

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

XIE Shares India (Nifty 50) 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 2015

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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10 Ice House Street
Central
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BEATTIE Nigel John
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LAU Che Loon David

Trustee

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Administrator

Cititrust, N.A.
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Central
Hong Kong

Participating Dealers

BNP Paribas Securities Services (operating through
its Hong Kong branch)
Citigroup Global Markets Asia Limited
J.P. Morgan Broking (Hong Kong) Limited
Nomura International (Hong Kong) Limited
RBS Asia Limited
Standard Chartered Bank (Hong Kong) Limited

Market Maker

BNP Paribas Securities (Asia) Limited
Commerzbank AG

Registrar

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Simmons & Simmons
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Auditor

PricewaterhouseCoopers
22/F Prince's Building
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Central
Hong Kong

Custodian

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

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

REPORT OF THE MANAGER TO THE UNITHOLDERS

XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF) (A Sub-Fund of XIE Shares Trust I* (*This is a synthetic ETF))

Fund performance

XIE Shares India (Nifty 50) 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 Nifty 50 Index in Hong Kong dollar ("HK\$") terms. As of 31 December 2015, the dealing Net Asset Value per unit of the XIE Shares India was HK\$8.7155 with a total of 8,000,000 units outstanding, aggregating a total dealing NAV of approximately HK\$69,723,668.

A summary of the performance of the XIE Shares India is given below (as at 31 December 2015).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
Nifty 50 Price Return ^(b)	0.87%	-0.81%	-8.63%	6.31%
Nifty 50 Total Return (Net) ^(c)	0.87%	-0.66%	-8.09%	12.69%
XIE Shares India NAV-to-NAV ^(d)	0.80%	-1.06%	-9.69%	8.94%
XIE Shares India Market-to-Market ^(e)	0.81%	0.70%	-7.94%	8.62%

- (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 dealing NAV in HK\$. Units in XIE Shares India can be created and redeemed at their dealing 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 2015 to 31 December 2015.
- (h) Represents performance figures for the period from 1 October 2015 to 31 December 2015.
- (i) Represents performance figures for the period from 1 July 2015 to 31 December 2015.

Source: Enhanced Investment Products Limited, Bloomberg

TOBIAS BLAND
DIRECTOR
FOR AND ON BEHALF OF
ENHANCED INVESTMENT PRODUCTS LIMITED
AS MANAGER OF XIE SHARES TRUST I* (*This is a synthetic ETF)

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* (*This is a synthetic ETF))

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 in Hong Kong dollar ("HK\$") terms. As of 31 December 2015, the dealing Net Asset Value per unit of the XIE Shares Indonesia was HK\$6.2036 with a total of 6,500,000 units outstanding, aggregating a total dealing NAV of approximately HK\$40,323,601.

A summary of the performance of the XIE Shares Indonesia is given below (as at 31 December 2015).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
LQ45 Price Return ^(b)	5.20%	19.40%	-8.74%	-25.36%
LQ45 Total Return (Net) ^(c)	5.31%	19.60%	-8.50%	-19.30%
XIE Shares Indonesia NAV-to-NAV ^(d)	5.19%	19.72%	-9.96%	-22.45%
XIE Shares Indonesia Market-to-Market ^(e)	0.99%	23.00%	-9.16%	-23.13%

- (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 dealing NAV in HK\$. Units in XIE Shares Indonesia can be created and redeemed at their dealing 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 2015 to 31 December 2015.
- (h) Represents performance figures for the period from 1 October 2015 to 31 December 2015.
- (i) Represents performance figures for the period from 1 July 2015 to 31 December 2015.

Source: Enhanced Investment Products Limited, Bloomberg

TOBIAS BLAND
DIRECTOR
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AS MANAGER OF XIE SHARES TRUST I*(*This is a synthetic ETF)

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* (*This is a synthetic ETF))

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 in Hong Kong dollar ("HK\$") terms. As of 31 December 2015, the dealing Net Asset Value per unit of the XIE Shares Korea was HK\$6.9151 with a total of 5,000,000 units outstanding, aggregating a total dealing NAV of approximately HK\$34,575,300.

A summary of the performance of the XIE Shares Korea is given below (as at 31 December 2015).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
KOSPI 200 Price Return ^(b)	-2.82%	2.66%	-9.38%	-12.53%
KOSPI 200 Total Return (Net) ^(c)	-2.17%	3.34%	-8.78%	-11.11%
XIE Shares Korea NAV-to-NAV ^(d)	-2.96%	1.67%	-10.34%	-13.56%
XIE Shares Korea Market-to-Market ^(e)	-6.58%	4.92%	-10.97%	-14.74%

- (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 dealing NAV in HK\$. Units in XIE Shares Korea can be created and redeemed at their dealing 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 2015 to 31 December 2015.
- (h) Represents performance figures for the period from 1 October 2015 to 31 December 2015.
- (i) Represents performance figures for the period from 1 July 2015 to 31 December 2015.

Source: Enhanced Investment Products Limited, Bloomberg

TOBIAS BLAND
DIRECTOR
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ENHANCED INVESTMENT PRODUCTS LIMITED
AS MANAGER OF XIE SHARES TRUST I* (*This is a synthetic ETF)

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*(*This is a synthetic ETF))

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 in Hong Kong dollar ("HK\$") terms. As of 31 December 2015, the dealing Net Asset Value per unit of the XIE Shares Malaysia was HK\$6.5896 with a total of 1,500,000 units outstanding, aggregating a total dealing NAV of approximately HK\$9,884,400.

A summary of the performance of the XIE Shares Malaysia is given below (as at 31 December 2015).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
FTSE Bursa Malaysia KLCI Price Return ^(b)	0.50%	6.90%	-12.88%	-23.76%
FTSE Bursa Malaysia KLCI Total Return (Net) ^(c)	0.80%	7.78%	-11.59%	-13.64%
XIE Shares Malaysia NAV-to-NAV ^(d)	0.49%	6.93%	-13.84%	-17.63%
XIE Shares Malaysia Market-to-Market ^(e)	0.93%	8.13%	-12.60%	-18.51%

- (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 dealing NAV in HK\$. Units in XIE Shares Malaysia can be created and redeemed at their dealing 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 2015 to 31 December 2015.
- (h) Represents performance figures for the period from 1 October 2015 to 31 December 2015.
- (i) Represents performance figures for the period from 1 July 2015 to 31 December 2015.

Source: Enhanced Investment Products Limited, Bloomberg

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AS MANAGER OF XIE SHARES TRUST I*(*This is a synthetic ETF)

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* (*This is a synthetic ETF))

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 in Hong Kong dollar (“HK\$”) terms. As of 31 December 2015, the dealing Net Asset Value per unit of the XIE Shares Philippines was HK\$10.4069 with a total of 1,500,000 units outstanding, aggregating a total dealing NAV of approximately HK\$15,610,384.

A summary of the performance of the XIE Shares Philippines is given below (as at 31 December 2015).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
PSEi Price Return ^(b)	0.52%	0.17%	-11.96%	28.98%
PSEi Total Return (Net) ^(c)	0.59%	0.26%	-11.53%	37.28%
XIE Shares Philippines NAV-to-NAV ^(d)	0.40%	0.47%	-12.42%	30.09%
XIE Shares Philippines Market-to-Market ^(e)	0.19%	-3.70%	-11.54%	30.25%

- (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 dealing NAV in HK\$. Units in XIE Shares Philippines can be created and redeemed at their dealing 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 2015 to 31 December 2015.
- (h) Represents performance figures for the period from 1 October 2015 to 31 December 2015.
- (i) Represents performance figures for the period from 1 July 2015 to 31 December 2015.

Source: Enhanced Investment Products Limited, Bloomberg

TOBIAS BLAND
DIRECTOR
FOR AND ON BEHALF OF
ENHANCED INVESTMENT PRODUCTS LIMITED
AS MANAGER OF XIE SHARES TRUST I* (*This is a synthetic ETF)

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* (*This is a synthetic ETF))

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 in Hong Kong dollar ("HK\$") terms. As of 31 December 2015, the dealing Net Asset Value per unit of the XIE Shares Taiwan was HK\$8.1527 with a total of 4,000,000 units outstanding, aggregating a total dealing NAV of approximately HK\$32,610,881.

A summary of the performance of the XIE Shares Taiwan is given below (as at 31 December 2015).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
TAIEX Price Return ^(b)	-0.44%	2.17%	-16.02%	-5.35%
TAIEX Total Return (Net) ^(c)	-0.44%	2.17%	-14.11%	4.84%
XIE Shares Taiwan NAV-to-NAV ^(d)	-0.61%	0.10%	-14.99%	1.91%
XIE Shares Taiwan Market-to-Market ^(e)	-2.22%	2.06%	-16.86%	-0.75%

- (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 dealing NAV in HK\$. Units in XIE Shares Taiwan can be created and redeemed at their dealing 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 2015 to 31 December 2015.
- (h) Represents performance figures for the period from 1 October 2015 to 31 December 2015.
- (i) Represents performance figures for the period from 1 July 2015 to 31 December 2015.

Source: Enhanced Investment Products Limited, Bloomberg

TOBIAS BLAND
DIRECTOR
FOR AND ON BEHALF OF
ENHANCED INVESTMENT PRODUCTS LIMITED
AS MANAGER OF XIE SHARES TRUST I*(*This is a synthetic ETF)

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* (*This is a synthetic ETF))

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 in Hong Kong dollar (“HK\$”) terms. As of 31 December 2015, the dealing Net Asset Value per unit of the XIE Shares Thailand was HK\$7.6186 with a total of 1,000,000 units outstanding, aggregating a total dealing NAV of approximately HK\$7,618,556.

A summary of the performance of the XIE Shares Thailand is given below (as at 31 December 2015).^(a)

	1 Month ^(g)	3 Months ^(h)	6 Months ⁽ⁱ⁾	Since Inception ^(f)
SET50 Price Return ^(b)	-6.82%	-5.54%	-22.83%	-11.20%
SET50 Total Return (Net) ^(c)	-6.74%	-5.42%	-21.89%	-0.46%
XIE Shares Thailand NAV-to-NAV ^(d)	-7.04%	-5.33%	-22.00%	-4.77%
XIE Shares Thailand Market-to-Market ^(e)	-6.46%	-5.42%	-21.95%	-4.00%

- (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 dealing NAV in HK\$. Units in XIE Shares Thailand can be created and redeemed at their dealing 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 2015 to 31 December 2015.
- (h) Represents performance figures for the period from 1 October 2015 to 31 December 2015.
- (i) Represents performance figures for the period from 1 July 2015 to 31 December 2015.

Source: Enhanced Investment Products Limited, Bloomberg

TOBIAS BLAND
DIRECTOR
FOR AND ON BEHALF OF
ENHANCED INVESTMENT PRODUCTS LIMITED
AS MANAGER OF XIE SHARES TRUST I* (*This is a synthetic ETF)

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 (Nifty 50) 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 (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 2015.

Cititrust Limited

27 April 2016

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 (Nifty 50) 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 2015. 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 2015, the Trust has established seven sub-funds, namely, XIE Shares India (Nifty 50) 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 (Nifty 50) 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 95, which comprise the statements of financial position as at 31 December 2015, 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 2015, 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 2016

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

		XIE Shares India (Nifty 50) ETF*		XIE Shares Indonesia (LQ45) ETF*		XIE Shares Korea (KOSPI 200) ETF*	
		("This is a synthetic ETF)		("This is a synthetic ETF)		("This is a synthetic ETF)	
	Note	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Assets - current assets							
Investments in listed securities	5(b), 10(a)(i), 10(b)	57,106,940	68,278,525	31,681,719	38,976,167	30,279,341	34,434,739
Investments in derivative instruments	10(a)(i), 10(b)	2,648,741	1,679,970	1,766,130	2,469,963	587,033	465,747
Dividends receivable		-	-	-	34,445	-	-
Amounts due from brokers		33,785	-	-	-	39,154	-
Receivable due from swap counterparties	10(b)	-	605,543	-	77,548	542,509	465,289
Other receivables		-	20,571	-	20,571	-	20,571
Cash and cash equivalents	5(b), 10(b)	11,970,403	25,407,683	8,631,837	11,031,272	4,144,155	10,522,222
Total assets		71,759,869	95,992,292	42,079,686	52,609,966	35,592,192	45,908,568
Liabilities - current liabilities							
Investments in derivative instruments	10(a)(i), 10(b)	850,480	1,118,976	489,378	204,714	1,091,220	623,883
Management fee payable	5(a)	22,559	42,200	13,041	18,338	11,540	22,773
Payable due to swap counterparties	10(b)	1,162,520	-	1,240,103	1,938,706	-	268,086
Other payables		259,641	209,739	102,240	43,337	170,516	170,984
Total liabilities		2,295,200	1,370,915	1,844,762	2,205,095	1,273,276	1,085,726
Equity							
Net assets attributable to Unitholders							
	6	69,464,669	94,621,377	40,234,924	50,404,871	34,318,916	44,822,842

The financial statements on pages 13 to 95 were approved by the Manager on 27 April 2016.

Enhanced Investment Products Limited
as Manager of the Trust

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 2015

		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	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Assets - current assets							
Investments in listed securities	5(b), 10(a)(i), 10(b)	8,277,987	17,612,443	13,356,841	13,357,176	27,712,307	74,648,802
Investments in derivative instruments	10(a)(i), 10(b)	552,729	956,372	429,699	173,856	688,923	3,152,462
Dividends receivable		-	-	23,281	24,939	-	-
Receivable due from swap counterparties	10(b)	-	54,974	-	155,096	77,512	-
Other receivables		-	20,571	-	20,571	-	20,571
Cash and cash equivalents	5(b), 10(b)	1,651,527	3,123,715	2,265,363	3,611,959	4,683,196	16,951,105
Total assets		<u>10,482,243</u>	<u>21,768,075</u>	<u>16,075,184</u>	<u>17,343,597</u>	<u>33,161,938</u>	<u>94,772,940</u>
Liabilities - current liabilities							
Investments in derivative instruments	10(a)(i), 10(b)	143,605	442,269	183,915	208,014	443,957	963,450
Amounts due to brokers		25,747	-	-	-	97,523	-
Management fee payable	5(a)	3,218	9,078	5,122	6,053	10,774	40,205
Payable due to swap counterparties	10(b)	465,005	620,386	310,000	77,548	-	1,022,445
Other payables		98,980	93,539	54,765	38,733	267,099	252,362
Total liabilities		<u>736,555</u>	<u>1,165,272</u>	<u>553,802</u>	<u>330,348</u>	<u>819,353</u>	<u>2,278,462</u>
Equity							
Net assets attributable to Unitholders	6	<u>9,745,688</u>	<u>20,602,803</u>	<u>15,521,382</u>	<u>17,013,249</u>	<u>32,342,585</u>	<u>92,494,478</u>

The financial statements on pages 13 to 95 were approved by the Manager on 27 April 2016.

Enhanced Investment Products Limited
as Manager of the Trust

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 2015

		XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)	
	Note	2015 HK\$	2014 HK\$
Assets - current assets			
Investments in listed securities			
	5(b), 10(a)(i), 10(b)	6,908,894	20,448,399
Investments in derivative instruments	10(a)(i), 10(b)	136,276	615,277
Receivable due from swap counterparties	10(b)	697,512	114,725
Other receivables		-	20,571
Cash and cash equivalents	5(b), 10(b)	676,966	4,706,515
Total assets		8,419,648	25,905,487
Liabilities - current liabilities			
Investments in derivative instruments	10(a)(i), 10(b)	812,109	620,501
Amount due to brokers		25,985	-
Management fee payable	5(a)	2,565	11,398
Payable due to swap counterparties	10(b)	-	77,548
Other payables		99,513	82,760
Total liabilities		940,172	792,207
Equity			
Net assets attributable to Unitholders	6	7,479,476	25,113,280

The financial statements on pages 13 to 95 were approved by the Manager on 27 April 2016.

Enhanced Investment Products Limited
as Manager of the Trust

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 2015

	Note	XIE Shares India (Nifty 50) 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")	
		2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Income							
Dividend income		2,288,260	2,718,752	858,167	620,075	1,541,929	2,048,181
Interest income		5,259	10,612	2,051	2,870	2,206	5,642
Net gain/(loss) on investments	4	(10,670,374)	41,226,501	(12,198,431)	4,535,932	(7,497,477)	(10,764,195)
Net foreign exchange loss		(48,466)	(66,250)	(22,345)	(17,194)	(32,514)	(29,136)
Total net income/(loss)		<u>(8,425,321)</u>	<u>43,889,615</u>	<u>(11,360,558)</u>	<u>5,141,683</u>	<u>(5,985,856)</u>	<u>(8,739,508)</u>
Operating expenses							
Management fees	5(a)	435,969	549,102	195,785	162,788	265,221	331,036
Audit fees		236,251	192,711	70,208	25,118	145,115	156,850
Preliminary expenses		-	5,537	-	5,537	-	5,537
Interest expense		14,408	3,093	1,093	325	12,104	543
Bank charges		8,571	2,100	8,451	2,890	7,506	1,470
Other operating expenses		116,315	117,173	116,509	117,165	116,314	117,173
Total operating expenses		<u>811,514</u>	<u>869,716</u>	<u>392,046</u>	<u>313,823</u>	<u>546,260</u>	<u>612,609</u>
Operating profit/(loss)		<u>(9,236,835)</u>	<u>43,019,899</u>	<u>(11,752,604)</u>	<u>4,827,860</u>	<u>(6,532,116)</u>	<u>(9,352,117)</u>
Profit/(loss) before taxation		<u>(9,236,835)</u>	<u>43,019,899</u>	<u>(11,752,604)</u>	<u>4,827,860</u>	<u>(6,532,116)</u>	<u>(9,352,117)</u>
Dividend withholding tax	8	101,773	127,040	54,443	34,134	54,610	83,101
Total comprehensive income/(loss) for the year attributable to unitholders		<u>(9,338,608)</u>	<u>42,892,859</u>	<u>(11,807,047)</u>	<u>4,793,726</u>	<u>(6,586,726)</u>	<u>(9,435,218)</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 2015

		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	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Income							
Dividend income		628,261	851,464	465,513	372,500	2,187,816	2,892,505
Interest income		1,543	4,376	881	1,957	5,734	14,237
Net gain/(loss) on investments	4	(7,191,169)	(3,096,096)	(1,748,877)	3,777,431	(15,450,354)	5,641,506
Net foreign exchange loss		(11,239)	(17,614)	(7,217)	(8,789)	(52,535)	(60,589)
Total net income/(loss)		<u>(6,572,604)</u>	<u>(2,257,870)</u>	<u>(1,289,700)</u>	<u>4,143,099</u>	<u>(13,309,339)</u>	<u>8,487,659</u>
Operating expenses							
Management fees	5(a)	100,478	155,937	81,673	72,129	369,232	568,015
Audit fees		69,562	75,874	33,023	29,485	245,920	237,699
Preliminary expenses		-	5,537	-	5,537	-	5,537
Interest expense		1,250	172	672	187	12,250	1,381
Bank charges		7,564	1,950	6,592	1,060	7,292	2,700
Other operating expenses		116,452	117,165	116,510	117,162	116,304	117,175
Total operating expenses		<u>295,306</u>	<u>356,635</u>	<u>238,470</u>	<u>225,560</u>	<u>750,998</u>	<u>932,507</u>
Operating profit/(loss)		<u>(6,867,910)</u>	<u>(2,614,505)</u>	<u>(1,528,170)</u>	<u>3,917,539</u>	<u>(14,060,337)</u>	<u>7,555,152</u>
Profit/(loss) before taxation		<u>(6,867,910)</u>	<u>(2,614,505)</u>	<u>(1,528,170)</u>	<u>3,917,539</u>	<u>(14,060,337)</u>	<u>7,555,152</u>
Dividend withholding tax	8	31,555	45,088	13,897	19,277	98,156	132,011
Total comprehensive income/(loss) for the year attributable to unitholders		<u>(6,899,465)</u>	<u>(2,659,593)</u>	<u>(1,542,067)</u>	<u>3,898,262</u>	<u>(14,158,493)</u>	<u>7,423,141</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 2015

		XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)	
	Note	2015 HK\$	2014 HK\$
Income			
Dividend income		713,010	847,519
Interest income		1,999	4,809
Net gain/(loss) on investments	4	(7,777,348)	6,208,295
Net foreign exchange gain/(loss)		(14,757)	1,873
Total net income/(loss)		(7,077,096)	7,062,496
Operating expenses			
Management fees	5(a)	121,882	157,159
Audit fees		69,536	62,302
Preliminary expenses		-	5,537
Interest expense		1,719	488
Bank charges		7,254	1,675
Other operating expense		116,452	117,166
Total operating expenses		316,843	344,327
Operating profit/(loss)		(7,393,939)	6,718,169
Profit/(loss) before taxation		(7,393,939)	6,718,169
Dividend withholding tax	8	25,065	40,393
Total comprehensive income/(loss) for the year attributable to the unitholders		(7,419,004)	6,677,776

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 2015

	XIE Shares India (Nifty 50) 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)	
	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Balance at the beginning of the year	94,621,377	116,774,618	50,404,871	15,300,695	44,822,842	93,037,860
Proceeds on issue of units	28,528,500	55,774,600	7,591,100	37,794,500	30,231,600	33,750,800
Payment on redemption of units	(44,346,600)	(120,820,700)	(5,954,000)	(7,484,050)	(34,148,800)	(72,530,600)
Net increase/(decrease) from unit transactions	(15,818,100)	(65,046,100)	1,637,100	30,310,450	(3,917,200)	(38,779,800)
Total comprehensive income/(loss) for the year	(9,338,608)	42,892,859	(11,807,047)	4,793,726	(6,586,726)	(9,435,218)
Balance at the end of the year	69,464,669	94,621,377	40,234,924	50,404,871	34,318,916	44,822,842

	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)	
	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Balance at the beginning of the year	20,602,803	45,911,946	17,013,249	18,600,337	92,494,478	142,852,837
Proceeds on issue of units	12,032,700	-	5,788,000	-	27,351,000	27,434,400
Payment on redemption of units	(15,990,350)	(22,649,550)	(5,737,800)	(5,485,350)	(73,344,400)	(85,215,900)
Net increase/(decrease) from unit transactions	(3,957,650)	(22,649,550)	50,200	(5,485,350)	(45,993,400)	(57,781,500)
Total comprehensive income/(loss) for the year	(6,899,465)	(2,659,593)	(1,542,067)	3,898,262	(14,158,493)	7,423,141
Balance at the end of the year	9,745,688	20,602,803	15,521,382	17,013,249	32,342,585	92,494,478

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 2015**

	XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)	
	2015 HK\$	2014 HK\$
Balance at the beginning of the year	25,113,280	39,314,104
Proceeds on issue of units	15,399,300	-
Payment on redemption of units	(25,614,100)	(20,878,600)
	<hr/>	<hr/>
Net decrease from unit transactions	(10,214,800)	(20,878,600)
	<hr/>	<hr/>
Total comprehensive income/(loss) for the year	(7,419,004)	6,677,776
	<hr/>	<hr/>
Balance at the end of the year	<u>7,479,476</u>	<u>25,113,280</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 2015

	XIE Shares India (Nifty 50) 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)	
	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Operating activities						
Payments for purchase of investments	(40,221,930)	(72,592,123)	(11,565,744)	(37,930,741)	(34,568,165)	(35,418,698)
Proceeds from sale of investments	39,452,089	145,754,966	7,650,258	15,443,871	31,532,983	70,047,219
Dividends received	2,288,260	2,808,812	892,612	600,711	1,541,929	2,170,462
Interest received	5,259	10,612	2,051	2,870	2,206	5,642
Management fee paid	(455,610)	(546,750)	(201,082)	(149,732)	(276,454)	(340,078)
Dividend withholding tax paid	(101,773)	(127,040)	(54,443)	(34,134)	(54,610)	(83,101)
Preliminary expenses paid	-	(5,537)	-	(5,537)	-	(5,537)
Interest expense paid	(14,408)	(3,093)	(1,093)	(325)	(12,104)	(543)
Net receipts from/(payments to) swap counterparties	1,768,063	(1,722,795)	(621,055)	2,078,319	(345,306)	(962,645)
Others receipts and payments	(290,664)	(200,179)	(115,694)	(127,254)	(248,832)	(179,199)
Cash generated from/(used in) operating activities	2,429,286	73,376,873	(4,014,190)	(20,121,952)	(2,428,353)	35,233,522
Financing activities						
Proceeds from issue of units	28,528,500	55,774,600	7,591,100	37,794,500	30,231,600	33,750,800
Redemption paid on redemption of units	(44,346,600)	(120,820,700)	(5,954,000)	(7,484,050)	(34,148,800)	(72,530,600)
Cash generated from/(used in) financing activities	(15,818,100)	(65,046,100)	1,637,100	30,310,450	(3,917,200)	(38,779,800)
Net increase/(decrease) in cash and cash equivalents	(13,388,814)	8,330,773	(2,377,090)	10,188,498	(6,345,553)	(3,546,278)
Cash and cash equivalents at beginning of year	25,407,683	17,143,160	11,031,272	859,968	10,522,222	14,097,636
Net foreign exchange loss	(48,466)	(66,250)	(22,345)	(17,194)	(32,514)	(29,136)
Cash and cash equivalents at end of year	11,970,403	25,407,683	8,631,837	11,031,272	4,144,155	10,522,222
Analysis of balances of cash and cash equivalents						
Cash and cash equivalents	11,970,403	25,407,683	8,631,837	11,031,272	4,144,155	10,522,222

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 2015

	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))	
	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Operating activities						
Payments for purchase of investments	(14,285,152)	(14,799,417)	(5,605,939)	(9,589,882)	(27,298,471)	(59,267,341)
Proceeds from sale of investments	16,559,165	31,316,868	3,577,455	16,691,855	60,826,181	109,596,251
Dividends received	628,261	883,945	467,171	364,962	2,187,816	3,010,119
Interest received	1,543	4,376	881	1,957	5,734	14,237
Management fee paid	(106,338)	(162,565)	(82,604)	(72,600)	(398,663)	(576,053)
Dividend withholding tax paid	(31,555)	(45,088)	(13,897)	(19,277)	(98,156)	(132,011)
Preliminary expenses paid	-	(5,537)	-	(5,537)	-	(5,537)
Interest expense paid	(1,250)	(172)	(672)	(187)	(12,250)	(1,381)
Net receipts from/(payments to) swap counterparties	(100,407)	1,653,595	387,548	155,077	(1,099,957)	2,046,582
Others receipts and payments	(167,566)	(148,353)	(119,522)	(138,879)	(334,208)	(217,590)
Cash generated from/(used in) operating activities	2,496,701	18,697,652	(1,389,579)	7,387,489	33,778,026	54,467,276
Financing activities						
Proceeds from issue of units	12,032,700	-	5,788,000	-	27,351,000	27,434,400
Redemption paid on redemption of units	(15,990,350)	(22,649,550)	(5,737,800)	(5,485,350)	(73,344,400)	(85,215,900)
Cash generated from/(used in) financing activities	(3,957,650)	(22,649,550)	50,200	(5,485,350)	(45,993,400)	(57,781,500)
Net increase/(decrease) in cash and cash equivalents	(1,460,949)	(3,951,898)	(1,339,379)	1,902,139	(12,215,374)	(3,314,224)
Cash and cash equivalents at beginning of year	3,123,715	7,093,227	3,611,959	1,718,609	16,951,105	20,325,918
Net foreign exchange loss	(11,239)	(17,614)	(7,217)	(8,789)	(52,535)	(60,589)
Cash and cash equivalents at end of year	1,651,527	3,123,715	2,265,363	3,611,959	4,683,196	16,951,105
Analysis of balances of cash and cash equivalents						
Cash and cash equivalents	1,651,527	3,123,715	2,265,363	3,611,959	4,683,196	16,951,105

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 2015

	XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)	
	2015 HK\$	2014 HK\$
Operating activities		
Payments for purchase of investments	(18,490,254)	(19,804,138)
Proceeds from sale of investments	24,949,005	39,981,319
Dividends received	713,010	882,320
Interest received	1,999	4,809
Management fee paid	(130,715)	(160,009)
Dividend withholding tax paid	(25,065)	(40,393)
Preliminary expenses paid	-	(5,537)
Interest expense paid	(1,719)	(488)
Net receipts/(payments to) from swap counterparties	(660,335)	3,192,880
Others receipts and payments	(155,918)	(146,031)
Cash generated from/(used in) operating activities	6,200,008	23,904,732
Financing activities		
Proceeds from issue of units	15,399,300	-
Redemption paid on redemption of units	(25,614,100)	(20,878,600)
Cash used in financing activities	(10,214,800)	(20,878,600)
Net increase/(decrease) in cash and cash equivalents	(4,014,792)	3,026,132
Cash and cash equivalents at beginning of year	4,706,515	1,678,510
Net foreign exchange gain/(loss)	(14,757)	1,873
Cash and cash equivalents at end of year	676,966	4,706,515
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents	676,966	4,706,515

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 2015

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 2015, 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 (Nifty 50) ETF* (*This is a synthetic ETF)	Nifty 50 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 2015

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 (Nifty 50) ETF* (*This is a synthetic ETF)

The investment objective of XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF) is to provide investment results that, before fees and expenses, closely correspond to the performance of the Nifty 50 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 2015**

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 (collectively 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 2015

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2015 that have had a material impact on the Sub-Funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2 Summary of significant accounting policies (Continued)

New standards, amendments and interpretations effective after 1 January 2015 and have not been early adopted

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. 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 and 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 not recycling. 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 standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Sub-Funds are yet to assess IFRS 9's full impact.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material 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 2015**

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 2015**

2 Summary of significant accounting policies (Continued)

(c) Investments (Continued)

ii. Recognition, derecognition and measurement

Regular way 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. Refer to note 10(d) for details.

(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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Sub-Funds or the counterparty.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 2015**

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 unit at the time of issue or redemption. The Sub-Funds' net asset value per unit is calculated by dividing the net assets attributable to the holders of the 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 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 2015**

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. In June 2015, the Australian government further introduced legislation (“Legislation”) which exempts gains realised by a foreign managed fund on or after 1 July 2011 given the certain ownership conditions and other criteria can be met.

XIE Shares India (Nifty 50) 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%. As at 31 December 2015, the Manager considers that the charge for Australian tax on Australian investments is unlikely as at the date of approval of these financial statements. The Manager is of the view that the Sub-Funds should meet the criteria under the Legislation and should be eligible for the exemption of tax. No provision for such tax was made as at 31 December 2015 and 31 December 2014 accordingly. 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 2015**

4 Net gain/(loss) on investments

	XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)	XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)
	2015 HK\$	2014 HK\$
Net realised gain/(loss) on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	(8,659,858)	4,703,709
Net realised gain/(loss) on financial assets held for trading		
-Investments in derivative instruments	(9,537,414)	42,124,251
Net change in unrealised gain/(loss) on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	6,289,631	(5,769,297)
Net change in unrealised gain on financial assets held for trading		
-Investments in derivative instruments	1,237,267	167,838
	<u>(10,670,374)</u>	<u>41,226,501</u>

	XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)	XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)
	2015 HK\$	2014 HK\$
Net realised gain on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	1,242,310	748,802
Net realised gain/(loss) on financial assets held for trading		
-Investments in derivative instruments	(11,656,566)	1,524,309
Net change in unrealised loss on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	(795,678)	(172,826)
Net change in unrealised gain/(loss) on financial assets held for trading		
-Investments in derivative instruments	(988,497)	2,435,647
	<u>(12,198,431)</u>	<u>4,535,932</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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)
	2015 HK\$	2014 HK\$
Net realised gain/(loss) on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	(8,154,765)	1,475,880
Net realised loss on financial assets held for trading		
-Investments in derivative instruments	(2,032,772)	(7,471,966)
Net change in unrealised gain/(loss) on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	3,036,111	(4,858,734)
Net change in unrealised gain/(loss) on financial assets held for trading		
-Investments in derivative instruments	(346,051)	90,625
	<u>(7,497,477)</u>	<u>(10,764,195)</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)
	2015 HK\$	2014 HK\$
Net realised gain/(loss) on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	(2,121,121)	5,535,415
Net realised loss on financial assets held for trading		
-Investments in derivative instruments	(6,521,353)	(2,563,032)
Net change in unrealised gain/(loss) on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	1,556,284	(7,548,456)
Net change in unrealised gain/(loss) on financial assets held for trading		
-Investments in derivative instruments	(104,979)	1,479,977
	<u>(7,191,169)</u>	<u>(3,096,096)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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)
	2015 HK\$	2014 HK\$
Net realised gain on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	503,820	2,017,028
Net realised gain/(loss) on financial assets held for trading		
-Investments in derivative instruments	(993,872)	3,976,101
Net change in unrealised loss on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	(1,538,767)	(2,508,837)
Net change in unrealised gain on financial assets held for trading		
-Investments in derivative instruments	279,942	293,139
	<u>(1,748,877)</u>	<u>3,777,431</u>
	XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)	XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)
	2015 HK\$	2014 HK\$
Net realised gain/(loss) on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	(3,673,694)	15,568,744
Net realised gain/(loss) on financial assets held for trading		
-Investments in derivative instruments	(11,772,189)	7,118,315
Net change in unrealised gain/(loss) on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	1,939,575	(20,199,183)
Net change in unrealised gain/(loss) on financial assets held for trading		
-Investments in derivative instruments	(1,944,046)	3,153,630
	<u>(15,450,354)</u>	<u>5,641,506</u>

XIE Shares Trust I*(*This is a synthetic ETF)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****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)
	2015 HK\$	2014 HK\$
Net realised gain/(loss) on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	(1,075,203)	3,826,471
Net realised gain/(loss) on financial assets held for trading		
-Investments in derivative instruments	(6,402,160)	3,785,435
Net change in unrealised gain/(loss) on financial assets designated at fair value through profit or loss at inception		
-Investments in listed securities	370,624	(4,836,306)
Net change in unrealised gain/(loss) on financial assets held for trading		
-Investments in derivative instruments	(670,609)	3,432,695
	<u>(7,777,348)</u>	<u>6,208,295</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 will be borne by each of the Sub-Funds. Refer to “Management fee payable” in statement of financial position and “Management fees” in statement of comprehensive income for details.

XIE Shares Trust I*(*This is a synthetic ETF)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****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 as at 31 December 2015 and 2014 were as follows:

Sub-Funds

	2015 HK\$	2014 HK\$
<u>XIE Shares India (Nifty 50) ETF*</u> <u>(*This is a synthetic ETF)</u>		
Bank balances	11,970,403	25,407,683
Equity investments	57,106,940	68,278,525
<u>XIE Shares Indonesia (LQ45) ETF*</u> <u>(*This is a synthetic ETF)</u>		
Bank balances	8,631,837	11,031,272
Equity investments	31,681,719	38,976,167
<u>XIE Shares Korea (KOSPI 200) ETF*</u> <u>(*This is a synthetic ETF)</u>		
Bank balances	4,144,155	10,522,222
Equity investments	30,279,341	34,434,739
<u>XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF*</u> <u>(*This is a synthetic ETF)</u>		
Bank balances	1,651,527	3,123,715
Equity investments	8,277,987	17,612,443
<u>XIE Shares Philippines (PSEi) ETF*</u> <u>(*This is a synthetic ETF)</u>		
Bank balances	2,265,363	3,611,959
Equity investments	13,356,841	13,357,176
<u>XIE Shares Taiwan (TAIEX) ETF*</u> <u>(*This is a synthetic ETF)</u>		
Bank balances	4,683,196	16,951,105
Equity investments	27,712,307	74,648,802
<u>XIE Shares Thailand (SET50) ETF*</u> <u>(*This is a synthetic ETF)</u>		
Bank balances	676,966	4,706,515
Equity investments	6,908,894	20,448,399

XIE Shares Trust I*(*This is a synthetic ETF)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****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 2015 and 2014, the following are the outstanding transaction fees payable to the Trustee of each Sub-Fund.

Sub-Funds	Transaction fee 2015 HK\$	Transaction fee 2014 HK\$
XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)	10,000	10,000
XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)	10,000	10,000
XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)	10,000	10,000
XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)	10,000	10,000
XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)	-	-
XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)	10,000	10,000
XIE Shares Thailand (SET50) ETF* (*This is a synthetic ETF)	10,000	10,000

XIE Shares Trust I*(*This is a synthetic ETF)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****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 2015 and 2014, no other comprehensive income has been incurred or recognised in the statement of comprehensive income. As at 31 December 2015 and 2014, 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 2015 and 2014 is reconciled below:

	XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)		XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF)	
	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Accounting NAV as reported in the statement of financial position	69,464,669	94,621,377	40,234,924	50,404,871
Adjustment for preliminary expenses	258,999	464,696	88,677	157,491
Dealing NAV	<u>69,723,668</u>	<u>95,086,073</u>	<u>40,323,601</u>	<u>50,562,362</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

(a) Net assets attributable to unitholders (Continued)

	XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)		XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF)	
	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Accounting NAV as reported in the statement of financial position				
Adjustment for preliminary expenses	34,318,916	44,822,842	9,745,688	20,602,803
	256,384	460,979	138,712	248,141
Dealing NAV	<u>34,575,300</u>	<u>45,283,821</u>	<u>9,884,400</u>	<u>20,850,944</u>
	XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)		XIE Shares Taiwan (TAIEX) ETF* (*This is a synthetic ETF)	
	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Accounting NAV as reported in the statement of financial position				
Adjustment for preliminary expenses	15,521,382	17,013,249	32,342,585	92,494,478
	89,002	157,967	268,296	481,554
Dealing NAV	<u>15,610,384</u>	<u>17,171,216</u>	<u>32,610,881</u>	<u>92,976,032</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

**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)	
	2015 HK\$	2014 HK\$
Accounting NAV as reported in the statement of financial position	7,479,476	25,113,280
Adjustment for preliminary expenses	139,080	248,683
Dealing NAV	<u>7,618,556</u>	<u>25,361,963</u>

(b) Movement of the redeemable units

The movements of the redeemable units of the Sub-Funds for the year ended 31 December 2015 and 2014 are as follows:

	XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)	XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)
	2015	2014
	Units	Units
Units in issue at the beginning of the year	10,000,000	16,000,000
Issue of units	3,000,000	7,000,000
Redemption of units	(5,000,000)	(13,000,000)
Units in issue at the end of the year	8,000,000	10,000,000
Net assets attributable to unitholders (Accounting NAV)	HK\$69,464,669	HK\$94,621,377
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$8.6831	HK\$9.4621
Net assets attributable to unitholders (Dealing NAV)	HK\$69,723,668	HK\$95,086,073
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$8.7155	HK\$9.5086

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

**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)
	2015	2014
	Units	Units
Units in issue at the beginning of the year	6,500,000	2,500,000
Issue of units	1,000,000	5,000,000
Redemption of units	(1,000,000)	(1,000,000)
Units in issue at the end of the year	6,500,000	6,500,000
Net assets attributable to unitholders (Accounting NAV)	HK\$40,234,924	HK\$50,404,871
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$6.1900	HK\$7.7546
Net assets attributable to unitholders (Dealing NAV)	HK\$40,323,601	HK\$50,562,362
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$6.2036	HK\$7.7788
	XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)	XIE Shares Korea (KOSPI 200) ETF* (*This is a synthetic ETF)
	2015	2014
	Units	Units
Units in issue at the beginning of the year	6,000,000	11,000,000
Issue of units	4,000,000	4,000,000
Redemption of units	(5,000,000)	(9,000,000)
Units in issue at the end of the year	5,000,000	6,000,000
Net assets attributable to unitholders (Accounting NAV)	HK\$34,318,916	HK\$44,822,842
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$6.8638	HK\$7.4705
Net assets attributable to unitholders (Dealing NAV)	HK\$34,575,300	HK\$45,283,821
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$6.9151	HK\$7.5473

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

**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)
	2015	2014
	Units	Units
Units in issue at the beginning of the year	2,500,000	5,000,000
Issue of units	1,500,000	-
Redemption of units	(2,500,000)	(2,500,000)
Units in issue at the end of the year	1,500,000	2,500,000
Net assets attributable to unitholders (Accounting NAV)	HK\$9,745,688	HK\$20,602,803
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$6.4971	HK\$8.2411
Net assets attributable to unitholders (Dealing NAV)	HK\$9,884,400	HK\$20,850,944
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$6.5896	HK\$8.3404
	XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)	XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF)
	2015	2014
	Units	Units
Units in issue at the beginning of the year	1,500,000	2,000,000
Issue of units	500,000	-
Redemption of units	(500,000)	(500,000)
Units in issue at the end of the year	1,500,000	1,500,000
Net assets attributable to unitholders (Accounting NAV)	HK\$15,521,382	HK\$17,013,249
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$10.3476	HK\$11.3422
Net assets attributable to unitholders (Dealing NAV)	HK\$15,610,384	HK\$17,171,216
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$10.4069	HK\$11.4475

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

**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)
	2015	2014
	Units	Units
Units in issue at the beginning of the year	10,000,000	16,000,000
Issue of units	3,000,000	3,000,000
Redemption of units	(9,000,000)	(9,000,000)
Units in issue at the end of the year	4,000,000	10,000,000
Net assets attributable to unitholders (Accounting NAV)	HK\$32,342,585	HK\$92,494,478
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$8.0856	HK\$9.2494
Net assets attributable to unitholders (Dealing NAV)	HK\$32,610,881	HK\$92,976,032
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$8.1527	HK\$9.2976
	XIE Shares Thailand (SET50)ETF* (*This is a synthetic ETF)	XIE Shares Thailand (SET50)ETF* (*This is a synthetic ETF)
	2015	2014
	Units	Units
Units in issue at the beginning of the year	2,500,000	4,500,000
Issue of units	1,500,000	-
Redemption of units	(3,000,000)	(2,000,000)
Units in issue at the end of the year	1,000,000	2,500,000
Net assets attributable to unitholders (Accounting NAV)	HK\$7,479,476	HK\$25,113,280
Net assets attributable to unitholders (Accounting NAV) per unit	HK\$7.4795	HK\$10.0453
Net assets attributable to unitholders (Dealing NAV)	HK\$7,618,556	HK\$25,361,963
Net assets attributable to unitholders (Dealing NAV) per unit	HK\$7.6186	HK\$10.1448

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 2015 and 2014.

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 2015 and 2014, 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 (2014: 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 2015

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)

As at 31 December 2015 and 2014, the Sub-Fund's fair value of investments exposed to price risk was as follows:

XIE Shares India (Nifty 50) ETF* **(*This is a synthetic ETF)**

		Fair value 2015 HK\$	% of NAV
As at 31 December 2015			
Equity			
-Listed equities			
Japan		54,372,693	78.27%
Singapore		2,734,247	3.94%
		<u>57,106,940</u>	<u>82.21%</u>
	Notional value 2015 HK\$	Fair value 2015 HK\$	% of NAV
Derivative financial assets			
-Index swaps - Nifty 50 Index	69,428,074	1,603,378	2.31%
-Equity swaps	(33,786,788)	1,045,363	1.50%
		<u>2,648,741</u>	<u>3.81%</u>
Derivative financial liabilities			
-Equity swaps	(23,320,243)	(850,480)	(1.22)%
		<u>(850,480)</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 2015

10 Financial risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

XIE Shares India (Nifty 50) 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 - Nifty 50 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 - Nifty 50 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>

The Sub-Fund invested in Index Swaps which are linked to investments of those Indian companies comprising the Nifty 50 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 Nifty 50 Index.

Sensitivity analysis in the event of a possible change in the index by 3% (2014: 3%) as assumed by the Manager

As at 31 December 2015, if the Nifty 50 Index had increased by 3% (2014: 3%) with all other variables held constant, this would have increased the net asset value of the Sub-Fund by approximately HK\$2,083,831 (2014: HK\$2,838,497). Conversely, if the Nifty 50 Index had decreased by 3% (2014: 3%), this would have decreased the net asset value of the Sub-Fund by equal amounts.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015 and 2014, 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 2015 HK\$	% of NAV
As at 31 December 2015			
Equity			
-Listed equities			
Japan		27,013,631	67.14%
Singapore		4,668,088	11.60%
		<u>31,681,719</u>	<u>78.74%</u>
	Notional value 2015 HK\$	Fair value 2015 HK\$	% of NAV
Derivative financial assets			
-Index swaps – IDX LQ45 Index	40,096,220	1,200,899	2.99%
-Equity swaps	(18,699,154)	565,231	1.40%
		<u>1,766,130</u>	<u>4.39%</u>
Derivative financial liabilities			
-Equity swaps	(12,982,596)	(489,378)	(1.22)%
		<u>(489,378)</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 2015**

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 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>

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% (2014: 3%) as assumed by the Manager

As at 31 December 2015, if the LQ45 Index had increased by 3% (2014: 3%) with all other variables held constant, this would have increased the net asset value of the Sub-Fund by approximately HK\$1,207,011 (2014: HK\$1,512,122). Conversely, if the LQ45 Index had decreased by 3% (2014: 3%), this would have decreased the net asset value of the Sub-Fund by equal amounts.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015 and 2014, 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 2015 HK\$	% of NAV
As at 31 December 2015			
Equity			
-Listed equities			
Japan		29,809,739	86.86%
Singapore		469,602	1.37%
		<u>30,279,341</u>	<u>88.23%</u>
	Notional value 2015 HK\$	Fair value 2015 HK\$	% of NAV
Derivative financial assets			
-Equity swaps	(16,613,643)	587,033	1.71%
		<u>587,033</u>	<u>1.71%</u>
Derivative financial liabilities			
-Index swaps – KOSPI 200 Index	34,468,199	(609,607)	(1.78)%
-Equity swaps	(13,665,745)	(481,613)	(1.40)%
		<u>(1,091,220)</u>	<u>(3.18)%</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 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>

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% (2014: 3%) as assumed by the Manager

As at 31 December 2015, if the KOSPI 200 Index had increased by 3% (2014: 3%) with all other variables held constant, this would have increased the net asset value of the Sub-Fund by approximately HK\$1,028,084 (2014: HK\$1,344,139). Conversely, if the KOSPI 200 Index had decreased by 3% (2014: 3%), this would have decreased the net asset value of the Sub-Fund by equal amounts.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015 and 2014, 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 2015 HK\$	% of NAV
As at 31 December 2015			
Equity			
-Listed equities			
Japan		8,277,987	84.94%
		<u>8,277,987</u>	<u>84.94%</u>
	Notional value 2015 HK\$	Fair value 2015 HK\$	% of NAV
Derivative financial assets			
Index swaps – FTSE Bursa Malaysia KLCI	9,867,834	405,352	4.16%
-Equity swaps	(4,379,980)	147,377	1.51%
		<u>552,729</u>	<u>5.67%</u>
Derivative financial liabilities			
-Equity swaps	(3,898,020)	(143,605)	(1.47)%
		<u>(143,605)</u>	<u>(1.47)%</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 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>

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% (2014: 3%) as assumed by the Manager

As at 31 December 2015, if the FTSE Bursa Malaysia KLCI Index had increased by 3% (2014: 3%) with all other variables held constant, this would have increased the net asset value of the Sub-Fund by approximately HK\$292,351 (2014: HK\$618,063). Conversely, if the FTSE Bursa Malaysia KLCI Index had decreased by 3% (2014: 3%), this would have decreased the net asset value of the Sub-Fund by equal amounts.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015 and 2014, 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 2015 HK\$	% of NAV
As at 31 December 2015			
Equity			
-Listed equities			
Japan		4,728,414	30.46%
Singapore		8,628,427	55.59%
		<u>13,356,841</u>	<u>86.05%</u>
	Notional value 2015 HK\$	Fair value 2015 HK\$	% of NAV
Derivative financial assets			
-Index swaps – PSEi Index	15,588,438	233,338	1.50%
-Equity swaps	(5,667,001)	196,361	1.27%
		<u>429,699</u>	<u>2.77%</u>
Derivative financial liabilities			
-Equity swaps	(7,689,802)	(183,915)	(1.18)%
		<u>(183,915)</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 2015**

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 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>

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% (2014: 3%) as assumed by the Manager

As at 31 December 2015, if the PSEi Index had increased by 3% (2014: 3%) with all other variables held constant, this would have increased the net asset value of the Sub-Fund by approximately HK\$465,608 (2014: HK\$510,385). Conversely, if the PSEi Index had decreased by 3% (2014: 3%), this would have decreased the net asset value of the Sub-Fund by equal amounts.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015 and 2014, 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 2015 HK\$	% of NAV
As at 31 December 2015			
Equity			
-Listed equities			
Japan		27,547,870	85.17%
Singapore		164,437	0.51%
		<u>27,712,307</u>	<u>85.68%</u>
	Notional value 2015 HK\$	Fair value 2015 HK\$	% of NAV
Derivative financial assets			
-Equity swaps	(19,457,235)	688,923	2.13%
		<u>688,923</u>	<u>2.13%</u>
Derivative financial liabilities			
-Index swaps –TAIEX Index	32,431,599	(119,574)	(0.37)%
-Equity swaps	(8,255,116)	(324,383)	(1.00)%
		<u>(443,957)</u>	<u>(1.37)%</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 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>

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% (2014: 3%) as assumed by the Manager

As at 31 December 2015, if the TAIEX Index had increased by 3% (2014: 3%) with all other variables held constant, this would have increased the net asset value of the Sub-Fund by approximately HK\$970,159 (2014: HK\$2,774,718). Conversely, if the TAIEX Index had decreased by 3% (2014: 3%), this would have decreased the net asset value of the Sub-Fund by equal amounts.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015 and 2014, 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 2015 HK\$	% of NAV
As at 31 December 2015			
Equity			
-Listed equities			
Japan		6,908,894	92.37%
		<u>6,908,894</u>	<u>92.37%</u>
	Notional value 2015 HK\$	Fair value 2015 HK\$	% of NAV
Derivative financial assets			
-Equity swaps	(3,926,023)	136,276	1.82%
		<u>136,276</u>	<u>1.82%</u>
Derivative financial liabilities			
-Index swaps –SET50 Index	7,573,291	(699,563)	(9.35)%
-Equity swaps	(2,982,882)	(112,546)	(1.51)%
		<u>(812,109)</u>	<u>(10.86)%</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 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>

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% (2014: 3%) as assumed by the Manager

As at 31 December 2015, if the SET50 Index had increased by 3% (2014: 3%) with all other variables held constant, this would have increased the net asset value of the Sub-Fund by approximately HK\$224,369 (2014: HK\$753,365). Conversely, if the SET50 Index had decreased by 3% (2014: 3%), this would have decreased the net asset value of the Sub-Fund by equal amounts.

The Manager has made assumptions of what would constitute a “reasonable shift” in the relevant market index 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 2015

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 2015 and 2014, interest rate risk arises from bank balances and investments in derivative instruments. 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 ("HK dollar"), and are therefore exposed to currency risk with respect to these currencies. The Manager considers that there is insignificant currency risk to the United States dollar ("US dollar") which is a linked currency with the HK dollar.

XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)

The Sub-Fund is exposed to currency risk related to the HK 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 HK dollar and the US dollar.

As at 31 December 2015	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
INR	-	69,428,074

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

The table below summarises the sensitivity of the Sub-Fund's net exposure, both monetary and non-monetary, to changes in foreign exchange movements as at 31 December 2015. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2014: 2%) with respect to the HK dollar, with all other variables held constant. This represents the Manager's assumption 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 2015	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
INR	-	1,388,561

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 HK 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 HK dollar and the US dollar.

As at 31 December 2015	Monetary HK\$ Equivalent	Non-monetary HK\$ Equivalent
IDR	-	40,096,220
As at 31 December 2014	Monetary HK\$ Equivalent	Non-monetary HK\$ Equivalent
IDR	-	50,370,753

The table below summarises the sensitivity of the Sub-Fund's net exposure, both monetary and non-monetary, to changes in foreign exchange movements as at 31 December 2015. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2014: 2%) with respect to the HK dollar, with all other variables held constant. This represents the Manager's assumption 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 2015	Monetary HK\$ Equivalent	Non-monetary HK\$ Equivalent
IDR	-	801,924
As at 31 December 2014	Monetary HK\$ Equivalent	Non-monetary HK\$ Equivalent
IDR	-	1,007,415

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

The Sub-Fund is exposed to currency risk related to the HK 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 HK dollar and the US dollar.

As at 31 December 2015	Monetary HK\$ Equivalent	Non-monetary HK\$ Equivalent
KRW	-	34,468,199
As at 31 December 2014	Monetary HK\$ Equivalent	Non-monetary HK\$ Equivalent
KRW	-	45,222,928

XIE Shares Trust I*(*This is a synthetic ETF)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****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 as at 31 December 2015. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2014: 2%) with respect to the HK dollar, with all other variables held constant. This represents the Manager's assumption 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 2015	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
KRW	-	689,364
As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
KRW	-	904,459

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

The Sub-Fund is exposed to currency risk related to the HK 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 HK dollar and the US dollar.

As at 31 December 2015	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
MYR	-	9,867,834
As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
MYR	-	20,820,200

The table below summarises the sensitivity of the Sub-Fund's net exposure, both monetary and non-monetary, to changes in foreign exchange movements as at 31 December 2015. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2014: 2%) with respect to the HK dollar, with all other variables held constant. This represents the Manager's assumption 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 2015	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
MYR	-	197,357
As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
MYR	-	416,404

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 HK 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 HK dollar and the US dollar.

As at 31 December 2015	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
PHP	-	15,588,438
As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
PHP	-	17,119,171

The table below summarises the sensitivity of the Sub-Fund's net exposure, both monetary and non-monetary, to changes in foreign exchange movements as at 31 December 2015. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2014: 2%) with respect to the HK dollar, with all other variables held constant. This represents the Manager's assumption 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 2015	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
PHP	-	311,769
As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
PHP	-	342,383

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

The Sub-Fund is exposed to currency risk related to the HK 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 HK dollar and the US dollar.

As at 31 December 2015	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
TWD	-	32,431,599
As at 31 December 2014	Monetary	Non-monetary
	HK\$ Equivalent	HK\$ Equivalent
TWD	-	92,456,461

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 as at 31 December 2015. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2014: 2%) with respect to the HK dollar, with all other variables held constant. This represents the Manager's assumption 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 2015	Monetary HK\$ Equivalent	Non-monetary HK\$ Equivalent
TWD	-	648,632
As at 31 December 2014	Monetary HK\$ Equivalent	Non-monetary HK\$ Equivalent
TWD	-	1,849,129

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

The Sub-Fund is exposed to currency risk related to the HK 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 HK dollar and the US dollar.

As at 31 December 2015	Monetary HK\$ Equivalent	Non-monetary HK\$ Equivalent
THB	-	7,573,291
As at 31 December 2014	Monetary HK\$ Equivalent	Non-monetary HK\$ Equivalent
THB	-	25,338,768

The table below summarises the sensitivity of the Sub-Fund's net exposure, both monetary and non-monetary, to changes in foreign exchange movements as at 31 December 2015. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% (2014: 2%) with respect to the HK dollar, with all other variables held constant. This represents the Manager's assumption 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 2015	Monetary HK\$ Equivalent	Non-monetary HK\$ Equivalent
THB	-	151,466
As at 31 December 2014	Monetary HK\$ Equivalent	Non-monetary HK\$ Equivalent
THB	-	506,775

The Manager has made assumptions of what would constitute a "reasonable shift" in exchange rates ~~on changes~~ 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 2015**

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 Standard & Poor's ("S&P") BBB-.

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 2015 together with their credit ratings of senior long-term debt by S&P's rating services:

XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)

	2015		2014	
	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		57,106,940		68,278,525
- Cash and cash equivalents		11,970,403		25,407,683
		<u>69,077,343</u>		<u>93,686,208</u>
Counterparties				
JPMorgan Chase Bank N.A.	A+		A+	
- Derivative instruments		-		94,494
- Receivable due from swap counterparties		-		140,254
- Amounts due from brokers		33,785		-
		<u>33,785</u>		<u>234,748</u>
BNP Paribas	A+		A+	
- Derivative instruments		-		5,883
		<u>-</u>		<u>5,883</u>
Standard Chartered Bank	AA-		AA-	
- Derivative instruments		1,798,261		460,617
- Receivable due from swap counterparties		-		465,289
- Payable due to swap counterparties		(1,162,520)		-
		<u>635,741</u>		<u>925,906</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)

	2015		2014	
	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		31,681,719		38,976,167
- Cash and cash equivalents		8,631,837		11,031,272
		<u>40,313,556</u>		<u>50,007,439</u>
Counterparties				
BNP Paribas	A+		A+	
- Derivative instruments		26,735		4,922
- Receivable due from swap counterparties				77,548
- Payable due to swap counterparties		(77,583)		-
		<u>(50,848)</u>		<u>82,470</u>
Standard Chartered Bank	AA-		AA-	
- Derivative instruments		1,250,017		2,260,327
- Payable due to swap counterparties		(1,162,520)		(1,938,706)
		<u>(87,497)</u>		<u>321,621</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 2015**

10 Financial risk management (Continued)

(b) Credit and counterparty risk (Continued)

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

		2015	2014
	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		30,279,341	34,434,739
- Cash and cash equivalents		4,144,155	10,522,222
		<u>34,423,496</u>	<u>44,956,961</u>
Counterparties			
JPMorgan Chase Bank N.A.	A+		A+
- Derivative instruments		-	279,701
- Payable due to swap counterparties		-	(268,086)
- Amounts due from brokers		39,154	-
		<u>39,154</u>	<u>11,615</u>
Standard Chartered Bank	AA-		AA-
- Derivative instruments		(504,187)	(437,837)
- Receivable due from swap counterparties		542,509	465,289
		<u>38,322</u>	<u>27,452</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 2015**

10 Financial risk management (Continued)

(b) Credit and counterparty risk (Continued)

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

		2015		2014
	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		8,277,987		17,612,443
- Cash and cash equivalents		1,651,527		3,123,715
		<u>9,929,514</u>		<u>20,736,158</u>
Counterparties				
JPMorgan Chase Bank N.A.	A+		A+	
- Derivative instruments		-		(107,064)
- Receivable due from swap counterparties		-		54,974
- Amounts due to brokers		(25,747)		-
		<u>(25,747)</u>		<u>(52,090)</u>
Standard Chartered Bank	AA-		AA-	
- Derivative instruments		409,124		621,167
- Payable due to swap counterparties		(465,005)		(620,386)
		<u>(55,881)</u>		<u>781</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 2015**

10 Financial risk management (Continued)

(b) Credit and counterparty risk (Continued)

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

	2015		2014	
	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		13,356,841		13,357,176
- Cash and cash equivalents		2,265,363		3,611,959
		<u>15,622,204</u>		<u>16,969,135</u>
Counterparties				
BNP Paribas	A+		A+	
- Derivative instruments		149,765		54,281
- Payable due to swap counterparties		(155,003)		(77,548)
		<u>(5,238)</u>		<u>(23,267)</u>
Standard Chartered Bank	AA-		AA-	
- Derivative instruments		96,019		(88,439)
- Receivable due from/(payable due to) swap counterparties		(154,997)		155,096
		<u>(58,978)</u>		<u>66,657</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 2015**

10 Financial risk management (Continued)

(b) Credit and counterparty risk (Continued)

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

	2015		2014	
	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		27,712,307		74,648,802
- Cash and cash equivalents		4,683,196		16,951,105
		<u>32,395,503</u>		<u>91,599,907</u>
Counterparties				
JPMorgan Chase Bank N.A.	A+		A+	
- Derivative instruments		-		846,975
- Payable due to swap counterparties		-		(479,607)
- Amounts due to brokers		(97,523)		-
		<u>(97,523)</u>		<u>367,368</u>
Standard Chartered Bank	AA-		AA-	
- Derivative instruments		244,966		1,342,037
- Receivable due from/(payable due to) swap counterparties		77,512		(542,838)
		<u>322,478</u>		<u>799,199</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 2015**

10 Financial risk management (Continued)

(b) Credit and counterparty risk (Continued)

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

	2015		2014	
	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		6,908,894		20,448,399
- Cash and cash equivalents		676,966		4,706,515
		<u>7,585,860</u>		<u>25,154,914</u>
Counterparties				
JPMorgan Chase Bank N.A.	A+		A+	
- Derivative instruments		-		(87,816)
- Receivable due from swap counterparties		-		114,725
- Amounts due to brokers		(25,985)		-
		<u>(25,985)</u>		<u>26,909</u>
Standard Chartered Bank	AA-		AA-	
- Derivative instruments		(675,833)		82,592
- Payable to swap counterparties		-		(77,548)
- Receivable due from swap counterparties		697,512		-
		<u>21,679</u>		<u>5,044</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 2015****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 2015 and 2014, all of the Sub-Funds' financial liabilities have contractual maturities not later than one month. As at 31 December 2015 and 2014, 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 (Nifty 50) 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 2015				
Total financial assets	14,652,929	-	57,106,940	71,759,869
Total financial liabilities	2,295,200	-	-	2,295,200
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

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 2015				
Total financial assets	10,397,967	-	31,681,719	42,079,686
Total financial liabilities	1,844,762	-	-	1,844,762
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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10 Financial risk management (Continued)

(c) Liquidity risk (Continued)

XIE Shares Korea (KOSPI 200) 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 2015				
Total financial assets	5,312,851	-	30,279,341	35,592,192
Total financial liabilities	1,273,276	-	-	1,273,276
As at 31 December 2014				
Total financial assets	11,473,829	-	34,434,739	45,908,568
Total financial liabilities	1,085,726	-	-	1,085,726

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) 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 2015				
Total financial assets	2,204,256	-	8,277,987	10,482,243
Total financial liabilities	736,555	-	-	736,555
As at 31 December 2014				
Total financial assets	4,155,632	-	17,612,443	21,768,075
Total financial liabilities	1,165,272	-	-	1,165,272

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 2015				
Total financial assets	2,718,343	-	13,356,841	16,075,184
Total financial liabilities	553,802	-	-	553,802
As at 31 December 2014				
Total financial assets	3,986,421	-	13,357,176	17,343,597
Total financial liabilities	330,348	-	-	330,348

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 2015				
Total financial assets	5,449,631	-	27,712,307	33,161,938
Total financial liabilities	819,353	-	-	819,353
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

XIE Shares Trust I* (*This is a synthetic ETF)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015****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 2015				
Total financial assets	1,510,754	-	6,908,894	8,419,648
Total financial liabilities	940,172	-	-	940,172
As at 31 December 2014				
Total financial assets	5,457,088	-	20,448,399	25,905,487
Total financial liabilities	792,207	-	-	792,207

(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
FOR THE YEAR ENDED 31 DECEMBER 2015****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 as at 31 December 2015 and 2014:

XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)

As at 31 December 2015	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	57,106,940	-	-	57,106,940
- Index swaps	-	1,603,378	-	1,603,378
- Equity swaps	-	1,045,363	-	1,045,363
	<u>57,106,940</u>	<u>2,648,741</u>	<u>-</u>	<u>59,755,681</u>
Financial liabilities at fair value through profit or loss				
- Index swaps	-	-	-	-
- Equity swaps	-	850,480	-	850,480
	<u>-</u>	<u>850,480</u>	<u>-</u>	<u>850,480</u>
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	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>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10 Financial risk management (Continued)

(d) Fair value estimation (Continued)

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

As at 31 December 2015	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	31,681,719	-	-	31,681,719
- Index swaps	-	1,200,899	-	1,200,899
- Equity swaps	-	565,231	-	565,232
	<u>31,681,719</u>	<u>1,766,130</u>	<u>-</u>	<u>33,447,850</u>
Financial liabilities at fair value through profit or loss				
- Equity swaps	-	489,378	-	489,378
	<u>-</u>	<u>489,378</u>	<u>-</u>	<u>489,378</u>
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>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 2015	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	30,279,341	-	-	30,279,341
- Equity swaps	-	587,033	-	587,033
	<u>30,279,341</u>	<u>587,033</u>	<u>-</u>	<u>30,866,374</u>
Financial liabilities at fair value through profit or loss				
- Index swaps	-	609,607	-	609,607
- Equity swaps	-	481,613	-	481,613
	<u>-</u>	<u>1,091,220</u>	<u>-</u>	<u>1,091,220</u>
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>

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 2015	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	8,277,987	-	-	8,277,987
- Index swaps	-	405,352	-	405,352
- Equity swaps	-	147,377	-	147,377
	<u>8,277,987</u>	<u>552,729</u>	<u>-</u>	<u>8,830,716</u>
Financial liabilities at fair value through profit or loss				
- Index swaps	-	-	-	-
- Equity swaps	-	143,605	-	143,605
	<u>-</u>	<u>143,605</u>	<u>-</u>	<u>143,605</u>
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>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10 Financial risk management (Continued)

(d) Fair value estimation (Continued)

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

As at 31 December 2015	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	13,356,841	-	-	13,356,841
- Index swaps	-	233,338	-	233,338
- Equity swaps	-	196,361	-	196,361
	<u>13,356,841</u>	<u>429,699</u>	<u>-</u>	<u>13,786,540</u>
Financial liabilities at fair value through profit or loss				
- Index swaps	-	-	-	-
- Equity swaps	-	183,915	-	183,915
	<u>-</u>	<u>183,915</u>	<u>-</u>	<u>183,915</u>
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>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10 Financial risk management (Continued)

(d) Fair value estimation (Continued)

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

As at 31 December 2015	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	27,712,307	-	-	27,712,307
- Equity swaps	-	688,923	-	688,923
	<u>27,712,307</u>	<u>688,923</u>	<u>-</u>	<u>28,401,230</u>
Financial liabilities at fair value through profit or loss				
- Index swaps	-	119,574	-	119,574
- Equity swaps	-	324,383	-	324,383
	<u>-</u>	<u>443,957</u>	<u>-</u>	<u>443,957</u>
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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10 Financial risk management (Continued)

(d) Fair value estimation (Continued)

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

As at 31 December 2015	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Financial assets at fair value through profit or loss				
- Listed securities	6,908,894	-	-	6,908,894
- Equity swaps	-	136,276	-	136,276
	<u>6,908,894</u>	<u>136,276</u>	<u>-</u>	<u>7,045,170</u>
Financial liabilities at fair value through profit or loss				
- Index swaps	-	699,563	-	699,563
- Equity swaps	-	112,546	-	112,546
	<u>-</u>	<u>812,109</u>	<u>-</u>	<u>812,109</u>
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>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10 Financial risk management (Continued)

(d) Fair value estimation (Continued)

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 2015 and 2014, 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.

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

As at 31 December 2015 and 2014, the Sub-Funds were subject to 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 types of financial instrument.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

10 Financial risk management (Continued)

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

XIE Shares India (Nifty 50) 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
2015						
Derivative assets	2,648,741	-	2,648,741	2,013,000	-	635,741
Amounts due from brokers	33,785	-	33,785	-	-	33,785
2014						
Derivative assets	1,679,970	-	1,679,970	1,118,976	-	560,994
Receivable due from swap counterparties	605,543	-	605,543	-	-	605,543

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
2015						
Derivative liabilities	850,480	-	850,480	850,480	-	-
Payable due to swap counterparties	1,162,520	-	1,162,520	1,162,520	-	-
2014						
Derivative liabilities	1,118,976	-	1,118,976	1,118,976	-	-

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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>2015</u>						
Derivative assets	1,766,130	-	1,766,130	1,678,634	-	87,496
<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

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		Net amount
				D(i) Financial instruments	D(ii) Cash collateral	
<u>2015</u>						
Derivative liabilities	489,378	-	489,378	489,378	-	-
Payable due to swap counterparties	1,240,103	-	1,240,103	1,189,256	-	50,847
<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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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>2015</u>						
Derivative assets	587,033	-	587,033	587,033	-	-
Receivable due from swap counterparties	542,509	-	542,509	504,187	-	38,322
Amounts due from brokers	39,154	-	39,154	-	-	39,154
<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

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>2015</u>						
Derivative liabilities	1,091,220	-	1,091,220	1,091,220	-	-
<u>2014</u>						
Derivative liabilities	623,883	-	623,883	623,883	-	-
Payable due to swap counterparties	268,086	-	268,086	268,086	-	-

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 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>2015</u>						
Derivative assets	552,729	-	552,729	552,729	-	-
<u>2014</u>						
Derivative assets	956,372	-	956,372	955,591	-	781
Receivable due from swap counterparties	54,974	-	54,974	54,974	-	-

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		Net amount
				D(i) Financial instruments	D(ii) Cash collateral	
<u>2015</u>						
Derivative liabilities	143,605	-	143,605	143,605	-	-
Payable due to swap counterparties	465,005	-	465,005	409,124	-	55,881
Amounts due to brokers	25,747	-	25,474	-	-	25,747
<u>2014</u>						
Derivative liabilities	442,269	-	442,269	390,179	-	52,090
Payable due to swap counterparties	620,386	-	620,386	620,386	-	-

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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>2015</u>						
Derivative assets	429,699	-	429,699	429,699	-	-
<u>2014</u>						
Derivative assets	173,856	-	173,856	173,856	-	-
Receivable due from swap counterparties	155,096	-	155,096	88,439	-	66,657

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>2015</u>						
Derivative liabilities	183,915	-	183,915	183,915	-	-
Payable due to swap counterparties	310,000	-	310,000	245,784	-	64,216
<u>2014</u>						
Derivative liabilities	208,014	-	208,014	208,014	-	-
Payable due to swap counterparties	77,548	-	77,548	54,281	-	23,267

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 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		
	Gross amounts of recognised financial assets			D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2015</u>						
Derivative assets	688,923	-	688,923	443,957	-	244,966
Receivable due from swap counterparties	77,512	-	77,512	-	-	77,512
<u>2014</u>						
Derivative assets						1,166,56
	3,152,462	-	3,152,462	1,985,895	-	7

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 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		
	Gross amounts of recognised financial liabilities			D(i) Financial instruments	D(ii) Cash collateral	Net amount
<u>2015</u>						
Derivative liabilities	443,957	-	443,957	443,957	-	-
Amounts due to brokers	97,523	-	97,523	-	-	97,523
<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	-	-

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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
2015						
Derivative assets	136,276	-	136,276	136,276	-	-
Receivable due from swap counterparties	697,512	-	697,512	675,833	-	21,679
2014						
Derivative assets	615,277	-	615,277	610,233	-	5,044
Receivable due from swap counterparties	114,725	-	114,725	87,816	-	26,909

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
2015						
Derivative liabilities	812,109	-	812,109	812,109	-	-
Amounts due to brokers	25,985	-	25,985	-	-	25,985
2014						
Derivative liabilities	620,501	-	620,501	620,501	-	-
Payable due to swap counterparties	77,548	-	77,548	77,548	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 dividends receivable, amount 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 2015**

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 listed securities and derivative instruments. 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 2015 and 31 December 2014 for XIE Shares India (Nifty 50) 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 2015 and 2014, the Sub-Funds did not hold the constituent securities of their respective Underlying Indices.

XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)

There were no constituent securities that individually accounted for more than 10% of their respective weightings of the Nifty 50 Index as at 31 December 2015 and 2014.

During the year ended 31 December 2015, the Nifty 50 Index decreased by 8.52% (2014: increased by 30.53%), while the net asset value per unit of the Sub-Fund decreased by 8.34% (2014: increased by 29.55%).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

The following lists the constituent securities that individually accounted for more than 10% of IDX LQ45 Index as at 31 December 2015:

Constituent securities	Respective weighting in IDX LQ45 Index	
	2015	2014
Bank Central Asia Tbk PT	10.99%	
Telekomunikasi Indonesia Persero	10.60%	

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.

During the year ended 31 December 2015, the IDX LQ45 Index decreased by 20.86% (2014: increased by 26.68%), while the net asset value per unit of the Sub-Fund decreased by 20.25% (2014: increased by 25.29%).

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 at 31 December 2015 and 2014:

Constituent securities	Respective weighting in KOSPI 200 Index	
	2015	2014
Samsung Electronics Co Ltd	21.07%	22.79%

During the year ended 31 December 2015, the KOSPI 200 Index decreased by 7.72% (2014: decreased by 11.30%), while the net asset value per unit of the Sub-Fund decreased by 8.38% (2014: decreased by 11.39%).

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 as at 31 December 2015 and 2014:

Constituent securities	Respective weighting in FTSE Bursa Malaysia KLCI	
	2015	2014
Public Bank Bhd	11.66%	11.50%

During the year ended 31 December 2015, the FTSE Bursa Malaysia KLCI Index decreased by 21.79% (2014: decreased by 8.77%), while the net asset value per unit of the Sub-Fund decreased by 20.99% (2014: decreased by 9.86%).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015 and 2014:

Constituent securities	Respective weighting in PSEi Index	
	2015	2014
Philippine Long Distance Telephone	-	10.19%
SM Investment Corp	10.18%	-

During the year ended 31 December 2015, the PSEi Index decreased by 8.67% (2014: increased by 23.68%), while the net asset value per unit of the Sub-Fund decreased by 9.09% (2014: increased by 21.64%).

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 2015 and 2014:

Constituent securities	Respective weighting in TAIEX Index	
	2015	2014
Taiwan Semiconductor Manufacturing Company Limited	15.28%	13.66%

During the year ended 31 December 2015, the TAIEX Index decreased by 13.86% (2014: increased by 4.32%), while the net asset value per unit of the Sub-Fund decreased by 12.31% (2014: increased by 3.64%).

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 2015 and 2014.

During the year ended 31 December 2015, the Underlying Index decreased by 25.73% (2014: increased by 16.48%), while the net asset value per unit of the Sub-Fund decreased by 24.90% (2014: increased by 15.09%).

13 Approval of financial statements

The financial statements were approved by the Trustee and the Manager on 27 April 2016.

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited)**

As at 31 December 2015

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Japan			
AJINOMOTO INC COM	1,000	185,516	0.27%
ASAHI GROUP HOLDINGS LTD	2,800	685,314	0.99%
ASTELLAS PHARMA INC	2,600	290,041	0.42%
BRIDGESTONE CORPORATION	1,100	295,806	0.42%
CANON INC	500	118,383	0.17%
CHUGAI PHARMACEUTICAL CO LTD	1,400	382,433	0.55%
DAIKIN INDUSTRIES LTD	9,000	5,161,111	7.43%
DENTSU INC	1,800	774,659	1.12%
FANUC CORP	4,000	5,432,409	7.82%
FAST RETAILING CO LTD	300	824,139	1.19%
FUJI HEAVY INDUSTRY	500	161,935	0.23%
HONDA MOTOR CO LTD	21,300	5,365,599	7.72%
JAPAN TOBACCO INC	2,300	662,513	0.95%
KAO CORP	2,700	1,088,060	1.57%
KDDI CORP	25,400	5,161,278	7.43%
KYOCERA CORP	13,000	4,735,447	6.81%
MITSUBISHI CORP	700	91,459	0.13%
NITTO DENKO CORP	1,900	1,090,914	1.57%
NTT DATA CORPORATION	1,500	568,238	0.82%
OLYMPUS CORP	500	154,623	0.22%
PANASONIC CORP	12,400	991,015	1.43%
SECOM CO LTD	2,900	1,539,526	2.21%
SEVEN & I HOLDINGS CO LTD	1,700	607,860	0.88%
SHIN ETSU CHEM CO LTD	2,100	895,246	1.29%
SOFTBANK GROUP CORP	11,200	4,429,733	6.38%
SUZUKI MOTOR CORPORATION	19,500	4,652,112	6.70%
TAKEDA PHARMACEUTICAL CO LTD	5,800	2,266,317	3.26%
TERUMO CORP	17,000	4,140,021	5.96%
TOKYO ELECTRON LIMITED	1,800	849,110	1.22%
TOYOTA MOTOR CORP	1,600	771,876	1.11%
Total investments in listed Japanese securities at fair value		54,372,693	78.27%

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)****Investment portfolio (Unaudited) (Continued)**

As at 31 December 2015

	Holdings	Fair value HK\$	% of net assets
Singapore			
SINGAPORE TECH ENGINEERING	10,000	164,437	0.24%
WILMAR INTERNATIONAL LTD	160,000	2,569,810	3.70%
Total investments in listed Singaporean securities at fair value		<u>2,734,247</u>	<u>3.94%</u>
Total investments in securities at fair value		<u>57,106,940</u>	<u>82.21%</u>
Index swaps issued by		Fair value HK\$	% of net assets
STANDARD CHARTERED BANK		1,603,378	2.31%
Total investment in index swaps at fair value		<u>1,603,378</u>	<u>2.31%</u>
Equity swaps issued by			
STANDARD CHARTERED BANK		194,883	0.28%
Total investment in equity swaps at fair value		<u>194,883</u>	<u>0.28%</u>
Total investments		58,905,201	84.80%
Other net assets		<u>10,559,468</u>	<u>15.20%</u>
Net assets attributable to unitholders at 31 December 2015		<u>69,464,669</u>	<u>100.00%</u>
Total investments, at cost		<u>54,098,606</u>	

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)****Statement of movements in investment portfolio (Unaudited)**

For the year ended 31 December 2015

Investments - listed equities	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
AJINOMOTO INC COM	-	1,000	-	-	1,000
ASAHI GROUP HOLDINGS LTD	-	2,800	-	-	2,800
ASTELLAS PHARMA INC	2,600	-	-	-	2,600
BHP BILLITON LTD	32,396	-	-	(32,396)	-
BRIDGESTONE CORPORATION	1,100	-	-	-	1,100
CANON INC	500	-	-	-	500
CHUGAI PHARMACEUTICAL LTD	-	1,400	-	-	1,400
DAIKIN INDUSTRIES LTD	12,100	-	-	(3,100)	9,000
DENTSU INC	1,500	300	-	-	1,800
FANUC CORP	4,000	-	-	-	4,000
FAST RETAILING CO LTD	300	-	-	-	300
FUJI HEAVY INDUSTRIES LTD	500	-	-	-	500
GENTING SINGAPORE PLC	-	301,000	-	(301,000)	-
GLOBAL LOGISTIC PROPERTIES L	-	410,300	-	(410,300)	-
HONDA MOTOR CO LTD	21,300	-	-	-	21,300
JAPAN TOBACCO INC	600	1,700	-	-	2,300
KAO CORP	1,400	1,300	-	-	2,700
KDDI CORP	15,400	-	30,800	(20,800)	25,400
KEPPEL CORP LTD NPV	-	119,300	-	(119,300)	-
KYOCERA CORP	15,800	-	-	(2,800)	13,000
MITSUBISHI CORP	700	-	-	-	700
NITTO DENKO CORP	1,900	-	-	-	1,900
NTT DATA CORPORATION	1,500	-	-	-	1,500
OLYMPUS CORP	-	500	-	-	500
PANASONIC CORP	3,300	9,100	-	-	12,400
RIO TINTO LTD	2,458	17,839	-	(20,297)	-
SECOM CO LTD	900	2,000	-	-	2,900
SEVEN & I HOLDINGS CO LTD	-	1,700	-	-	1,700
SHIN ETSU CHEMICAL CO LTD	2,100	-	-	-	2,100
SINGAPORE TECH ENGINEERING	10,000	-	-	-	10,000
SINGAPORE TELECOM LTD	-	285,000	-	(285,000)	-

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

XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)

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

For the year ended 31 December 2015

Investments - listed equities	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
SOFTBANK CORP	15,000	-	-	(3,800)	11,200
SUZUKI MOTOR CORP	31,800	-	-	(12,300)	19,500
TAKEDA					
PHARMACEUTICAL	3,100	2,700	-	-	5,800
TERUMO CORP	17,000	-	-	-	17,000
TOKYO ELECTRON LTD	1,100	700	-	-	1,800
TOYOTA MOTOR CORP	1,300	300	-	-	1,600
WESFARMERS LTD	4,089	-	-	(4,089)	-
WILMAR INTERNATIONAL LTD	260,000	379,700	-	(479,700)	160,000
Swaps issued by	Fair value as at 1 January 2015 HK\$	Fair value change HK\$	Fair value as at 31 December 2015 HK\$		
BNP PARIBAS	5,883	(5,883)	-		
JPMORGAN CHASE BANK N.A.	94,494	(94,494)	-		
STANDARD CHARTERED BANK	460,617	1,337,644	1,798,261		

XIE Shares Trust I*(*This is a synthetic ETF)**XIE Shares India (Nifty 50) ETF* (*This is a synthetic ETF)****Performance record (Unaudited)**

For the year ended 31 December 2015

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
31 December 2015	8.7155	69,723,668

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>
Year ended 31 December 2015	<u>8.2214</u>	<u>10.5196</u>

During the year ended 31 December 2015, the Underlying Index decreased by 8.52%, while the net asset value per unit of the Sub-Fund decreased by 8.34% ^(a).

There were no constituent securities of that Nifty 50 Index that accounted for more than 10% of the weighting of Nifty 50 Index as at 31 December 2015 and 2014.

(a) *This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2015 to 31 December 2015.*

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 2015

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Japan			
AJINOMOTO INC COM	1,000	185,516	0.46%
ASAHI GROUP HOLDINGS LTD	1,200	293,707	0.73%
ASTELLAS PHARMA INC	2,400	267,730	0.67%
BRIDGESTONE CORPORATION	1,000	268,915	0.67%
CANON INC	200	47,353	0.12%
CHUGAI PHARMACEUTICAL CO LTD	500	136,583	0.34%
DAIKIN INDUSTRIES LTD	5,100	2,924,629	7.27%
DENTSU INC	900	387,330	0.96%
EISAI CO LTD	200	103,894	0.26%
FANUC CORP	2,000	2,716,204	6.75%
FAST RETAILING CO LTD	200	549,426	1.37%
FUJI HEAVY INDUSTRY	500	161,935	0.40%
HONDA MOTOR CO LTD	10,900	2,745,776	6.82%
JAPAN TOBACCO INC	300	86,415	0.21%
KAO CORP	1,300	523,881	1.30%
KDDI CORP	10,100	2,052,319	5.10%
KIRIN HOLDINGS COMPANY LTD	1,300	137,985	0.34%
KYOCERA CORP	7,400	2,695,562	6.70%
MITSUBISHI CORP	700	91,459	0.23%
NITTO DENKO CORP	1,000	574,165	1.43%
NTT DATA CORPORATION	500	189,413	0.47%
OLYMPUS CORP	1,000	309,245	0.77%
PANASONIC CORP	3,000	239,762	0.60%
SECOM CO LTD	400	212,348	0.53%
SEVEN & I HOLDINGS CO LTD	600	214,539	0.53%
SHIN ETSU CHEMICAL CO LTD	500	213,154	0.53%
SOFTBANK CORP	7,200	2,847,685	7.07%
SUMITOMO CORPORATION	100	22,388	0.06%
SUZUKI MOTOR CORP	11,100	2,648,125	6.58%
TAKEDA PHARMACEUTICAL	500	195,372	0.49%
TERUMO CORP	2,100	511,414	1.27%
TOKYO ELECTRON LIMITED	4,600	2,169,948	5.39%
TOYOTA MOTOR CORP	600	289,454	0.72%
Total investments in listed Japanese securities at market value		27,013,631	67.14%

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 2015

Listed equities	Holdings	Fair value HK\$	% of net assets
Singapore			
CAPITALAND LTD	18,500	338,571	0.84%
DBS GROUP HOLDINGS LTD	5,800	528,832	1.31%
GLOBAL LOGISTIC PROPERTIES	127,000	1,491,681	3.71%
SINGAPORE AIRLINES LTD	8,800	538,436	1.34%
SINGAPORE TECH ENGINEERING	10,000	164,437	0.41%
WILMAR INTERNATIONAL LTD	100,000	1,606,131	3.99%
Total investments in listed Singaporean securities at fair value		<u>4,668,088</u>	<u>11.60%</u>
Total investments in securities at fair value		<u>31,681,719</u>	<u>78.74%</u>
Index swaps issued by		Fair value HK\$	% of net assets
BNP PARIBAS		112,451	0.28%
STANDARD CHARTERED BANK		1,088,448	2.71%
Total investment in index swaps at fair value		<u>1,200,899</u>	<u>2.99%</u>
Equity swaps issued by			
BNP PARIBAS		(85,716)	(0.22)%
STANDARD CHARTERED BANK		161,570	0.40%
Total investment in equity swaps at fair value		<u>75,854</u>	<u>0.18%</u>
Total investments		32,958,472	81.91%
Other net assets		<u>7,276,453</u>	<u>18.09%</u>
Net assets attributable to unitholders at 31 December 2015		<u>40,234,924</u>	<u>100.00%</u>
Total investments, at cost		<u>31,800,152</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 2015

Investments - listed equities	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
AJINOMOTO INC COM	1,000	-	-	-	1,000
ASAHI GROUP HOLDINGS LTD	1,200	-	-	-	1,200
ASTELLAS PHARMA INC	2,400	-	-	-	2,400
BRIDGESTONE CORPORATION	1,000	-	-	-	1,000
CANON INC	200	-	-	-	200
CAPITALAND LTD	18,500	-	-	-	18,500
CHUGAI PHARMACEUTICAL CO LTD	500	-	-	-	500
DAIKIN INDUSTRIES LTD	8,000	-	-	(2,900)	5,100
DBS GROUP HOLDINGS LTD	5,800	-	-	-	5,800
DENTSU INC	900	-	-	-	900
EISAI CO LTD	200	-	-	-	200
FANUC CORP	2,600	-	-	(600)	2,000
FAST RETAILING CO LTD	200	-	-	-	200
FUJI HEAVY INDUSTRY	500	-	-	-	500
GENTING SINGAPORE PLC	31,000	214,900	-	(245,900)	-
GLOBAL LOGISTIC PROPERTIES	33,500	93,500	-	-	127,000
HONDA MOTOR CO LTD	14,800	-	-	(3,900)	10,900
JAPAN TOBACCO INC	300	-	-	-	300
KAO CORP	1,300	-	-	-	1,300
KDDI CORP	9,000	10,100	18,000	(27,000)	10,100
KIRIN HOLDINGS COMPANY LTD	1,300	-	-	-	1,300
KYOCERA CORP	10,500	-	-	(3,100)	7,400
MITSUBISHI CORP	700	-	-	-	700

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 2015

Investments - listed equities	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
NITTO DENKO CORP	1,000	-	-	-	1,000
NTT DATA CORPORATION	500	-	-	-	500
OLYMPUS CORP	1,000	-	-	-	1,000
PANASONIC	3,000	-	-	-	3,000
SECOM CO LTD	400	-	-	-	400
SEVEN & I HOLDINGS CO LTD	600	-	-	-	600
SHIN ETSU CHEMICAL CO LTD	500	-	-	-	500
SINGAPORE AIRLINES LTD	4,500	4,300	-	-	8,800
SINGAPORE EXCHANGE LTD	4,000	-	-	(4,000)	-
SINGAPORE PRESS HOLDINGS LTD	10,500	-	-	(10,500)	-
SINGAPORE TECH ENGINEERING	21,000	10,600	-	(21,600)	10,000
SINGAPORE TELECOM LTD	86,556	112,200	-	(198,756)	-
SOFTBANK CORP	6,600	600	-	-	7,200
SUMITOMO CORPORATION	100	-	-	-	100
SUZUKI MOTOR CORP	17,500	-	-	(6,400)	11,100
TAKEDA PHARMACEUTICAL	500	-	-	-	500
TERUMO CORP	2,100	-	-	-	2,100
TOKYO ELECTRON LIMITED	500	4,100	-	-	4,600
TOYOTA MOTOR CORP	600	-	-	-	600
WILMAR INTERNATIONAL LTD	113,000	89,200	-	(102,200)	100,000
Swaps issued by		Fair value as at 1 January 2015 HK\$	Fair value change HK\$	Fair value as at 31 December 2015 HK\$	
BNP PARIBAS		4,922	21,813	26,735	
STANDARD CHARTERED BANK		2,260,327	(1,010,310)	1,250,017	

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 2015

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	16,073,355
31 December 2013	6.2084	15,520,986
31 December 2014	7.7788	50,562,362
31 December 2015	6.2036	40,323,601

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>
Year ended 31 December 2015	<u>5.1342</u>	<u>7.9499</u>

During the year ended 31 December 2015, the Underlying Index decreased by 20.86%, while the net asset value per unit of the Sub-Fund decreased by 20.25% ^(a).

The following lists the constituent securities that individually accounted for more than 10% of IDX LQ45 Index as at 31 December 2015.

Constituent securities	Respective weighting in IDX LQ45 Index
Bank Central Asia Tbk PT ^(b)	10.99%
Telekomunikasi Indonesia Persero ^(b)	<u>10.60%</u>

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.

(a) This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2015 to 31 December 2015.

(b) The Sub-Fund did not hold the constituent securities as at 31 December 2014 and 2015.

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 2015

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Japan			
AJINOMOTO INC COM	1,000	185,516	0.54%
ASAHI GROUP HOLDINGS LTD	500	122,378	0.36%
ASTELLAS PHARMA INC	16,800	1,874,104	5.47%
BRIDGESTONE CORPORATION	7,100	1,909,293	5.57%
CANON INC	500	118,383	0.34%
CHUGAI PHARMACEUTICAL CO LTD	500	136,583	0.40%
DAIKIN INDUSTRIES LTD	4,700	2,695,247	7.85%
DENTSU INC	1,600	688,586	2.01%
FANUC CORP	2,100	2,852,015	8.31%
FAST RETAILING CO LTD	600	1,648,277	4.80%
FUJI HEAVY INDUSTRIES	600	194,322	0.57%
HONDA MOTOR CO LTD	7,900	1,990,058	5.80%
JAPAN TOBACCO INC	300	86,415	0.25%
KAO CORP	1,500	604,478	1.76%
KDDI CORP	13,400	2,722,879	7.93%
KYOCERA CORP ORD	6,800	2,477,003	7.22%
MITSUBISHI CORP ORD	1,600	209,050	0.61%
NITTO DENKO CORP	2,100	1,205,747	3.51%
NTT DATA CORPORATION	500	189,413	0.55%
OLYMPUS CORP	1,200	371,094	1.08%
PANASONIC CORP	3,600	287,714	0.84%
SECOM CO LTD	300	159,261	0.46%
SHIN ETSU CHEMICAL CO LTD	2,700	1,151,030	3.35%
SOFTBANK CORP	1,900	751,473	2.19%
SUZUKI MOTOR CORP	11,700	2,791,267	8.13%
TAKEDA PHARMACEUTICAL	1,700	664,265	1.94%
TOKYO ELECTRON LTD	1,200	566,074	1.65%
TOYOTA MOTOR CORP	2,400	1,157,814	3.37%
Total investments in listed Japanese securities at fair value		29,809,739	86.86%

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 2015

Listed equities	Holdings	Fair value HK\$	% of net assets
Singapore			
SINGAPORE TECH ENGINEERING	10,000	164,437	0.48%
WILMAR INTERNATIONAL LTD	19,000	305,165	0.89%
Total investments in listed Singaporean securities at fair value		<u>469,602</u>	<u>1.37%</u>
Total investments in securities at fair value		<u><u>30,279,341</u></u>	<u><u>88.23%</u></u>
		Fair value HK\$	% of net assets
Index swaps issued by			
STANDARD CHARTERED BANK		(609,607)	(1.78)%
Total investment in index swaps at fair value		<u>(609,607)</u>	<u>(1.78)%</u>
Equity swaps issued by			
STANDARD CHARTERED BANK		105,420	0.31%
Total investment in equity swaps at fair value		<u>105,420</u>	<u>0.31%</u>
Total investments		29,775,154	86.76%
Other net assets		<u>4,543,762</u>	<u>13.24%</u>
Net assets attributable to unitholders at 31 December 2015		<u><u>34,318,916</u></u>	<u><u>100.00%</u></u>
 Total investments, at cost		 <u><u>28,110,754</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 2015

Investments - listed equities	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
AGL ENERGY LTD	576	-	-	(576)	-
AJINOMOTO INC COM	-	1,000	-	-	1,000
ASAHI GROUP HOLDINGS LTD	-	500	-	-	500
ASTELLAS PHARMA INC	2,900	13,900	-	-	16,800
BHP BILLITON LTD	3,553	-	-	(3,553)	-
BRIDGESTONE CORPORATION	1,200	5,900	-	-	7,100
CANON INC	500	-	-	-	500
CHUGAI PHARMACEUTICAL CO LTD	-	500	-	-	500
COMMONWEALTH BANK OF AUSTRALIA	1,861	-	80	(1,941)	-
DAIKIN INDUSTRIES	6,900	-	-	(2,200)	4,700
DENTSU INC	1,600	-	-	-	1,600
FANUC CORP	2,400	-	-	(300)	2,100
FAST RETAILING CO LTD	600	-	-	-	600
FORTESCUE METALS GROUP LTD	24,251	-	-	(24,251)	-
FUJI HEAVY INDUSTRIES LTD	600	-	-	-	600
GENTING SINGAPORE PLC	-	884,100	-	(884,100)	-
GLOBAL LOGISTIC PROPERTIES	-	411,500	-	(411,500)	-
HONDA MOTOR CO LTD	7,900	-	-	-	7,900
JAPAN TOBACCO INC	300	-	-	-	300
KAO CORP	1,500	-	-	-	1,500
KDDI CORP	5,300	-	10,600	(2,500)	13,400
KEPPEL CORP LTD	-	110,500	-	(110,500)	-
KYOCERA CORP LTD	9,000	-	-	(2,200)	6,800
MITSUBISHI CORP	1,600	-	-	-	1,600
NITTO DENKO CORP	2,100	-	-	-	2,100
NTT DATA CORPORATION	500	-	-	-	500
OLYMPUS CORP	-	1,200	-	-	1,200
ORIGIN ENERGY LTD	6,016	-	-	(6,016)	-
PANASONIC CORP	3,600	-	-	-	3,600
RIO TINTO LTD	2,525	1,956	-	(4,481)	-
SECOM CO LTD	300	-	-	-	300

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 2015

Investments - listed equities	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
SHIN ETSU CHEMICAL CO LTD	1,200	1,500	-	-	2,700
SINGAPORE TECH ENGINEERING	10,000	-	-	-	10,000
SINGAPORE TELECOM LTD	-	253,100	-	(253,100)	-
SOFTBANK CORP	1,900	-	-	-	1,900
SUZUKI MOTOR CORP	10,800	900	-	-	11,700
TAKEDA PHARMACEUTICAL	1,700	-	-	-	1,700
TOKYO ELECTRON LTD	1,200	-	-	-	1,200
TOYOTA MOTOR CORP	700	1,700	-	-	2,400
WESFARMERS LTD	3,285	-	-	(3,285)	-
WESTPAC BANKING CORP	3,265	-	-	(3,265)	-
WILMAR INTERNATIONAL LTD	149,000	308,200	-	(438,200)	19,000
WOODSIDE PETROLEUM LTD	4,123	-	-	(4,123)	-
Swaps issued by		Fair value as at 1 January 2015 HK\$	Fair value change HK\$	Fair value as at 31 December 2015 HK\$	
JPMORGAN CHASE BANK N.A.		279,701	(279,701)	-	
STANDARD CHARTERED BANK		(437,837)	(66,350)	(504,187)	

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 2015

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
31 December 2015	6.9151	34,575,300

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>
Year ended 31 December 2015	<u>6.2700</u>	<u>8.5676</u>

During the year ended 31 December 2015, the Underlying Index decreased by 7.72%, while the net asset value per unit of the Sub-Fund decreased by 8.38% ^(a).

The following lists the constituent securities that individually accounted for more than 10% of KOSPI 200 Index as 31 December 2015 and its weighting of the KOSPI 200 Index as at 31 December 2015:

Constituent securities	Respective weighting in KOSPI 200 Index
Samsung Electronics Co Ltd ^(b)	<u>21.07%</u>

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>

(a) This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2015 to 31 December 2015.

(b) The Sub-Fund did not hold the constituent securities as at 31 December 2014 and 2015.

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 2015

Listed equities	Holdings	Fair value HK\$	% of net assets
Japan			
AJINOMOTO INC COM	1,000	185,514	1.90%
ASAHI GROUP HOLDINGS LTD	200	48,950	0.50%
ASTELLAS PHARMA INC	900	100,397	1.03%
BRIDGESTONE CORPORATION	200	53,783	0.55%
CANON INC	1,500	355,149	3.65%
CHUGAI PHARMACEUTICAL LTD	400	109,267	1.12%
DAIKIN INDUSTRIES LTD	1,400	802,839	8.24%
DENTSU INC	300	129,110	1.33%
EISAI CO LTD	300	155,840	1.60%
FANUC CORP	500	679,051	6.97%
FAST RETAILING CO LTD	100	274,713	2.82%
FUJI HEAVY INDUSTRIES LTD	2,000	647,740	6.65%
HONDA MOTOR CO LTD	1,900	478,622	4.91%
JAPAN TOBACCO INC	300	86,415	0.89%
KAO CORP	100	40,299	0.41%
KDDI CORP	3,800	772,160	7.92%
KIRIN HOLDINGS COMPANY LTD	700	74,299	0.76%
KYOCERA CORP LTD	1,900	692,104	7.10%
MITSUBISHI CORP	300	39,197	0.40%
NITTO DENKO CORP	100	57,417	0.59%
NTT DATA CORP	500	189,413	1.94%
OLYMPUS CORP	200	61,849	0.63%
PANASONIC CORP	1,400	111,889	1.15%
SECOM CO LTD	100	53,087	0.55%
SEVEN & I HOLDINGS CO LTD	200	71,513	0.73%
SHIN ETSU CHEMICAL CO LTD	200	85,262	0.88%
SOFTBANK CORP	1,700	672,370	6.90%
SUMITOMO REALTY & DEVELOPMENT	300	67,164	0.69%
SUZUKI MOTOR CORP	3,100	739,567	7.59%
TAKEDA PHARMACEUTICAL	400	156,298	1.60%
TERUMO CORP	200	48,706	0.50%
TOKYO ELECTRON LTD	300	141,518	1.45%
TOYOTA MOTOR CORP	200	96,485	0.99%
Total investments in listed Japanese securities at fair value		8,277,987	84.94%
Total investments in securities at fair value		8,277,987	84.94%

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 2015

Index swaps issued by	Fair value HK\$	% of net assets
STANDARD CHARTERED BANK	405,352	4.16%
Total investment in index swaps at fair value	405,352	4.16%
Equity swaps issued by		
STANDARD CHARTERED BANK	3,772	0.04%
Total investment in equity swaps at fair value	3,772	0.04%
Total investments	8,687,111	89.14%
Other net assets	1,058,577	10.86%
Net assets attributable to unitholders at 31 December 2015	9,745,688	100.00%
Total investments, at cost	7,854,772	

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 2015

Investments - listed equities	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
AGL ENERGY LTD	281	-	-	(281)	-
AJINOMOTO INC COM	1,000	-	-	-	1,000
ASTELLAS PHARMA INC	10,300	-	-	(9,400)	900
ASAHI GROUP HOLDINGS LTD	1,900	-	-	(1,700)	200
BHP BILLITON LTD	1,946	-	-	(1,946)	-
BRIDGESTONE CORPORATION	3,900	-	-	(3,700)	200
CANON INC	5,200	-	-	(3,700)	1,500
CHUGAI PHARMACEUTICAL LTD	1,900	-	-	(1,500)	400
COMMONWEALTH BANK OF AUSTRALIA	1,359	-	59	(1,418)	-
DENTSU INC	500	-	-	(200)	300
EISAI CO LTD	300	-	-	-	300
FANUC CORP	-	500	-	-	500
FAST RETAILING CO LTD	500	-	-	(400)	100
FORTESCUE METALS GROUP LTD	11,569	-	-	(11,569)	-
FUJI HEAVY INDUSTRIES LTD	2,000	-	-	-	2,000
GENTING SINGAPORE PLC	-	356,600	-	(356,600)	-
GLOBAL LOGISTIC PROPERTIES	-	135,800	-	(135,800)	-
HONDA MOTOR CO LTD	-	1,900	-	-	1,900
JAPAN TOBACCO INC	5,900	-	-	(5,600)	300
KAO CORP	1,400	-	-	(1,300)	100
KDDI CORP	-	3,800	-	-	3,800
KEPPEL CORP LTD	-	11,200	-	(11,200)	-
KIRIN HOLDINGS COMPANY LTD	700	-	-	-	700
KYOCERA CORP LTD	-	1,900	-	-	1,900
MITSUBISHI CORP	6,700	-	-	(6,400)	300

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 2015

Investments - listed equities	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
NITTO DENKO CORP	400	-	-	(300)	100
NTT DATA CORPORATION	500	-	-	-	500
OLYMPUS CORP	500	-	-	(300)	200
ORIGIN ENERGY LTD	2,147	-	-	(2,147)	-
PANASONIC CORP	4,800	-	-	(3,400)	1,400
RIO TINTO LTD	1,048	1,072	-	(2,120)	-
SECOM CO LTD	300	-	-	(200)	100
SEVEN & I HOLDINGS CO LTD	1,200	-	-	(1,000)	200
SHIN ETSU CHEMICAL CO LTD	900	-	-	(700)	200
SINGAPORE TELECOM LTD	-	96,600	-	(96,600)	-
SOFTBANK CORP	-	1,700	-	-	1,700
SUMITOMO REALTY & DEVELOPMENT	300	-	-	-	300
TAKEDA PHARMACEUTICAL	3,100	-	-	(2,700)	400
TERUMO CORP	800	-	-	(600)	200
TOKYO ELECTRON LTD	300	-	-	-	300
TOYOTA MOTOR CORP	3,600	-	-	(3,400)	200
WESFARMERS LTD	1,985	-	-	(1,985)	-
WESTPAC BANKING CORP	1,593	-	-	(1,593)	-
WILMAR INTERNATIONAL LTD	-	117,600	-	(117,600)	-
WOODSIDE PETROLEUM LTD	1,967	-	-	(1,967)	-
Swaps issued by		Fair value as at 1 January 2015		Fair value change	Fair value as at 31 December 2015
		HK\$		HK\$	HK\$
JPMORGAN CHASE BANK N.A.		(107,064)		107,064	-
STANDARD CHARTERED BANK		621,167		(212,043)	409,124

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 2015

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
31 December 2015	6.5896	9,884,400

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>
Year ended 31 December 2015	<u>6.0092</u>	<u>8.6652</u>

During the year ended 31 December 2015, the Underlying Index decreased by 21.79%, while the net asset value per unit of the Sub-Fund decreased by 20.99%^(a).

The following lists the constituent securities that individually accounted for more than 10% of FTSE Bursa Malaysia KLCI at 31 December 2015 and its weighting of the FTSE Bursa Malaysia KLCI as at 31 December 2015:

Constituent securities	Respective weighting in FTSE Bursa Malaysia KLCI
Public Bank Bhd ^(b)	<u>11.66%</u>

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)	<u>11.50%</u>

(a) This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2015 to 31 December 2015.

(b) The Sub-Fund did not hold the constituent securities as at 31 December 2014 and 2015.

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 2015

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Japan			
AJINOMOTO INC COM	1,000	185,515	1.20%
ASAHI GROUP HOLDINGS LTD	2,200	538,460	3.47%
ASTELLAS PHARMA INC	200	22,311	0.14%
BRIDGESTONE CORPORATION	200	53,783	0.35%
CANON INC	200	47,353	0.31%
CHUGAI PHARMACEUTICAL LTD	2,500	682,917	4.40%
DENTSU INC	100	43,037	0.28%
EISAI CO LTD	300	155,840	1.00%
FAST RETAILING CO LTD	100	274,713	1.77%
FUJIFILM HEAVY INDUSTRIES LTD	100	32,387	0.21%
JAPAN TOBACCO INC	100	28,805	0.19%
KAO CORP	200	80,597	0.52%
KIRIN HOLDINGS COMPANY LTD	800	84,914	0.55%
MITSUBISHI CORP	3,900	509,559	3.28%
NITTO DENKO CORP	200	114,833	0.74%
NTT DATA CORPORATION	300	113,648	0.73%
OLYMPUS CORP	300	92,774	0.60%
PANASONIC CORP	6,400	511,492	3.30%
SECOM CO LTD	500	265,436	1.71%
SEVEN & I HOLDINGS CO LTD	800	286,052	1.84%
SHIN ETSU CHEMICAL CO LTD	600	255,785	1.65%
SUMITOMO REALTY & DEVELOPMENT	200	44,776	0.29%
TAKEDA PHARMACEUTICAL	100	39,074	0.25%
TERUMO CORP	500	121,765	0.78%
TOKYO ELECTRON	200	94,346	0.61%
TOYOTA MOTOR CORP	100	48,242	0.31%
Total investments in listed Japanese securities at fair value		4,728,414	30.46%

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 2015

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Singapore			
CAPITALAND LTD	42,000	768,648	4.95%
GENTING SINGAPORE	291,200	1,224,942	7.89%
GLOBAL LOGISTIC PROPERTIES	112,000	1,315,498	8.47%
KEPPEL CORP LTD	27,400	974,463	6.28%
SINGAPORE AIRLINES LTD	4,300	263,100	1.70%
SINGAPORE EXCHANGE LTD	21,000	883,372	5.69%
SINGAPORE PRESS HOLDINGS LTD	27,000	581,157	3.74%
SINGAPORE TECH ENGINEERING	1,000	16,444	0.11%
SINGAPORE TELECOM LTD	62,669	1,256,471	8.09%
WILMAR INTERNATIONAL LTD	83,700	1,344,332	8.65%
Total investments in listed Singaporean securities at fair value		<u>8,628,427</u>	<u>55.59%</u>
Total investments in securities at fair value		<u>13,356,841</u>	<u>86.05%</u>
Index swaps issued by			
		Fair value HK\$	% of net assets
BNP PARIBAS		187,915	1.21%
STANDARD CHARTERED BANK		45,423	0.29%
Total investment in index swaps at fair value		<u>233,338</u>	<u>1.50%</u>
Equity swaps issued by			
STANDARD CHARTERED BANK		50,596	0.33%
BNP PARIBAS		(38,150)	(0.24)%
Total investment in equity swaps at fair value		<u>12,446</u>	<u>0.09%</u>
Total investments		13,602,625	87.64%
Other net assets		<u>1,918,757</u>	<u>12.36%</u>
Net assets attributable to unitholders at 31 December 2015		<u>15,521,382</u>	<u>100.00%</u>
Total investments, at cost		<u>15,252,409</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 2015

Investments - listed equities	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
AJINOMOTO INC COM	1,000	-	-	-	1,000
ASAHI GROUP HOLDINGS LTD	2,200	-	-	-	2,200
ASTELLAS PHARMA INC	6,000	-	-	(5,800)	200
BRIDGESTONE CORPORATION	2,200	-	-	(2,000)	200
CANON INC	1,500	-	-	(1,300)	200
CAPITALAND LTD	42,000	-	-	-	42,000
CHUGAI PHARMACEUTICAL LTD	2,500	-	-	-	2,500
DENTSU INC	300	-	-	(200)	100
EISAI CO LTD	300	-	-	-	300
FAST RETAILING CO LTD	200	-	-	(100)	100
FUJI HEAVY INDUSTRIES LTD	2,500	-	-	(2,400)	100
GENTING SINGAPORE	-	291,200	-	-	291,200
GLOBAL LOGISTIC PROPERTIES	89,000	31,200	-	(8,200)	112,000
JAPAN TOBACCO INC	300	-	-	(200)	100
KAO CORP	2,000	-	-	(1,800)	200
KEPPEL CORP LTD	-	27,400	-	-	27,400
KIRIN HOLDINGS COMPANY LTD	800	-	-	-	800
MITSUBISHI CORP	3,900	-	-	-	3,900
NITTO DENKO CORP	200	-	-	-	200
NTT DATA CORPORATION	300	-	-	-	300
OLYMPUS CORP	300	-	-	-	300
PANASONIC CORP	6,400	-	-	-	6,400
SECOM CO LTD	500	-	-	-	500
SEVEN & I HOLDINGS CO LTD	800	-	-	-	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 2015

Investments - listed equities	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
SHIN ETSU CHEMICAL CO LTD	600	-	-	-	600
SINGAPORE AIRLINES LTD	-	4,300	-	-	4,300
SINGAPORE EXCHANGE LTD	21,000	-	-	-	21,000
SINGAPORE PRESS HOLDINGS LTD	27,000	-	-	-	27,000
SINGAPORE TECH ENGINEERING	-	1,000	-	-	1,000
SINGAPORE TELECOM LTD	62,669	-	-	-	62,669
SUMITOMO REALTY & DEVELOPMENT	200	-	-	-	200
TAKEDA PHARMACEUTICAL	1,800	-	-	(1,700)	100
TERUMO CORP	500	-	-	-	500
TOKYO ELECTRON LTD	200	-	-	-	200
TOYOTA MOTOR CORP	400	-	-	(300)	100
WILMAR INTERNATIONAL LTD	-	93,700	-	(10,000)	83,700
Swaps issued by	Fair value as at 1 January 2015		Fair value change		Fair value as at 31 December 2015
	HK\$		HK\$		HK\$
BNP PARIBAS	54,281		95,484		149,765
STANDARD CHARTERED BANK	(88,439)		184,458		96,019

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 2015

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
31 December 2015	10.4069	15,610,384

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>
Year ended 31 December 2015	<u>9.9748</u>	<u>12.9139</u>

During the year ended 31 December 2015, the Underlying Index decreased by 8.67%, while the net asset value per unit of the Sub-Fund decreased by 9.09% ^(a).

The following lists the constituent securities that individually accounted for more than 10% of PSEi Index as at 31 December 2015 and its weighting of the PSEi Index as at 31 December 2015:

Constituent securities	Respective weighting in PSEi Index
SM Investment Corp ^(b)	<u>10.18%</u>

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>

(a) This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2015 to 31 December 2015.

(b) The Sub-Fund did not hold the constituent securities as at 31 December 2014 and 2015.

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 2015

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Japan			
ASAHI GROUP HOLDINGS LTD	500	122,378	0.38%
ASTELLAS PHARMA INC	2,100	234,263	0.72%
BRIDGESTONE CORPORATION	800	215,132	0.67%
CANON INC	200	47,353	0.15%
CHUGAI PHARMACEUTICAL CO LTD	500	136,583	0.42%
DAIKIN INDUSTRIES LTD	4,400	2,523,210	7.80%
DENTSU INC	900	387,330	1.20%
FANUC CORP	1,900	2,580,394	7.98%
FAST RETAILING CO LTD	200	549,426	1.70%
FUJI HEAVY INDUSTRIES LTD	400	129,548	0.40%
HONDA MOTOR CO LTD	10,300	2,594,632	8.02%
JAPAN TOBACCO INC	200	57,610	0.18%
KAO CORP	1,000	402,985	1.25%
KDDI CORP	2,500	508,000	1.57%
KYOCERA CORP ORD	6,400	2,331,297	7.21%
MITSUBISHI CORP ORD	1,000	130,656	0.40%
NITTO DENKO CORP	1,500	861,248	2.66%
NTT DATA CORPORATION	5,000	1,894,127	5.86%
OLYMPUS CORP	500	154,623	0.48%
PANASONIC CORP	22,200	1,774,237	5.49%
SECOM CO LTD	3,100	1,645,700	5.09%
SEVEN & I HOLDINGS CO LTD	500	178,782	0.55%
SHIN ETSU CHEMICAL CO LTD	1,900	809,984	2.50%
SOFTBANK CORP	4,500	1,779,803	5.50%
SUZUKI MOTOR CORP	9,600	2,290,271	7.07%
TAKEDA PHARMACEUTICAL	1,300	507,968	1.57%
TERUMO CORP	800	194,825	0.60%
TOKYO ELECTRON LTD	4,800	2,264,294	7.00%
TOYOTA MOTOR CORP	500	241,211	0.75%
Total investments in listed Japanese securities at fair value		27,547,870	85.17%

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 2015

Investments	Holdings	Fair value HK\$	% of net assets
Listed equities			
Singapore			
SINGAPORE TECH ENGINEERING	10,000	164,437	0.51%
Total investments in listed Singaporean securities at fair value		<u>164,437</u>	<u>0.51%</u>
Total investments in securities at fair value		<u>27,712,307</u>	<u>85.68%</u>
Index swaps issued by		Fair value HK\$	% of net assets
STANDARD CHARTERD BANK		(119,574)	(0.37)%
Total investment in index swaps at fair value		<u>(119,574)</u>	<u>(0.37)%</u>
Equity swaps issued by			
STANDARD CHARTERD BANK		364,540	1.13%
Total investment in equity swaps at fair value		<u>364,540</u>	<u>1.13%</u>
Total investments		27,957,273	86.44%
Other net assets		<u>4,385,312</u>	<u>13.56%</u>
Net assets attributable to unitholders at 31 December 2015		<u>32,342,585</u>	<u>100.00%</u>
Total investments, at cost		<u>26,565,507</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 2015

Investments - listed equities	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
AGL ENERGY LTD	1,060	-	-	(1,060)	-
ASAHI GROUP HOLDINGS LTD	-	500	-	-	500
ASTELLAS PHARMA INC	17,600	-	-	(15,500)	2,100
BHP BILLITON LTD	11,304	-	-	(11,304)	-
BRIDGESTONE CORPORATION	7,200	-	-	(6,400)	800
CANON INC	1,600	-	-	(1,400)	200
CHUGAI PHARMACEUTICAL LTD	-	500	-	-	500
COMMONWEALTH BANK OF AUSTRALIA	4,702	-	-	(4,702)	-
DAIKIN INDUSTRIES LTD	5,800	-	-	(1,400)	4,400
DENTSU INC	10,100	-	-	(9,200)	900
FANUC CORP	1,900	-	-	-	1,900
FAST RETAILING CO LTD	1,300	-	-	(1,100)	200
FORTESCUE METALS GROUP LTD	44,866	-	-	(44,866)	-
FUJI HEAVY INDUSTRIES LTD	3,600	-	-	(3,200)	400
GENTING SINGAPORE PLC	-	269,500	-	(269,500)	-
GLOBAL LOGISTIC PROPERTIES	-	338,200	-	(338,200)	-
HONDA MOTOR CO LTD	10,300	-	-	-	10,300
JAPAN TOBACCO INC	2,000	-	-	(1,800)	200
KAO CORP	9,300	-	-	(8300)	1,000
KDDI CORP	6,500	-	13,000	(17,000)	2,500
KEPPEL CORP LTD	-	101,100	-	(101,100)	-
KYOCERA CORP ORD	7,600	-	-	(1,200)	6,400
MITSUBISHI CORP	4,900	-	-	(3,900)	1,000
NITTO DENKO CORP	12,700	-	-	(11,200)	1,500
NTT DATA CORPORATION	5,000	-	-	-	5,000
OLYMPUS CORP SHS	-	500	-	-	500
ORIGIN ENERGY LTD	11,130	-	-	(11,130)	-
PANASONIC CORP	22,200	-	-	-	22,200
RIO TINTO LTD	4,689	6,225	-	(10,914)	-
SECOM CO LTD	3,100	-	-	-	3,100
SEVEN & I HOLDINGS CO LTD	-	500	-	-	500
SHIN ETSU CHEMICAL CO LTD	7,100	-	-	(5,200)	1900
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 2015

	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
Investments - listed equities					
SINGAPORE TELECOM	-	300,100	-	(300,100)	-
SOFTBANK CORP	4,500	-	-	-	4,500
SUZUKI MOTOR CORP	12,700	-	-	(3,100)	9,600
TAKEDA PHARMACEUTICAL	10,500	-	-	(9,200)	1,300
TERUMO CORP	-	800	-	-	800
TOKYO ELECTRON LTD	7,600	-	-	(2,800)	4,800
TOYOTA MOTOR CORP	4,500	-	-	(4,000)	500
WESFARMERS LTD	6,091	-	-	(6,091)	-
WESTPAC BANKING CORP	6,009	-	-	(6,009)	-
WILMAR BANKING CORP	126,000	322,100	-	(448,100)	-
WOODSIDE PETROLEUM LTD	7,627	-	-	(7,627)	-
Swaps issued by		Fair value as at 1 January 2015 HK\$	Fair value change HK\$	Fair value as at 31 December 2015 HK\$	
JPMORGAN CHASE BANK N.A.		846,975	(846,975)	-	
STANDARD CHARTERED BANK		1,342,037	(1,097,071)	244,966	

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 2015

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
31 December 2015	8.1527	32,610,881

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>
Year ended 31 December 2015	<u>7.2637</u>	<u>10.2472</u>

During the year ended 31 December 2014, the Underlying Index decreased by 13.86%, while the net asset value per unit of the Sub-Fund decreased by 12.31% ^(a).

The following lists the constituent securities that individually accounted for more than 10% of TAIEX Index as at 31 December 2015 and its weighting of the TAIEX Index as at 31 December 2015:

Constituent securities	Respective weighting in TAIEX Index
Taiwan Semiconductor Manufacturing Company Limited ^(b)	<u>15.28%</u>

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>

(a) This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2015 to 31 December 2015.

(b) The Sub-Fund did not hold the constituent securities as at 31 December 2014 and 2015.

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 2015

Investments

Listed equities	Holdings	Fair value HK\$	% of net assets
Japan			
AJINOMOTO INC COM	1,000	185,514	2.48%
ASAHI GROUP HOLDINGS LTD	600	146,853	1.96%
ASTELLAS PHARMA INC	800	89,243	1.19%
CANON INC	500	118,383	1.58%
CHUGAI PHARMACEUTICAL LTD	200	54,633	0.73%
DAIKIN INDUSTRIES LTD	1,200	688,148	9.19%
DENTSU INC	100	43,037	0.58%
EISAI CO LTD	100	51,947	0.69%
FANUC CORP	400	543,241	7.26%
FAST RETAILING CO LTD	100	274,713	3.67%
FUJI HEAVY INDUSTRY	300	97,161	1.30%
HONDA MOTOR CO LTD	2,000	503,812	6.74%
JAPAN TOBACCO INC	300	86,415	1.16%
KAO CORP	200	80,597	1.08%
KDDI CORP	3,300	670,559	8.97%
KIRIN GROUP HOLDINGS LTD	600	63,685	0.85%
KYOCERA CORP	1,700	619,251	8.28%
MITSUBISHI CORP	1,500	195,984	2.62%
NITTO DENKO CORP	200	114,833	1.54%
NTT DATA CORPORATION	300	113,648	1.52%
OLYMPUS CORP	300	92,774	1.24%
PANASONIC CORP	1,000	79,921	1.07%
SECOM CO LTD	100	53,087	0.71%
SEVEN & I HOLDINGS CO LTD	200	71,513	0.96%
SHIN ETSU CHEMICAL CO LTD	600	255,785	3.42%
SOFTBANK CORP	1,500	593,268	7.93%
SUMITOMO REALTY & DEVELOPMENT	300	67,164	0.90%
SUZUKI MOTOR CORPORATION	2,700	644,138	8.61%
TAKEDA PHARMACEUTICAL	300	117,223	1.57%
TERUMO CORP	200	48,706	0.65%
TOKYO ELECTRON LTD	100	47,173	0.63%
TOYOTA MOTOR CORP	200	96,485	1.29%
Total investments in listed Japanese securities at fair value		6,908,894	92.37%
Total investments in securities at fair value		6,908,894	92.37%

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 2015

Index swaps issued by	Fair value HK\$	% of net assets
STANDARD CHARTERED BANK	(699,563)	(9.35)%
Total investment in index swaps at fair value	<u>(699,563)</u>	<u>(9.35)%</u>
Equity swaps issued by		
STANDARD CHARTERED BANK	23,730	0.32%
Total investment in equity swaps at fair value	<u>23,730</u>	<u>0.32%</u>
Total investments	6,233,061	83.34%
Other net assets	<u>1,246,415</u>	<u>16.66%</u>
Net assets attributable to unitholders at 31 December 2015	<u><u>7,479,476</u></u>	<u><u>100.00%</u></u>
Total investments, at cost	<u><u>6,737,032</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 2015

Investments - listed equities	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
AGL ENERGY LTD	285	-	-	(285)	-
AJINOMOTO INC COM	3,000	-	-	(2,000)	1,000
ASAHI GROUP HOLDINGS LTD	2,700	-	-	(2,100)	600
ASTELLAS PHARMA INC	5,300	-	-	(4,500)	800
BHP BILLITON LTD	2,875	-	-	(2,875)	-
BRIDGESTONE CORPORATION	2,200	-	-	(2,200)	-
CANON INC	500	-	-	-	500
CHUGAI PHARMACEUTICAL LTD	1,100	-	-	(900)	200
COMMONWEALTH BANK OF AUSTRALIA	1,376	-	-	(1,376)	-
DAIKIN INDUSTRIES LTD	-	1,200	-	-	1,200
DENTSU INC	3,000	-	-	(2,900)	100
EISAI CO LTD	100	-	-	-	100
FANUC CORP	-	400	-	-	400
FAST RETAILING CO LTD	700	-	-	(600)	100
FORTESCUE METALS GROUP LTD	11,718	-	-	(11,718)	-
FUJI HEAVY INDUSTRIES	300	-	-	-	300
GENTING SINGAPORE PLC	-	501,200	-	(501,200)	-
GLOBAL LOGISTIC PROPERTIES	-	189,800	-	(189,800)	-
HONDA MOTOR CO LTD	-	2,000	-	-	2,000
JAPAN TOBACCO INC	600	-	-	(300)	300
KAO CORP	2,800	-	-	(2,600)	200
KDDI CORP	-	3,300	-	-	3,300
KEPPEL CORP LTD	-	38,200	-	(38,200)	-
KIRIN GROUP HOLDINGS LTD	600	-	-	-	600
KYOCERA CORP	-	1,700	-	-	1,700
MITSUBISHI CORP	1,500	-	-	-	1,500
NITTO DENKO CORP	3,800	-	-	(3,600)	200
NTT DATA CORPORATION	3,000	-	-	(2,700)	300
OLYMPUS CORP	2,200	-	-	(1,900)	300
ORIGIN ENERGY LTD	2,174	-	-	(2,174)	-
PANASONIC CORP	6,700	-	-	(5,700)	1,000
RIO TINTO LTD	1,062	1,583	-	(2,645)	-
SECOM CO LTD	1,900	-	-	(1,800)	100

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)

	Holdings as at 1 January 2015	Additions	Corporate Action	Disposals	Holdings as at 31 December 2015
Investments - listed equities					
SEVEN & I HOLDINGS CO LTD	1,400	-	-	(1,200)	200
SHIN ETSU CHEMICAL CO LTD	2,100	-	-	(1,500)	600
SINGAPORE TELECOM LTD	-	134,400	-	(134,400)	-
SOFTBANK CORP	-	1,500	-	-	1,500
SUMITOMO REALTY & DEVELOPMENT	300	-	-	-	300
SUZUKI MOTOR CORP	-	2,700	-	-	2,700
TAKEDA PHARMACEUTICAL	3,100	-	-	(2,800)	300
TERUMO CORP	4,500	-	-	(4,300)	200
TOKYO ELECTRON LTD	2,100	-	-	(2,000)	100
TOYOTA MOTOR CORP	1,400	-	-	(1,200)	200
WESFARMERS LTD	2,646	-	-	(2,646)	-
WESTPAC BANKING CORP	1,614	-	-	(1,614)	-
WILMAR INTERNATIONAL LTD	-	161,300	-	(161,300)	-
WOODSIDE PETROLEUM LTD	1,992	-	-	(1,992)	-
Swaps issued by		Fair value as at 1 January 2015 HK\$	Fair value change HK\$	Fair value as at 31 December 2015 HK\$	
JPMORGAN CHASE BANK N.A.		(87,816)	87,816	-	
STANDARD CHARTERED BANK		82,592	(758,425)	(675,833)	

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 2015

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
31 December 2015	7.6186	7,618,556

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>
Year ended 31 December 2015	<u>7.4921</u>	<u>10.9828</u>

During the year ended 31 December 2015, the Underlying Index decreased by 25.73%, while the net asset value per unit of the Sub-Fund decreased by 24.90% ^(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 2015 and 2014.

(a) *This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2015 to 31 December 2015.*