

LIPPO FUND SERIES

LIPPO SELECT HK & MAINLAND PROPERTY ETF

SEMI-ANNUAL FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

LIPPO FUND SERIES

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IMPORTANT:

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

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

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ADMINISTRATION AND MANAGEMENT

Manager

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

Directors of the Manager

Bruce Cheung Heung Wing
David Ng Tai Chiu

Trustee

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

Custodian and Administrator

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

Registrar

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

Service Agent

HK Conversion Agency Services Limited
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
Hong Kong

Participating Dealers

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

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

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

Auditor

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

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REPORT OF THE MANAGER

The dealing net asset value (“Dealing NAV”) of “The Lippo Select Hong Kong and Mainland Property Fund (“ETF”) as at the end of September 2015 was HKD 63.38 million and the Dealing NAV per unit was HKD 36.7397. The ETF achieved a return of -11.8% (dealing NAV per unit) for the six month period to the end of September 2015.

The Fund Manager, Lippo Investments Management Limited has adopted the full replication strategy in managing the ETF. The objective of the full replication strategy is to match as closely as practically possible to the benchmark weightings of each constituent stock in the Lippo Select HK & Mainland Property Index.

As at the end of September 2015, the ETF had 51 constituent stocks with a total unadjusted market capitalization* of HKD 1867.2 billion.

(*) market capitalization is calculated by multiplying a company's full issued shares by its last closing price.

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STATEMENT OF NET ASSETS
AS AT 30 SEPTEMBER 2015 (UNAUDITED)

	As at 30 September 2015 (unaudited) HK\$	As at 31 March 2015 (audited) HK\$
CURRENT ASSETS		
Investments	62,654,882	80,940,964
Dividends receivable	242,555	173,329
Cash and cash equivalents	<u>563,072</u>	<u>233,981</u>
TOTAL ASSETS	<u>63,460,509</u>	<u>81,348,274</u>
CURRENT LIABILITIES		
Management fee payable	36,665	46,349
Establishment costs payable	432,786	435,068
Other payables	<u>15,000</u>	<u>-</u>
	<u>484,451</u>	<u>481,417</u>
NON-CURRENT LIABILITIES		
Establishment costs payable	<u>395,069</u>	<u>595,069</u>
TOTAL LIABILITIES	<u>879,520</u>	<u>1,076,486</u>
EQUITY		
Net assets attributable to unitholders	<u>62,580,989</u>	<u>80,271,788</u>
Number of units in issue	1,725,000	1,950,000
Net assets attributable to unitholders per unit	36.2788	41.1650

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INVESTMENT LIMITATIONS AND PROHIBITIONS UNDER THE SFC CODE (UNAUDITED)

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

As at 30 September 2015 and 31 March 2015, the Sub-Fund did not have any constituent securities that accounted for more than 10% of its net asset value.

During the period from 1 April 2015 to 30 September 2015, the Underlying Index decreased by 11.4% [31 March 2015 (audited): increased by 16.7%], while the unaudited net asset value per unit of the Sub-Fund decreased by 11.9% [31 March 2015 (audited): increased by 15.3%].

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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 SEPTEMBER 2015

Listed investments	Holdings	Fair value HK\$	% of net assets
Equities			
AGILE PROPERTY HOLDINGS LTD	181,139	729,990	1.17%
CENTRAL CHINA REAL ESTATE HKD0.10	78,494	113,816	0.18%
CHINA JINMAO HOLDINGS GROUP LTD	370,123	721,740	1.15%
CHINA MERCHANTS LAND LTD	170,159	216,102	0.35%
CHINA OCEANWIDE HOLDINGS LTD	435,488	439,843	0.70%
CHINA OVERSEAS GRAND OCEANS GROUP LTD	105,594	240,754	0.38%
CHINA OVERSEAS LAND & INVEST	165,502	3,872,747	6.19%
CHINA RESOURCES LAND LTD SHS	196,661	3,571,364	5.71%
CHINA SCE PROPERTY HOLDINGS HKD0.10	178,112	301,009	0.48%
CHINA SOUTH CITY HOLDINGS HKD0.01	370,014	699,326	1.12%
COUNTRY GARDEN HOLDINGS CO HKD0.10	1,044,739	2,914,822	4.66%
EMPEROR INTL HLDG LTD HKD0.01	127,609	190,137	0.30%
EVERGRANDE REAL ESTATE GROUP USD0.01	723,350	3,182,740	5.09%
FANTASIA HOLDINGS GROUP CO HKD0.10'REG S	199,767	173,797	0.28%
FAR EAST CONSORTIUM	99,625	286,920	0.46%
GEMDALE PROPERTIES AND INVESTMENT CORP L	700,543	269,709	0.43%
GOLDIN PROPERTIES HOLDINGS	164,998	1,151,686	1.84%
GREAT EAGLE HOLDINGS LTD	30,747	708,718	1.13%
GREENTOWN CHINA HOLDINGS HKD0.10	87,516	485,714	0.78%
HANG LUNG PROPERTIES LTD	215,899	3,748,007	5.99%
HENDERSON LAND DEVELOPMENT	78,394	3,613,963	5.77%
HOPSON DEVELOPMENT HOLDINGS HKD0.10	77,725	478,009	0.76%
HYSAN DEVELOPMENT CO	73,793	2,376,135	3.80%
K WAH INTL HOLDINGS SHS	145,016	446,649	0.71%
KAISA GROUP HOLDINGS LTD HKD0.10 REGS	160,141	187,366	0.30%
KOWLOON DEVELOPMENT CO LTD	39,945	354,712	0.57%
KWG PROPERTY HKD0.10	153,377	779,155	1.25%
LIU CHONG HING INVESTMENT HKD1	23,112	189,287	0.30%
LONGFOR PROPERTIES	168,468	1,644,248	2.63%
NEW WORLD DEVELOPMENT	487,883	3,659,123	5.85%
POLY PROPERTY GROUP CO LTD	232,893	496,063	0.79%
POWERLONG REAL ESTATE HOLD	161,794	232,983	0.37%
ROAD KING INFRASTRUCTURE LTD ORD	29,978	202,052	0.32%
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GR	166,891	238,654	0.38%
SHENZHEN INV ORD SHS	341,413	932,057	1.49%
SHIMAO PROPERTY HOLDINGS LTD HKD0.10	160,610	1,866,288	2.98%
SINO-OCEAN LAND HOLDINGS	391,555	1,652,362	2.64%
SUN HUNG KAI PROPERTIES	38,342	3,853,371	6.16%
SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S'	216,160	873,286	1.40%
WHARF HOLDINGS	86,902	3,780,237	6.04%
YUEXIU PROPERTY COMPANY LTD	788,671	1,001,612	1.60%
YUZHOU PROPERTIES CO HKD0.10'REG S'	154,436	277,985	0.44%
ZALL DEVELOPMENT GROUP LTD 2098	60,658	314,208	0.50%
		53,468,746	85.44%

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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 SEPTEMBER 2015 (CONTINUED)

Listed investments	Holdings	Fair value HK\$	% of net assets
REITS			
CHAMPION REIT REIT	266,315	1,027,976	1.64%
FORTUNE REIT NPV (REIT)	162,998	1,183,365	1.89%
HUI XIAN REIT UNITS REG S	340,632	1,310,262	2.09%
LINK REIT NPV	89,145	3,788,663	6.05%
PROSPERITY REIT NPV (REIT)	140,370	371,981	0.59%
REGAL REAL ESTATE INVESTMENT NPV REIT	108,374	205,911	0.33%
SUNLIGHT REAL ESTATE INVEST NPV	123,108	466,579	0.75%
YUEXIU REAL ESTATE INVESTMENT TRUST	211,552	831,399	1.33%
		<u>9,186,136</u>	<u>14.67%</u>
 Total listed investments		<u>62,654,882</u>	<u>100.11%</u>
 Total investments, at cost		<u>69,993,988</u>	

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

Investments	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2015
AGILE PROPERTY HOLDINGS LTD	198,848	12,800	-	30,509	181,139
C C LAND HOLDINGS LTD	159,806	-	-	159,806	-
CENTRAL CHINA REAL ESTATE HKD0.10	93,288	-	-	14,794	78,494
CHAMPION REIT REIT	291,717	18,800	-	44,202	266,315
CHINA JINMAO HOLDINGS GROUP LTD	463,322	29,400	-	122,599	370,123
CHINA MERCHANTS LAND LTD	-	191,300	-	21,141	170,159
CHINA OCEANWIDE HOLDINGS LTD	228,905	260,700	-	54,117	435,488
CHINA OVERSEAS GRAND OCEANS GROUP LTD	114,307	7,500	-	16,213	105,594
CHINA OVERSEAS LAND & INVEST	203,994	4,600	-	43,092	165,502
CHINA RESOURCES LAND LTD SHS	229,776	5,200	-	38,315	196,661
CHINA SCE PROPERTY HOLDINGS HKD0.10	192,952	7,300	-	22,140	178,112
CHINA SOUTH CITY HOLDINGS HKD0.01	406,795	26,100	-	62,881	370,014
COUNTRY GARDEN HOLDINGS CO HKD0.10	1,033,309	407,800	-	396,370	1,044,739
EMPEROR INTL HLDG LTD HKD0.01	136,040	7,400	-	15,831	127,609
EVERGRANDE REAL ESTATE GROUP USD0.01	648,116	176,400	-	101,166	723,350
FANTASIA HOLDINGS GROUP CO HKD0.10'REG S	220,480	14,200	-	34,913	199,767
FAR EAST CONSORTIUM	-	112,000	-	12,375	99,625
FORTUNE REIT NPV (REIT)	178,321	11,800	-	27,123	162,998
GEMDALE PROPERTIES AND INVESTMENT CORP L	-	787,600	-	87,057	700,543
GOLDIN PROPERTIES HOLDINGS	181,100	11,600	-	27,702	164,998
GREAT EAGLE HOLDINGS LTD	33,318	2,500	-	5,071	30,747
GREENLAND HONG KONG HOLDINGS LTD	42,953	19,000	-	61,953	-
GREENTOWN CHINA HOLDINGS HKD0.10	109,688	6,200	-	28,372	87,516
GUANGZHOU R&F PROPERTIES - H 'H'CNY0.25(POST SUBD)	128,840	-	-	128,840	-
HANG LUNG PROPERTIES LTD	-	244,000	-	28,101	215,899
HENDERSON LAND DEVELOPMENT	89,182	11,700	8,768	31,256	78,394
HOPSON DEVELOPMENT HOLDINGS HKD0.10	-	87,400	-	9,675	77,725
HUI XIAN REIT UNITS REG S	-	378,900	-	38,268	340,632
HYSAN DEVELOPMENT CO	81,064	5,600	-	12,871	73,793
K WAH INTL HOLDINGS SHS	159,234	10,200	-	24,418	145,016
KAISA GROUP HOLDINGS LTD HKD0.10 REGS	160,141	-	-	-	160,141
KERRY PROPERTIES LTD HKD1	82,498	-	-	82,498	-
KOWLOON DEVELOPMENT CO LTD	43,204	2,800	-	6,059	39,945
KWG Property HKD0.10	168,330	10,900	-	25,853	153,377

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015 (CONTINUED)

Investments	Beginning holdings as at 1 April 2015	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2015
LINK REIT NPV	94,844	32,500	-	38,199	89,145
LIU CHONG HING INVESTMENT HKD1	26,100	-	-	2,988	23,112
LONGFOR PROPERTIES	184,339	13,400	-	29,271	168,468
NEW WORLD CHINA LAND LTD HKD0.10	385,821	-	-	385,821	-
NEW WORLD DEVELOPMENT	517,887	45,000	-	75,004	487,883
POLY PROPERTY GROUP CO LTD	255,028	16,500	-	38,635	232,893
POWERLONG REAL ESTATE HOLD	-	181,900	-	20,106	161,794
PROSPERITY REIT NPV (REIT)	153,158	10,300	-	23,088	140,370
REGAL REAL ESTATE INVESTMENT NPV REIT	122,414	-	-	14,040	108,374
ROAD KING INFRASTRUCTURE LTD ORD	31,650	2,000	-	3,672	29,978
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GR	180,727	11,800	-	25,636	166,891
SHENZHEN INV ORD SHS	295,739	100,000	-	54,326	341,413
SHIMAO PROPERTY HOLDINGS LTD HKD0.10	176,272	12,300	-	27,962	160,610
SHUI ON LAND LTD USD0.0025	457,000	-	-	457,000	-
SINO-OCEAN LAND HOLDINGS	427,038	31,100	-	66,583	391,555
SUN HUNG KAI PROPERTIES	38,774	5,300	-	5,732	38,342
SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S'	235,999	16,200	-	36,039	216,160
SUNLIGHT REAL ESTATE INVEST NPV	134,754	9,100	-	20,746	123,108
WANDA HOTEL DEVELOPMENT CO L 169	176,500	-	-	176,500	-
WHARF HOLDINGS	83,479	23,500	-	20,077	86,902
WHEELOCK & CO LTD HKD0.50	103,123	-	-	103,123	-
YUEXIU PROPERTY COMPANY LTD	865,772	55,700	-	132,801	788,671
YUEXIU REAL ESTATE INVESTMENT TRUST	231,041	14,900	-	34,389	211,552
YUZHOU PROPERTIES CO HKD0.10'REG S'	110,224	68,400	-	24,188	154,436
ZALL DEVELOPMENT GROUP LTD 2098	-	68,200	-	7,542	60,658