

**LIPPO FUND SERIES**

**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2015**

## **LIPPO FUND SERIES**

### **LIPPO SELECT HK & MAINLAND PROPERTY ETF**

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#### **IMPORTANT:**

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about the Lippo Fund Series, please refer to the prospectus of the Lippo Fund Series which is available at our website: <http://lippoetf.com/index.php/fund-info/>.

Investors should not rely on the information contained in this report for their investment decisions.

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**  
**REPORT OF THE TRUSTEE TO THE UNITHOLDERS**

We hereby confirm that, in our opinion, the Manager of Lippo Select HK & Mainland Property ETF, a sub-fund (the “Sub-Fund”) of the Lippo Fund Series (the “Trust”) has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 11 June 2012 for the year ended 31 March 2015.

Cititrust Limited

30 July 2015

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF LIPPO SELECT HK & MAINLAND PROPERTY ETF  
A SUB-FUND OF LIPPO FUND SERIES (THE "TRUST")**

**Report on the Financial Statements**

We have audited the financial statements of Lippo Select HK & Mainland Property ETF, a sub-fund of the Trust (the "Sub-Fund"), set out on pages 4 to 24, which comprise the statement of net assets as at 31 March 2015, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement 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-Fund 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 June 2012 (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. 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-Fund 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-Fund's 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-Fund's 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 LIPPO SELECT HK & MAINLAND PROPERTY ETF  
A SUB-FUND OF LIPPO FUND SERIES (THE "TRUST") (CONTINUED)**

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 March 2015, and of its 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.

**Other Matter**

This report, including the opinion, has been prepared for and only for 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.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 30 July 2015

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**STATEMENT OF NET ASSETS**  
**AS AT 31 MARCH 2015**

	Notes	2015 HK\$	2014 HK\$
<b>CURRENT ASSETS</b>			
Investments	10(b)	80,940,964	82,298,445
Dividends receivable		173,329	218,755
Cash and cash equivalents	6(c)	233,981	1,181,783
<b>TOTAL ASSETS</b>		<b>81,348,274</b>	<b>83,698,983</b>
		-----	-----
<b>CURRENT LIABILITIES</b>			
Management fee payable	6(a)	46,349	46,518
Establishment costs payable	6(b)	435,068	433,973
Amounts due to brokers		—	1,020,570
		<b>481,417</b>	<b>1,501,061</b>
		-----	-----
<b>NON-CURRENT LIABILITIES</b>			
Establishment costs payable	6(b)	595,069	995,069
<b>TOTAL LIABILITIES</b>		<b>1,076,486</b>	<b>2,496,130</b>
		-----	-----
<b>EQUITY</b>			
Net assets attributable to unitholders	4	<b>80,271,788</b>	<b>81,202,853</b>
		=====	=====

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Lippo Investments Management Limited

The notes on pages 8 to 24 form part of these financial statements.

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 HK\$	2014 HK\$
<b>INCOME</b>			
Dividend income		3,535,257	3,799,800
Interest income		5	7
Net gain/(loss) on investments	3	8,690,287	(10,645,570)
<b>Total net income/(loss)</b>		<b>12,225,549</b>	<b>(6,845,763)</b>
		-----	-----
<b>EXPENSES</b>			
Transaction costs on investments		(47,270)	(75,060)
Management fee	6(a)	(537,899)	(641,689)
<b>Total operating expenses</b>		<b>(585,169)</b>	<b>(716,749)</b>
		-----	-----
<b>Profit/(loss) before tax</b>		<b>11,640,380</b>	<b>(7,562,512)</b>
Withholding tax		(9,318)	(15,025)
<b>Total comprehensive income/(loss)</b>		<b>11,631,062</b>	<b>(7,577,537)</b>
		=====	=====

The notes on pages 8 to 24 form part of these financial statements.

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 HK\$	2014 HK\$
<b>Balance at the beginning of the year</b>		81,202,853	124,526,020
Redemption of units			
- in-kind	7	(12,462,931)	(35,492,478)
- cash component	7	(99,196)	(253,152)
Net redemption of units		<u>(12,562,127)</u>	<u>(35,745,630)</u>
Total comprehensive income/(loss)		11,631,062	(7,577,537)
<b>Balance at the end of the year</b>		<u><b>80,271,788</b></u>	<u><b>81,202,853</b></u>

The notes on pages 8 to 24 form part of these financial statements.



**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 HK\$	2014 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Total comprehensive income/(loss)		11,631,062	(7,577,537)
Adjustments for:			
Dividend income		(3,535,257)	(3,799,800)
Interest income		(5)	(7)
Withholding tax		9,318	15,025
		<u>8,105,118</u>	<u>(11,362,319)</u>
(Increase)/decrease in investments		(11,105,450)	8,092,676
Decrease in management fee payable		(169)	(34,138)
Decrease in establishment costs payable		(398,905)	(400,000)
(Decrease)/increase in amounts due to brokers		(1,020,570)	1,020,570
Decrease in other payables		–	(30,000)
		<u>(4,419,976)</u>	<u>(2,713,211)</u>
Cash used in operating activities		3,571,365	3,790,618
Dividends received		5	7
Interest received		<u>–</u>	<u>–</u>
Net cash (used in)/generated from operating activities		<u><b>(848,606)</b></u>	<u><b>1,077,414</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash paid on redemption of units		(99,196)	(253,152)
Net cash used in financing activities		<u>(99,196)</u>	<u>(253,152)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u><b>(947,802)</b></u>	<u><b>824,262</b></u>
Cash and cash equivalents at the beginning of the year		1,181,783	357,521
Cash and cash equivalents at the end of the year		<u><b>233,981</b></u>	<u><b>1,181,783</b></u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances	6(c)	<u>233,981</u>	<u>1,181,783</u>

Please refer to note 7 for details of major non-cash transactions.  
The notes on pages 8 to 24 form part of these financial statements.

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**NOTES TO THE FINANCIAL STATEMENTS**

**1 General information**

Lippo Fund Series (the “Trust”) is an umbrella unit trust established under the terms of the trust deed dated 11 June 2012 (the “Trust Deed”) between Lippo Investments Management Limited (the “Manager”) and Cititrust Limited (the “Trustee”). The Trust Deed is governed by Hong Kong law.

The Trust has been established initially with only one sub-fund, Lippo Select HK & Mainland Property ETF (the “Sub-Fund”) which is authorised by the Securities & Futures Commission of Hong Kong (the “SFC”) pursuant to section 104(1) of the Securities and Futures Ordinance. The Sub-Fund is also listed on the Stock Exchange of Hong Kong Limited (a subsidiary of The Hong Kong Exchanges and Clearing Limited).

These financial statements relate to the above-mentioned Sub-Fund. The Manager and the Trustee (collectively, the “Management”) are responsible for the preparation of the financial statements.

The objective of the Sub-Fund (Stock code: 2824) is to provide investment results that, before the deduction of fees and expenses, closely correspond to the performance of the Lippo Select HK & Mainland Property Index (the “Underlying Index”) by investing all, or substantially all, of the assets of the Sub-Fund in index securities in substantially the same weightings as constituted in the Underlying Index.

**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 years presented, unless otherwise stated.

**(a) Basis of preparation**

The financial statements 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 held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the Trustee and Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

All references to net assets throughout the financial statements refer to net assets attributable to unitholders unless otherwise stated.

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2 Summary of significant accounting policies (Continued)**

**(a) Basis of preparation (Continued)**

New standards and amendments to standards that are relevant to the Sub-Fund and have been adopted by the Sub-Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 April 2014 that would be expected to have a material impact on the Sub-Fund.

New standards and amendments to standards that are relevant to the Sub-Fund but are not yet effective and have not been early adopted by the Sub-Fund

IFRS 9, "Financial instruments", effective for annual periods on or after 1 January 2018, addresses the classification, measurement and recognition of financial assets and financial liabilities. 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 and fair value through profit or loss. The basis of classification depends on the entity's 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 other comprehensive income. 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 new standard is not expected to have a significant impact on the Sub-Fund's financial position or performance.

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-Fund.

**(b) Investments**

All investments have been classified as "financial assets at fair value through profit or loss".

Purchases and sales of investments are accounted for on the trade date basis. Investments are initially recognised at fair value, excluding transaction costs which are expensed as incurred, and are subsequently re-measured at fair value. Realised and unrealised gains and losses on investments are included in the statement of comprehensive income in the period in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

Investments that are listed or traded on an exchange are fair valued based on quoted last traded prices.

**LIPPO FUND SERIES  
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2 Summary of significant accounting policies (Continued)**

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of net assets where the Sub-Fund currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**(d) Income**

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

Dividend income on equity securities is recorded on the ex-dividend date. Dividend income on equity securities where no ex-dividend date is quoted is accounted for when the Sub-Fund's right to receive payment is established.

**(e) Expenses**

Expenses are accounted for on an accrual basis.

**(f) Cash component**

Cash issue component represents the amount being equal to the difference between the issue price on the relevant transaction date and the value of the securities exchanged in kind for those units.

Cash redemption component represents the amount being equal to the difference between the redemption values on the relevant transaction date on which such units are redeemed and the value of securities transferred in kind to the redeeming unitholder in respect of such units.

**(g) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

**LIPPO FUND SERIES**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2 Summary of significant accounting policies (Continued)**

**(h) Translation of foreign currencies**

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates ("the functional currency"). The performance of the Sub-Fund is 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 dollar, which is the Sub-Fund's functional and presentation currency.

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 year end 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 currency gains/(losses) on cash and cash equivalents'.

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'.

**(i) Units**

The Sub-Fund issues units, which are redeemable at the holder's option and are classified as equity. Units can be redeemed in-kind and/or in cash equal to a proportionate share of the Sub-Fund's net asset value. The Sub-Fund's net asset value per unit is calculated by dividing the net assets attributable to the unitholders with the total number of outstanding units. Units are created or redeemed in multiples of 25,000 units.

**(j) Segmental reporting**

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.

**(k) Amounts due from and due to brokers**

Amounts due from and to brokers represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled or delivered on the statement of net assets date respectively.

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3 Net gain/(loss) on investments**

	2015 HK\$	2014 HK\$
Net change in unrealised gain/(loss) on investments	7,299,934	(15,871,868)
Net realised gain on sale of investments	1,390,353	5,226,298
	<u>8,690,287</u>	<u>(10,645,570)</u>

**4 Number of units in issue and net assets attributable to unitholders**

The Sub-Fund's capital is represented by the net assets attributable to unitholders. Units are issued and redeemed in-kind and/or in cash. Subscriptions and redemptions of units during the period are shown on the statement of changes in net assets attributable to unitholders. In accordance with the objectives and risk management policies outlined in note 10, the Sub-Fund endeavours to invest in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of listed securities where necessary.

The Sub-Fund determined its fair valuation inputs as the last traded market price for financial assets. This is consistent with the inputs prescribed in the Sub-Fund's prospectus for the calculation of its per unit trading value for subscriptions and redemptions.

As stated in note 2(i), redeemable units of the Sub-Fund, 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 Trustee calculates the Dealing NAV in accordance with the provisions of the Sub-Fund's Trust Deed, which may be different from the accounting policies under IFRS.

In accordance with the prospectus of the Trust, the establishment costs of establishing the Trust will be amortised over the first 5 accounting periods of the Trust. However, with respect to the Trust and the Sub-Fund for the purpose of financial statements preparation in compliance with IFRS, its accounting policy is to expense the establishment costs in the statement of comprehensive income as incurred.

**LIPPO FUND SERIES**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4 Number of units in issue and net assets attributable to unitholders (Continued)**

The difference between the Accounting NAV reported in the statement of net assets 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 March is reconciled below:

	2015 HK\$	2014 HK\$
Accounting NAV as reported in the statement of net assets	80,271,788	81,202,853
Adjustment for establishment costs	995,069	1,395,069
Dealing NAV	<u>81,266,857</u>	<u>82,597,922</u>
	Number of units 2015	2014
Units in issue at the beginning of the year	2,275,000	3,125,000
Redemption of units	(325,000)	(850,000)
Units in issue at the end of the year	<u>1,950,000</u>	<u>2,275,000</u>
	HK\$	HK\$
Net assets attributable to unitholders (Accounting NAV) per unit	<u>41.1650</u>	<u>35.6936</u>
Net assets attributable to unitholders (Dealing NAV) per unit	<u>41.6753</u>	<u>36.3068</u>

**LIPPO FUND SERIES  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5 Taxation**

No provision for Hong Kong profits tax has been made as the Sub-Fund was authorised as a collective investment scheme under section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempted from profits tax under section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

The Sub-Fund invests in shares of companies in the People's Republic of China ("PRC") listed on the Hong Kong Stock Exchange ("H-shares"). Under the PRC Corporate Income Tax Law, the Sub-Fund may be liable to pay PRC tax on the capital gains realised in the trading of H-shares. However, no provision was made for taxation from such gains in the financial statements as the Management believes that the Sub-Fund can sustain a position for not filing a tax return based on the existing tax regulations and that the enforcement of China tax on capital gains is not probable.

**6 Transactions with the related parties/Manager and its Connected Persons**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties of the Sub-Fund include the Manager of the Sub-Fund and also its 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 period between the Sub-Fund and its related parties, including 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-Fund does not have any other transactions with its related parties, including the Manager and its Connected Persons except for those disclosed below.

**(a) Management fee**

Management fee is currently charged at a rate of 0.68% (2014: 0.68%) per annum of the net asset value of the Sub-Fund, accrued daily and paid as soon as practicable after the last dealing day in each month. The Manager is entitled to receive a management fee of up to 2% per annum of the net asset value of the Sub-Fund. The Sub-Fund has a single fee structure whereby a single flat fee (i.e. management fee) is paid to the Manager to cover the fees, costs and expenses of the Sub-Fund (including, but not limited to, the Manager's fee, the Trustee's fee, the registrar's fee, fees and expenses of the service agent, auditors, legal counsel and other service providers, ordinary out-of-pocket fees, charges and expenses incurred by the Trustee or the Manager, and the costs, fees and expenses relating to index-related services).



**LIPPO FUND SERIES**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6 Transactions with the related parties/Manager and its Connected Persons (Continued)**

**(b) Establishment costs**

The costs and expenses, such as the costs of establishing the Trust and the Sub-Fund and the preparation of the prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs (collectively, “establishment costs”), incurred by the Manager and the Trustee in establishing the Trust and the Sub-Fund, are borne by the Sub-Fund. The establishment costs were HK\$2 million and are payable over the first 5 years since its inception.

	2015 HK\$	2014 HK\$
Establishment costs payable	1,030,137	1,429,042
Less: non-current portion	(595,069)	(995,069)
Current portion	<u>435,068</u>	<u>433,973</u>

**(c) Bank balances**

Bank balances are maintained with Citibank N.A., a related company of the Trustee. Bank balances held as at 31 March 2015 was HK\$233,981 (2014: HK\$1,181,783). Interest was earned on these bank balances for the years ended 31 March 2015 and 2014.

**(d) Holdings of units**

As at 31 March 2015, Lippo Securities Ltd, a related company of the Manager, held 1,841,500 units (2014: 1,841,500 units) of the Sub-Fund, representing 94.436% (2014: 80.945%) of its net assets.

**7 Major non-cash transactions**

During the years ended 31 March 2015 and 2014, the Sub-Fund did not issue any units.

During the year ended 31 March 2015, the Sub-Fund redeemed 325,000 units (2014: 850,000 units), totaling HK\$12,562,127 (2014: HK\$35,745,630) in exchange for Index Baskets consisting of investments valued at HK\$12,462,931 (2014: HK\$35,492,478) and cash balances of HK\$99,196 (2014: HK\$253,152).

**LIPPO FUND SERIES**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**8 Soft commission**

The Manager may effect transactions, provided that any such transaction is consistent with standards of “best execution”, by or through the agency of another person for the account of the Sub-Fund with whom the Manager or any of its Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Manager or any of its Connected Persons goods, services or other benefits (such as research and advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Sub-Fund as a whole and may contribute to an improvement in the performance of the Sub-Fund. For the avoidance of doubt, such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees’ salaries or direct money payments.

Since the inception of the Sub-Fund, the Manager had not participated in any soft commission arrangements in respect of any transactions for the account of the Sub-Fund.

**9 Investment limitations and prohibitions under the SFC Code**

The SFC Code allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund’s net asset value provided that the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the Index and the Sub-Fund’s holding of any such constituent securities may not exceed their respective weightings in the Index (except as a result of changes in the composition of the Index and the excess is transitional and temporary in nature).

As at 31 March 2015 and 2014, the Sub-Fund did not have any constituent securities that accounted for more than 10% of its net asset value.

During the year ended 31 March 2015, the Lippo Select HK & Mainland Property Index increased by 16.7% (2014: decreased by 9.2%), while the net asset value per unit of the Sub-Fund increased by 15.3% (2014: decreased by 10.4%).

**10 Financial risk management**

**(a) Strategy in using financial instruments**

*Investment objectives and investment policies*

The Sub-Fund’s investment objective is to provide investment results, before fees and expenses that closely correspond to the performance of the Lippo Select HK & Mainland Property Index (“Index”). The Manager seeks to achieve this investment objective by primarily adopting a full replication strategy. Using a replication strategy, the Sub-Fund will invest in all, or substantially all, the securities constituting the Index in the same, or substantially the same, weightings (i.e. proportions) as those securities have in the Index.

**LIPPO FUND SERIES**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10 Financial risk management (Continued)**

**(b) 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, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

All securities investments present a risk of loss of capital. The Sub-Fund's market price risk is managed through diversification of investment portfolio. The Manager monitors the investments on a daily basis and rebalances the portfolio of investments from time to time to reflect any changes to the composition of, or the weighting of shares in, the Index. As at year end, the overall market exposure of the Sub-Fund was as follows:

	2015		2014	
	Fair value HK\$	% of net assets	Fair value HK\$	% of net assets
Held for trading:				
Listed investments				
Hong Kong				
Equities	71,629,167	89.23	72,272,554	89.00
Real estate investment trusts ("REITs")	9,311,797	11.60	10,025,891	12.35
	<u>80,940,964</u>	<u>100.83</u>	<u>82,298,445</u>	<u>101.35</u>

The following table shows the net market exposures of the Sub-Fund by industry:

	2015		2014	
	Fair value HK\$	% of net assets	Fair value HK\$	% of net assets
By industry				
Properties	<u>80,940,964</u>	<u>100.83</u>	<u>82,298,445</u>	<u>101.35</u>

All the Sub-Fund's securities are listed on the Hong Kong Stock Exchange. As the Sub-Fund is an index tracking fund, movements in the Index would cause substantially the same percentage change in the Sub-Fund's investments and hence its net asset value.

	2015		2014	
	Change in index %	Impact HK\$	Change in index %	Impact HK\$
Hong Kong				
- Lippo Select HK & Mainland Property Index	16.7%	13,517,141	9.2%	7,571,457

**LIPPO FUND SERIES  
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10 Financial risk management (Continued)**

**(b) Market price risk (Continued)**

The Manager has used their view of what would be a “reasonable shift” in the Index 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 % are revised annually depending on the Manager’s current view of market volatility and other relevant factor.

**(c) Interest rate risk**

The majority of the Sub-Fund’s financial assets and liabilities are non-interest bearing. As a result, the Sub-Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

**(d) Credit risk**

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The Sub-Fund’s financial assets that are subject to credit risk are its bank balances and dividends receivable as at 31 March 2015 and 2014. During the course of the year, the Sub-Fund has had buy/sell transaction with brokers. Receivables from brokers for investments are subject to credit risk of the broker concerned. As at 31 March 2015 and 2014, there were no receivables due from brokers. The Sub-Fund limits its exposure to credit risk by transacting with well-established broker-dealers and banks with high credit ratings.

All transactions in securities are settled/paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at 31 March 2015, bank balances of HK\$233,981 (2014: HK\$1,181,783) and investments of HK\$80,940,964 (2014: HK\$82,298,445) were placed with Citibank N.A., the custodian of the Sub-Fund. The credit rating issued by Moody’s was as follows:

	2015	2014
Citibank N.A.	A2	A2

As at 31 March 2015, dividends of HK\$173,329 (2014: HK\$218,755) were receivable from the Sub-Fund’s investments, all of which are listed on the Hong Kong Stock Exchange.

Accordingly, the Sub-Fund has no significant credit risk.

The maximum exposure to credit risk at year end is the carrying amount of the bank balances and dividends receivable shown on the statement of net assets.

None of the financial assets is impaired nor past due but not impaired.

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10 Financial risk management (Continued)**

**(d) Credit risk (Continued)**

Citibank N.A. also acts as custodian for all of the Sub-Fund's investments. It is expected that all investments deposited with a custodian will be clearly identified, and segregated, as being assets of the Sub-Fund; the Sub-Fund should not therefore be exposed to credit risk with a custodian. However, it may not always be possible to achieve this segregation, so the Sub-Fund's investments may experience increased exposure to credit risk associated with the applicable custodian.

**(e) Currency risk**

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

The Sub-Fund has no significant currency risk as all assets and liabilities are denominated in Hong Kong dollars, the Sub-Fund's functional and presentation currency.

**(f) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in settling a liability, including a redemption request.

The Sub-Fund's investments are traded in an active market and can be readily disposed of. It is the intent of the Manager to monitor the Sub-Fund's liquidity position on a daily basis.

The following table illustrates the expected liquidity of financial assets held at 31 March and gives the contractual undiscounted cash-flow projection of the Sub-Fund's financial liabilities. The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 1 month or less. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

**LIPPO FUND SERIES  
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10 Financial risk management (Continued)**

**(f) Liquidity risk (Continued)**

**Maturity analysis**

<b>As at 31 March 2015</b>	<b>Less than 1 month HK\$</b>	<b>1 to &lt;3 months HK\$</b>	<b>3 to 12 months HK\$</b>	<b>More than 12 months HK\$</b>	<b>Total HK\$</b>
<b>Financial assets</b>					
Investments	80,940,964	–	–	–	80,940,964
Dividends receivable	111,183	62,146	–	–	173,329
Cash and cash equivalents	233,981	–	–	–	233,981
<b>Total financial assets</b>	<b>81,286,128</b>	<b>62,146</b>	<b>–</b>	<b>–</b>	<b>81,348,274</b>
<b>Financial liabilities</b>					
Management fee payable	–	46,349	–	–	46,349
Establishment costs payable	35,068	99,726	300,274	595,069	1,030,137
<b>Total financial liabilities</b>	<b>35,068</b>	<b>146,075</b>	<b>300,274</b>	<b>595,069</b>	<b>1,076,486</b>

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10 Financial risk management (Continued)**

**(f) Liquidity risk (Continued)**

**Maturity analysis**

<b>As at 31 March 2014</b>	<b>Less than 1 month HK\$</b>	<b>1 to &lt;3 months HK\$</b>	<b>3 to 12 months HK\$</b>	<b>More than 12 months HK\$</b>	<b>Total HK\$</b>
<b>Financial assets</b>					
Investments	82,298,445	–	–	–	82,298,445
Dividends receivable	159,496	59,259	–	–	218,755
Cash and cash equivalents	1,181,783	–	–	–	1,181,783
<b>Total financial assets</b>	<b>83,639,724</b>	<b>59,259</b>	<b>–</b>	<b>–</b>	<b>83,698,983</b>
<b>Financial liabilities</b>					
Management fee payable	–	46,518	–	–	46,518
Establishment costs payable	33,973	99,726	300,274	995,069	1,429,042
Amounts due to brokers	1,020,570	–	–	–	1,020,570
<b>Total financial liabilities</b>	<b>1,054,543</b>	<b>146,244</b>	<b>300,274</b>	<b>995,069</b>	<b>2,496,130</b>

As at 31 March 2015, 1 unitholder (2014: 1 unitholder) held 94.436% (2014: 80.945%) of the Sub-Fund's total net assets.

**(g) Capital risk management**

The Sub-Fund's objective is to provide investment results that closely correspond to the performance of the Lippon Select HK & Mainland Property Index. The Manager may:

- Redeem and issue new units in accordance with the constitutive documents of the Sub-Fund, which include the ability to amend the Creation Unit and Redemption Unit size upon the approval of the Trustee;
- Suspend the creation and redemption of units under certain circumstances stipulated in the Trust Deed.

**LIPPO FUND SERIES  
LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10 Financial risk management (Continued)**

**(h) 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-Fund used last traded market price as its fair valuation inputs for its investments.

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

The fair value of financial liabilities with maturities in excess of 12 months is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Sub-Fund for similar financial instruments. However, the impact of discounting is considered minimal.

IFRS 13 requires the Sub-Fund to 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).

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.



**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10 Financial risk management (Continued)**

**(h) Fair value estimation (Continued)**

The following table analyses within the fair value hierarchy the Sub-Fund's investments (by class) measured at fair value as at 31 March:

As at 31 March 2015

Assets	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total balance HK\$
Financial assets held for trading				
- Equities	71,629,167	–	–	71,629,167
- REITs	9,311,797	–	–	9,311,797
	<u>80,940,964</u>	<u>–</u>	<u>–</u>	<u>80,940,964</u>

As at 31 March 2014

Assets	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total balance HK\$
Financial assets held for trading				
- Equities	72,272,554	–	–	72,272,554
- REITs	10,025,891	–	–	10,025,891
	<u>82,298,445</u>	<u>–</u>	<u>–</u>	<u>82,298,445</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and REITs. The Sub-Fund does 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. As of 31 March 2015 and 2014, the Sub-Fund did not hold any investments classified in level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As of 31 March 2015 and 2014, the Sub-Fund did not hold any investments classified in level 3.

There were no transfers between levels during the years ended 31 March 2015 and 2014.

The financial assets and liabilities, excluding investments, which are at fair value through profit or loss, are carried at amortised cost. Their carrying values are a reasonable approximation of fair value.

**LIPPO FUND SERIES**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11 Distributions**

The Manager may in its absolute discretion distribute income to the Sub-Fund's 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 amount to be distributed to unitholders, if any, will be derived from the net income of the Sub-Fund.

The Sub-Fund did not make any distribution for the years ended 31 March 2015 and 2014.

**12 Segment information**

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

The Manager is responsible for the Sub-Fund's entire portfolio and considers the business to have a single operating segment. The Manager's asset allocation decisions are based on a single, integrated investment strategy and the Sub-Fund's performance is evaluated on an overall basis.

The Sub-Fund trades in the constituent shares of the Lippo Select HK & Mainland Property Index with the objective to provide investment results that closely correspond to the performance of the Index.

The internal reporting provided to the Manager for the Sub-Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS.

There were no changes in the reportable segment during the years ended 31 March 2015 and 2014.

The Sub-Fund is domiciled in Hong Kong. All of the Sub-Fund's income is from investments in entities listed in Hong Kong.

The Sub-Fund has no assets classified as non-current assets. The Sub-Fund has a diversified portfolio of investments. During the years ended 31 March 2015 and 2014, there was no investment which accounted for more than 10% of the Sub-Fund's income. As at 31 March 2015 and 2014, there was no investment which accounted for more than 10% of the Sub-Fund's net assets.

**13 Approval of financial statements**

The financial statements were approved by the Trustee and the Manager on 30 July 2015.

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**INVESTMENT PORTFOLIO (UNAUDITED)**  
**AS AT 31 MARCH 2015**

<b>Listed investments</b>	<b>Holdings</b>	<b>Fair value HK\$</b>	<b>% of net assets</b>
<b>Equities</b>			
AGILE PROPERTY HOLDINGS LTD	198,848	926,633	1.15%
C C LAND HOLDINGS LTD	159,806	230,122	0.29%
CENTRAL CHINA REAL ESTATE HKD0.10	93,288	182,844	0.23%
CHINA OCEANWIDE HOLDINGS LTD	228,905	226,616	0.28%
CHINA OVERSEAS GRAND OCEANS GROUP LTD	114,307	413,791	0.52%
CHINA OVERSEAS LAND & INVEST	203,994	5,110,050	6.36%
CHINA RESOURCES LAND LTD SHS	229,776	5,032,094	6.26%
CHINA SCE PROPERTY HOLDINGS HKD0.10	192,952	270,133	0.34%
CHINA SOUTH CITY HOLDINGS HKD0.01	406,795	1,033,259	1.29%
COUNTRY GARDEN HOLDINGS CO HKD0.10	1,033,309	3,234,257	4.03%
EMPEROR INTL HLDG LTD HKD0.01	136,040	235,349	0.29%
EVERGRANDE REAL ESTATE GROUP USD0.01	648,116	2,534,134	3.16%
FANTASIA HOLDINGS GROUP CO HKD0.10'REG S	220,480	205,046	0.26%
FRANSHION PROPERTIES HKD1	463,322	1,088,807	1.36%
GOLDIN PROPERTIES HOLDINGS	181,100	2,491,936	3.10%
GREAT EAGLE HOLDINGS LTD	33,318	909,581	1.13%
GREENLAND HONG KONG HOLDINGS LTD	42,953	197,584	0.25%
GREENTOWN CHINA HOLDINGS HKD0.10	109,688	763,428	0.95%
GUANGZHOU R&F PROPERTIES - H	128,840	1,024,278	1.28%
HENDERSON LAND DEVELOPMENT	89,182	4,855,960	6.05%
HYSAN DEVELOPMENT CO	81,064	2,756,176	3.43%
K WAH INTL HOLDINGS SHS	159,234	609,866	0.76%
KAISA GROUP HOLDINGS LTD HKD0.10 REGS	160,141	249,820	0.31%
KERRY PROPERTIES LTD	82,498	2,223,321	2.77%
KOWLOON DEVELOPMENT CO LTD	43,204	388,404	0.48%
KWG PROPERTY HKD0.10	168,330	925,815	1.15%
LIU CHONG HING INVESTMENT HKD1	26,100	253,431	0.32%
LONGFOR PROPERTIES	184,339	2,024,042	2.52%
NEW WORLD CHINA LAND L SHS	385,821	1,913,672	2.38%
NEW WORLD DEVELOPMENT	517,887	4,655,804	5.80%
POLY PROPERTY GROUP CO LTD	255,028	961,456	1.20%
ROAD KING INFRASTRUCTURE LTD ORD	31,650	224,715	0.28%
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GR	180,727	256,632	0.32%
SHENZHEN INV ORD SHS	295,739	848,771	1.06%
SHIMAO PROPERTY HOLDINDS LTD HKD0.10	176,272	2,873,234	3.58%
SHUI ON LAND LTD USD0.0025	457,000	836,310	1.04%
SINO-OCEAN LAND HOLDINGS	427,038	2,002,808	2.50%
SUN HUNG KAI PROPERTIES	38,774	4,637,370	5.78%
SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S'	235,999	1,588,273	1.98%
WANDA COMMERCIAL P HKD0.1	176,500	305,345	0.38%
WHARF HOLDINGS	83,479	4,520,388	5.63%
WHEELOK & COMPANY LTD	103,123	4,088,827	5.09%
YUEXIU PROPERTY COMPANY LTD	865,772	1,315,973	1.64%
YUZHOU PROPERTIES CO HKD0.10'REG S'	110,224	202,812	0.25%
		<b>71,629,167</b>	<b>89.23%</b>

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**  
**AS AT 31 MARCH 2015**

<b>Listed investments</b>	<b>Holdings</b>	<b>Fair value HK\$</b>	<b>% of net assets</b>
<b>REITS</b>			
CHAMPION REIT	291,717	1,076,436	1.34%
FORTUNE REIT NPV (REIT)	178,321	1,467,582	1.83%
LINK REIT NPV	94,844	4,533,543	5.65%
PROSPERITY REIT NPV (REIT)	153,158	431,906	0.54%
REGAL REAL ESTATE INVESTMENT NPV REIT	122,414	271,759	0.34%
SUNLIGHT REAL ESTATE INVEST NPV	134,754	509,370	0.63%
YUEXIU REAL ESTATE INVESTMENT TRUST	231,041	1,021,201	1.27%
		<u>9,311,797</u>	<u>11.60%</u>
 Total listed investments		<u>80,940,964</u>	<u>100.83%</u>
 Total investments, at cost		<u>75,210,185</u>	

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

<b>Investments</b>	<b>Beginning holdings as at 1 April 2014</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	<b>Closing holdings as at 31 March 2015</b>
AGILE PROPERTY HOLDINGS LTD	215,556	11,900	23,038	51,646	198,848
C C LAND HOLDINGS LTD	202,328	—	—	42,522	159,806
CENTRAL CHINA REAL ESTATE HKD0.10	—	101,800	—	8,512	93,288
CHAMPION REIT REIT	357,289	18,700	—	84,272	291,717
CHINA OCEANWIDE HOLDINGS LTD	—	249,800	—	20,895	228,905
CHINA OVERSEAS GRAND OCEANS GROUP LTD	126,548	18,900	—	31,141	114,307
CHINA OVERSEAS LAND & INVEST	240,791	23,000	—	59,797	203,994
CHINA RESOURCES LAND LTD SHS	285,775	22,800	53,232	132,031	229,776
CHINA SCE PROPERTY HOLDINGS HKD0.10	—	221,900	—	28,948	192,952
CHINA SOUTH CITY HOLDINGS HKD0.01	376,025	125,400	—	94,630	406,795
COUNTRY GARDEN HOLDINGS CO HKD0.10	1,154,308	62,900	65,150	249,049	1,033,309
EMPEROR INTL HLDG LTD HKD0.01	172,229	—	—	36,189	136,040
EVERGRANDE REAL ESTATE GROUP USD0.01	1,128,922	46,400	—	527,206	648,116
FANTASIA HOLDINGS GROUP CO HKD0.10 REG S	270,019	—	—	49,539	220,480
FORTUNE REIT NPV (REIT)	217,972	11,000	—	50,651	178,321
FRANSHION PROPERTIES HKD1	572,909	28,000	—	137,587	463,322
GOLDIN PROPERTIES HOLDINGS	—	183,600	—	2,500	181,100
GREAT EAGLE HOLDINGS LTD	—	38,600	—	5,282	33,318
GREENLAND HONG KONG HOLDINGS LTD	—	146,700	—	103,747	42,953
GREENTOWN CHINA HOLDINGS HKD0.10	134,951	7,100	—	32,363	109,688
GUANGZHOU R&F PROPERTIES - H	158,740	8,300	—	38,200	128,840
HENDERSON LAND DEVELOPMENT	—	93,500	9,160	13,478	89,182
HYSAN DEVELOPMENT CO	99,780	5,200	—	23,916	81,064
K WAH INTL HOLDINGS SHS	190,760	11,800	—	43,326	159,234
KAISA GROUP HOLDINGS LTD HKD0.10 REGS	234,320	9,400	—	83,579	160,141
KERRY PROPERTIES LTD	101,574	5,200	—	24,276	82,498
KOWLOON DEVELOPMENT CO LTD	54,687	1,600	—	13,083	43,204
KWG PROPERTY HKD0.10	203,527	10,800	—	45,997	168,330
LINK REIT NPV	135,020	3,200	—	43,376	94,844
LIU CHONG HING INVESTMENT HKD1	—	26,100	—	—	26,100
LONGFOR PROPERTIES	212,715	22,700	—	51,076	184,339
NEW WORLD CHINA LAND L SHS	474,494	25,100	—	113,773	385,821
NEW WORLD DEVELOPMENT	650,433	58,400	—	190,946	517,887
POLY PROPERTY GROUP CO LTD	313,356	17,000	—	75,328	255,028
POLYTEC ASSET HOLDINGS LTD HKD0.1(POST C	208,168	—	—	208,168	—
POWERLONG REAL ESTATE HOLD	164,426	—	—	164,426	—
PROSPERITY REIT NPV (REIT)	185,514	8,700	—	41,056	153,158
REGAL REAL ESTATE INVESTMENT NPV REIT	152,776	4,600	—	34,962	122,414
ROAD KING INFRASTRUCTURE LTD ORD	40,791	—	—	9,141	31,650
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GR	225,627	6,800	—	51,700	180,727
SHENZHEN INV ORD SHS	336,401	25,000	—	65,662	295,739

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)**  
**FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)**

<b>Investments</b>	<b>Beginning holdings as at 1 April 2014</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	<b>Closing holdings as at 31 March 2015</b>
SHIMAO PROPERTY HOLDINGS LTD HKD0.10	217,184	11,300	—	52,212	176,272
SHUI ON LAND LTD USD0.0025	—	463,200	—	6,200	457,000
SINO-OCEAN LAND HOLDINGS	512,209	28,000	—	113,171	427,038
SOHO CHINA LTD	278,633	—	—	278,633	—
SUN HUNG KA-CW16	—	—	4,250	4,250	—
SUN HUNG KAI PROPERTIES	51,002	2,200	—	14,428	38,774
SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S'	259,500	27,000	—	50,501	235,999
SUNLIGHT REAL ESTATE INVEST NPV	164,698	16,300	—	46,244	134,754
WANDA COMMERCIAL P HKD0.1	—	176,500	—	—	176,500
WHARF HOLDINGS	90,621	11,900	—	19,042	83,479
WHEELOCK & COMPANY LTD	127,076	6,600	—	30,553	103,123
YUEXIU PROPERTY COMPANY LTD	801,373	47,800	223,996	207,397	865,772
YUEXIU REAL ESTATE INVESTMENT TRUST	281,178	14,900	—	65,037	231,041
YUZHOU PROPERTIES CO HKD0.10 'REG S'	138,000	—	—	27,776	110,224

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**PERFORMANCE RECORD (UNAUDITED)**

**Net asset values**

	Net asset value per unit HK\$	Net asset value of the Sub-Fund HK\$
At end of financial year/period dated		
31 March 2015	41.1650	80,271,788
31 March 2014	35.6936	81,202,853
31 March 2013 <sup>1</sup>	39.8483	124,526,020

**Highest and lowest net asset value per unit since inception**

	Highest net asset value per unit HK\$	Lowest net asset value per unit HK\$
Financial year/period ended		
31 March 2015	41.9510	34.1131
31 March 2014	43.9196	33.8575
31 March 2013 <sup>1</sup>	44.8035	34.5861

**Performance of the Sub-Fund**

	Index performance (%)	Sub-Fund performance (%)
Financial year/period ended		
31 March 2015	16.7	15.3
31 March 2014	(9.2)	(10.4)
31 March 2013 <sup>1</sup>	17.5	16.8

<sup>1</sup> The financial period of the Sub-Fund, which was a new addition to the Trust during the period ended 31 March 2013, commenced from 26 September 2012 (date of inception) to 31 March 2013.

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**ADMINISTRATION AND MANAGEMENT**

**Manager**

Lippo Investments Management Limited  
24th Floor, Tower One  
Lippo Centre, 89 Queensway  
Hong Kong  
Website: <http://www.lippo-im.com>

**Directors of the Manager**

Bruce Cheung Heung Wing  
David Ng Tai Chiu

**Trustee**

Cititrust Limited  
50th Floor, Citibank Tower  
Citibank Plaza, 3 Garden Road  
Central, Hong Kong

**Custodian and Administrator**

Citibank N.A.  
50th Floor, Citibank Tower  
Citibank Plaza, 3 Garden Road  
Central, Hong Kong

**Registrar**

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

**Service Agent**

HK Conversion Agency Services Limited  
12/F, One International Finance Centre,  
1 Harbour View Street  
Central, Hong Kong

**Legal Adviser to the Manager**

King & Wood Mallesons  
13th Floor, Gloucester Tower  
The Landmark, 15 Queen's Road Central  
Central, Hong Kong

**Participating Dealers**

Merrill Lynch Far East Limited  
15th Floor, Citibank Tower  
3 Garden Road  
Central, Hong Kong

Goldman Sachs (Asia) Securities Limited  
68th Floor, Cheung Kong Center  
2 Queen's Road Central  
Hong Kong

Credit Suisse Securities (Hong Kong) Limited  
88th Floor, International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

**Auditor**

PricewaterhouseCoopers  
22nd Floor  
Prince's Building  
Central, Hong Kong