAST RETAILING CO LTD	2,400	1,300	-	(2,400)	1,300
FORTESCUE METALS GROUP LTD	44,866	-	-	-	44,866
FUJI HEAVY INDUSTRIES LTD	-	3,600	-	-	3,600
GLOBAL LOGISTIC PROPERTIES	387,000	-	-	(387,000)	-
HONDA MOTOR CO LTD	11,700	10,300	-	(11,700)	10,300
JAPAN TOBACCO INC	7,200	2,000	-	(7,200)	2,000
KAO CORP	-	9,300	-	-	9,300
KDDI CORP	200	6,500	-	(200)	6,500
KOMATSU LTD	19,100	-	-	(19,100)	-
KYOCERA CORP ORD	-	7,600	-	-	7,600
MITSUBISHI ESTATE CO LTD	1,000	-	-	(1,000)	-
MITSUMI & CO LTD	24,800	-	-	(24,800)	-
MITSUMI FUDOSAN CO LTD	12,000	-	-	(12,000)	-
MITSUBISHI CORP	-	4,900	-	-	4,900
NITTO DENKO CORP	-	12,700	-	-	12,700
NTT DATA CORPORATION	-	5,000	-	-	5,000
ORIGIN ENERGY LTD	11,130	-	-	-	11,130
PANASONIC CORP	-	22,200	-	-	22,200
RIO TINTO LTD	4,689	-	-	-	4,689
SECOM CO LTD	-	3,100	-	-	3,100
SEVEN & I HOLDINGS CO LTD	15,000	-	-	(15,000)	-
SHIN ETSU CHEMICAL CO LTD	7,900	7,100	-	(7,900)	7,100
SINGAPORE EXCHANGE LTD	137,000	-	-	(137,000)	-
SINGAPORE PRESS HOLDINGS LTD	240,400	-	-	(240,400)	-
SINGAPORE TECH ENGINEERING	-	10,000	-	-	10,000

XIE Shares Trust I*(*This is a synthetic ETF)

XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)

Statement of movements in investment portfolio (Unaudited) (Continued)

For the year ended 31 December 2014

	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
Investments - listed equities					
SINGAPORE TELECOM	281,647	-	-	(281,647)	-
SOFTBANK CORP	14,100	4,500	-	(14,100)	4,500
SONY CORP	57,800	-	-	(57,800)	-
SUMITOMO CORPORATION	28,500	-	-	(28,500)	-
SUZUKI MOTOR CORP	-	12,700	-	-	12,700
TAKEDA PHARMACEUTICAL	9,700	10,500	-	(9,700)	10,500
TOKYO ELECTRON LTD	-	7,600	-	-	7,600
TOYOTA MOTOR CORP	5,300	4,500	-	(5,300)	4,500
WESFARMERS LTD	6,199	-	(108)	-	6,091
WESTPAC BANKING CORP	6,009	-	-	-	6,009
WILMAR BANKING CORP		126,000	-	-	126,000
WOODSIDE PETROLEUM LTD	7,627	-	-	-	7,627
Swaps issued by		Fair value as at 1 January 2014 HK\$	Fair value change HK\$	Fair value as at 31 December 2014 HK\$	
THE ROYAL BANK OF SCOTLAND PLC		(954,614)	954,614	-	
JPMORGAN CHASE BANK N.A.		106,121	740,854	846,975	
BNP PARIBAS		(116,125)	116,125	-	
STANDARD CHARTERED BANK		-	1,342,037	1,342,037	

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)****Performance record (Unaudited)**

For the year ended 31 December 2014

Net asset value attributable to unitholders

	Dealing net asset value per unit HK\$	Dealing net asset value of the Sub- Fund HK\$
At end of financial period dated		
31 December 2012	8.0902	129,443,008
31 December 2013	8.9713	143,541,457
31 December 2014	9.2976	92,976,032

Highest and lowest net asset value per unit

	Lowest HK\$	Highest HK\$
Year ended 31 December 2012	<u>6.8451</u>	<u>8.2592</u>
Year ended 31 December 2013	<u>7.7388</u>	<u>8.9713</u>
Year ended 31 December 2014	<u>8.4687</u>	<u>10.0692</u>

During the year ended 31 December 2014, the Underlying Index increased by 4.32%, while the net asset value per unit of the Sub-Fund increased by 3.64%^(a).

The following lists the constituent securities that individually accounted for more than 10% of TAIEX Index as at 31 December 2014 and its weighting of the TAIEX Index as at 31 December 2014:

Constituent securities	Respective weighting in TAIEX Index
Taiwan Semiconductor Manufacturing Company Limited ^(b)	<u>13.66%</u>

The following lists the constituent securities that individually accounted for more than 10% of TAIEX Index as at 31 December 2013 and its weighting of the TAIEX Index as at 31 December 2013:

Constituent securities	Respective weighting in TAIEX Index
Taiwan Semiconductor Manufacturing Company Limited ^(b)	<u>11.21%</u>

(a) This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2014 to 31 December 2014.

(b) The Sub-Fund did not hold the constituent securities as at 31 December 2013 and 2014.

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited)**

As at 31 December 2014

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Australia			
AGL ENERGY LTD	285	24,164	0.10%
BHP BILLITON LTD	2,875	535,862	2.13%
COMMONWEALTH BANK OF AUSTRALIA	1,376	747,923	2.98%
FORTESCUE METALS GROUP LTD	11,718	203,758	0.81%
ORIGIN ENERGY LTD	2,174	161,006	0.64%
RIO TINTO LTD	1,062	390,898	1.56%
WESFARMERS LTD	2,646	700,560	2.79%
WESTPAC BANKING CORP	1,614	339,648	1.35%
WOODSIDE PETROLEUM LTD	1,992	480,505	1.91%
Total investments in listed Australian securities at fair value		3,584,324	14.27%

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited) (Continued)**

As at 31 December 2014

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Japan			
AJINOMOTO INC COM	3,000	435,232	1.73%
ASAHI GROUP HOLDINGS LTD	2,700	654,275	2.61%
ASTELLAS PHARMA INC	5,300	578,140	2.30%
BRIDGESTONE CORPORATION	2,200	597,502	2.38%
CANON INC	500	124,202	0.49%
CHUGAI PHARMACEUTICAL LTD	1,100	210,883	0.84%
DENTSU INC	3,000	987,665	3.93%
EISAI CO LTD	100	30,219	0.12%
FAST RETAILING CO LTD	700	1,993,959	7.94%
FUJI HEAVY INDUSTRY	300	83,437	0.33%
JAPAN TOBACCO INC	600	129,153	0.51%
KAO CORP	2,800	861,513	3.43%
KIRIN GROUP HOLDINGS LTD	600	58,096	0.23%
MITSUBISHI CORP	1,500	215,094	0.86%
NITTO DENKO CORP	3,800	1,664,698	6.63%
NTT DATA CORPORATION	3,000	876,092	3.49%
OLYMPUS CORP	2,200	607,605	2.42%
PANASONIC CORP	6,700	618,400	2.46%
SECOM CO LTD	1,900	853,486	3.40%
SEVEN & I HOLDINGS CO LTD	1,400	394,672	1.57%
SHIN ETSU CHEMICAL CO LTD	2,100	1,068,425	4.25%
SUMITOMO REALTY & DEVELOPMENT	300	80,168	0.32%
TAKEDA PHARMACEUTICAL	3,100	1,001,840	3.99%
TERUMO CORP	4,500	802,454	3.20%
TOKYO ELECTRON LTD	2,100	1,252,472	4.99%
TOYOTA MOTOR CORP	1,400	684,393	2.73%
Total investments in listed Japanese securities at fair value		16,864,075	67.15%
Total investments in securities at fair value		20,448,399	81.42%

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited) (Continued)**

As at 31 December 2014

Index swaps issued by	Fair value HK\$	% of net assets
JPMORGAN CHASE BANK N.A.	(292,599)	(1.16)%
STANDARD CHARTERED BANK	301,971	1.20%
Total investment in index swaps at fair value	<u>9,372</u>	<u>0.04%</u>
Equity swaps issued by		
JPMORGAN CHASE BANK N.A.	204,783	0.81%
STANDARD CHARTERED BANK	(219,379)	(0.87)%
Total investment in equity swaps at fair value	<u>(14,596)</u>	<u>(0.06)%</u>
Total investments	20,443,175	81.40%
Other net assets	<u>4,670,105</u>	<u>18.60%</u>
Net assets attributable to unitholders at 31 Dec 2014	<u><u>25,113,280</u></u>	<u><u>100.00%</u></u>
Total investments, at cost	<u><u>20,647,161</u></u>	

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)****Statement of movements in investment portfolio (Unaudited)**

For the year ended 31 December 2014

Investments - listed equities	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
AGL ENERGY LTD	285		57	(57)	285
AJINOMOTO INC COM	-	3,000	-	-	3,000
ASAHI GROUP HOLDINGS LTD	10,400	2,700	-	(10,400)	2,700
ASTELLAS PHARMA INC	1,400	10,900	-	(7,000)	5,300
BHP BILLITON LTD	2,875	-	-	-	2,875
BRIDGESTONE CORPORATION	2,700	2,200	-	(2,700)	2,200
CANON INC	3,200	500	-	(3,200)	500
CAPITALAND LTD	82,000	-	-	(82,000)	-
CHUGAI PHARMACEUTICAL LTD	-	1,100	-	-	1,100
COMMONWEALTH BANK OF AUSTRALIA	1,376	-	-	-	1,376
DENSO CORP	1,500	-	-	(1,500)	-
DENTSU INC	-	3,000	-	-	3,000
EISAI CO LTD	-	100	-	-	100
FANUC CORP	1,500	-	-	(1,500)	-
FAST RETAILING CO LTD	300	700	-	(300)	700
FORTESCUE METALS GROUP LTD	11,718	-	-	-	11,718
FUJI HEAVY INDUSTRIES GLOBAL LOGISTIC PROPERTIES	120,000	69,000	-	(189,000)	-
HONDA MOTOR CO LTD	3,900	-	-	(3,900)	-
JAPAN TOBACCO INC	2,100	600	-	(2,100)	600
KAO CORP	-	2,800	-	-	2,800
KIRIN GROUP HOLDINGS LTD	-	600	-	-	600
KDDI CORP	4,400	-	-	(4,400)	-
KOMATSU LTD	5,100	-	-	(5,100)	-
MITSUBISHI CORP	6,100	1,500	-	(6,100)	1,500
MITSUBISHI ESTATE CO LTD	3,000	-	-	(3,000)	-
MITSUMI & CO LTD	8,300	-	-	(8,300)	-
MITSUMI FUDOSAN CO LTD	7,000	-	-	(7,000)	-
NTT DATA CORPORATION	-	3,000	-	-	3,000
NITTO DENKO CORP	-	3,800	-	-	3,800
OLYMPUS CORP	-	2,200	-	-	2,200
ORIGIN ENERGY LTD	2,174	-	-	-	2,174
PANASONIC CORP	-	6,700	-	-	6,700
RIO TINTO LTD	1,062	-	-	-	1,062
SECOM CO LTD	-	1,900	-	-	1,900

XIE Shares Trust I*(*This is a synthetic ETF)

XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)

Statement of movements in investment portfolio (Unaudited) (Continued)

Investments - listed equities	Holdings as at 1 January 2014	Additions	Corporate Action	Disposals	Holdings as at 31 December 2014
SEVEN & I HOLDINGS CO LTD	5,000	1,400	-	(5,000)	1,400
SHIN ETSU CHEMICAL CO LTD	-	2,100	-	-	2,100
SINGAPORE EXCHANGE LTD	41,000	-	-	(41,000)	-
SINGAPORE PRESS HOLDINGS LTD	67,000	-	-	(67,000)	-
SINGAPORE TELECOM LTD	83,338	112,000	-	(195,338)	-
SOFTBANK CORP	1,200	-	-	(1,200)	-
SONY CORP	7,000	-	-	(7,000)	-
SUMITOMO CORPORATION	9,500	-	-	(9,500)	-
SUMITOMO REALTY & DEVELOPMENT	-	300	-	-	300
TOKYO ELECTRON LTD	-	2,100	-	-	2,100
TAKEDA PHARMACEUTICAL	3,200	3,100	-	(3,200)	3,100
TERUMO CORP	-	4,500	-	-	4,500
TOYOTA MOTOR CORP	3,500	1,400	-	(3,500)	1,400
WESFARMERS LTD	2,693	-	(47)	-	2,646
WESTPAC BANKING CORP	1,614	-	-	-	1,614
WOODSIDE PETROLEUM LTD	1,992	-	-	-	1,992

Swaps issued by	Fair value as at 1 January 2014 HK\$	Fair value change HK\$	Fair value as at 31 December 2014 HK\$
THE ROYAL BANK OF SCOTLAND PLC	(2,374,258)	2,374,258	-
JPMORGAN CHASE BANK N.A.	(301,263)	213,447	(87,816)
BNP PARIBAS	(762,398)	762,398	-
STANDARD CHARTERED BANK	-	82,592	82,592

XIE Shares Trust I* (*This is a synthetic ETF)**XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)****Performance record (Unaudited)**

For the year ended 31 December 2014

Net asset value attributable to unitholders

	Dealing net asset value per unit HK\$	Dealing net asset value of the Sub- Fund HK\$
At end of financial period dated		
31 December 2012	9.9311	44,689,927
31 December 2013	8.8147	39,666,330
31 December 2014	10.1448	25,361,963

Highest and lowest net asset value per unit

	Lowest HK\$	Highest HK\$
Year ended 31 December 2012	<u>7.6737</u>	<u>9.9733</u>
Year ended 31 December 2013	<u>8.8147</u>	<u>11.9407</u>
Year ended 31 December 2014	<u>8.2431</u>	<u>11.0691</u>

During the year ended 31 December 2014, the Underlying Index increased by 16.48%, while the net asset value per unit of the Sub-Fund increased by 15.09%^(a).

There were no constituent securities of that SET50 Index that accounted for more than 10% of the weighting of SET50 Index as at 31 December 2014 and 2013^(b).

(a) This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2014 to 31 December 2014.

(b) The Sub-Fund did not hold the constituent securities as at 31 December 2013 and 2014.