

XIE Shares Indonesia (LQ45) ETF*

(*This is a synthetic ETF) (Stock Code: 3031)

a sub-fund of the XIE Shares Trust I* (*This is a synthetic ETF)

Unaudited Interim Report

For the period from 1st January 2016
to 30th June 2016

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MANAGEMENT AND ADMINISTRATION

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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

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¹ Prior to 28 June 2016, Champion Tower was known as Citibank Tower.

Any opinion contained in this Interim Report (if any) reflects the Manager's view as at the date of this report and is subject to amendment(s) without notice. The information contained in this Interim Report does not constitute recommendation or investment advice. Investors should refer to the Prospectus of the XIE Shares Trust I for further details (including but not limited to risk factors, fees and charges and other important information) which is available from the website www.xieshares.com.

Issued by Enhanced Investment Products Limited, the Manager of the XIE Shares Indonesia (LQ45) ETF*(*This is a synthetic ETF).

STATEMENT OF FINANCIAL POSITION

as at 30th June 2016

	30th June 2016 HKD (UNAUDITED)	31st December 2015 HKD (AUDITED)
ASSETS		
Investments in listed securities	35,602,928	31,681,719
Investments in derivative instruments	2,658,014	1,766,130
Cash and cash equivalents	10,386,925	8,631,837
TOTAL ASSETS	48,647,867	42,079,686
LIABILITIES		
Investments in derivative instruments	468,730	489,378
Payable due to swap counterparties	1,939,161	1,240,103
Management fee payable	14,182	13,041
Other payables	94,950	102,240
TOTAL LIABILITIES	2,517,023	1,844,762
EQUITY		
Net assets attributable to unitholders	46,130,844	40,234,924
Number of units outstanding	6,500,000	6,500,000
Net asset value per unit	7.0971	6.1900

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30th June 2016

	Period from 1st January 2016 to 30th June 2016 HKD (UNAUDITED)	Period from 1st January 2015 to 30th June 2015 HKD (UNAUDITED)
INCOME		
Dividend income	346,239	454,211
Interest income	1,388	1,465
Net gain/(loss) on investments	5,788,618	(7,219,505)
Net foreign exchange gain/(loss)	67,095	(10,150)
Total net income/(loss)	6,203,340	(6,773,979)
OPERATING EXPENSES		
Management fees	84,354	109,055
Audit fees	139,884	36,563
Interest expense	1,780	888
Bank charges	1,265	2,440
Other operating expenses	47,868	57,858
Total operating expenses	275,151	206,804
Operating profit/(loss)	5,928,189	(6,980,783)
Profit/(loss) before taxation	5,928,189	(6,980,783)
Dividend withholding tax	32,269	32,875
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	5,895,920	(7,013,658)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO UNITHOLDERS
for the period ended 30th June 2016

	Period from 1st January 2016 to 30th June 2016 HKD	Period from 1st January 2015 to 30th June 2015 HKD
	(UNAUDITED)	(UNAUDITED)
Balance at the beginning of the period	40,234,924	50,404,871
Proceeds on issue of units	-	7,591,100
Net increase from unit transactions	-	7,591,100
Total comprehensive income/(loss) for the period	5,895,920	(7,013,658)
Balance at the end of the period	46,130,844	50,982,313

STATEMENT OF CASH FLOWS
for the period ended 30th June 2016

	Period from 1st January 2016 to 30th June 2016 HKD (UNAUDITED)	Period from 1st January 2015 to 30th June 2015 HKD (UNAUDITED)
OPERATING ACTIVITIES		
Payments for purchase of investments	(31,935,556)	(7,357,925)
Proceeds from sale of investments	32,890,433	6,884,621
Dividends received	346,239	488,656
Interest received	1,388	1,465
Management fee paid	(83,213)	(109,550)
Dividend withholding tax paid	(32,269)	(32,875)
Interest expense paid	(1,780)	(888)
Net receipts from/(payments to) swap counterparties	699,058	(11,216,431)
Other receipts and payments	(196,307)	(89,212)
Cash generated from/(used in) operating activities	1,687,993	(11,432,139)
FINANCING ACTIVITIES		
Proceeds from issue of units	-	7,591,100
Cash flows generated from financing activities	-	7,591,100
Net increase/(decrease) in cash and cash equivalents	1,687,993	(3,841,039)
Cash and cash equivalents at beginning of period	8,631,837	11,031,272
Net foreign exchange gain/(loss)	67,095	(10,150)
Cash and cash equivalents at end of period	10,386,925	7,180,083
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents	10,386,925	7,180,083

INVESTMENT PORTFOLIO (UNAUDITED)

as at 30th June 2016

Investments

Listed equities

	Holdings	Fair value HKD ¹	% of net assets
Japan			
AJINOMOTO CO INC	4,000	727,777	1.58%
ASAHI GROUP HOLDINGS LTD	4,500	1,125,014	2.44%
ASTELLAS PHARMA INC	8,900	1,076,843	2.33%
BRIDGESTONE CORP	3,400	840,497	1.82%
CANON INC	1,200	264,295	0.57%
CHUGAI PHARMACEUTICAL CO LTD	4,300	1,181,993	2.56%
DAIKIN INDUSTRIES LTD	2,000	1,287,673	2.79%
DENTSU INC	2,800	1,009,993	2.19%
EISAI CO LTD	2,100	903,277	1.96%
FANUC CORP	800	1,000,314	2.17%
FAST RETAILING CO LTD	300	619,336	1.34%
FUJI HEAVY INDUSTRIES LTD	3,300	867,932	1.88%
HONDA MOTOR CO LTD	1,200	233,442	0.51%
JAPAN TOBACCO INC	900	279,245	0.61%
KAO CORP	2,300	1,031,220	2.24%
KDDI CORP	1,400	329,571	0.71%
KIRIN HOLDINGS CO LTD	10,800	1,407,185	3.05%
KYOCERA CORP	4,000	1,464,626	3.17%
MITSUBISHI CORP	8,400	1,135,766	2.46%
MITSUBISHI UFJ FINANCIAL GROUP INC	37,300	1,285,939	2.79%
MIZUHO FINANCIAL GROUP INC	108,000	1,211,175	2.63%
NIPPON TELEGRAPH & TELEPHONE CORP	3,900	1,415,624	3.07%
NTT DATA CORP	2,900	1,059,223	2.30%
NTT DOCOMO INC	7,400	1,548,120	3.36%
OLYMPUS CORP	3,700	1,061,832	2.30%
PANASONIC CORP	14,100	939,371	2.04%
SECOM CO LTD	2,100	1,199,447	2.60%
SEVEN & I HOLDINGS CO LTD	1,900	615,093	1.33%
SHIN-ETSU CHEMICAL CO LTD	2,600	1,172,215	2.54%
SOFTBANK GROUP CORP	1,600	700,431	1.52%
SUMITOMO MITSUI FINANCIAL GROUP INC	5,800	1,283,348	2.78%
SUMITOMO REALTY & DEVELOPMENT CO LTD	4,000	833,192	1.81%
SUZUKI MOTOR CORP	5,200	1,082,755	2.35%
TAKEDA PHARMACEUTICAL CO LTD	1,500	501,820	1.09%
TOYOTA MOTOR CORP	500	191,019	0.41%

Total investments in listed Japanese securities at fair value

32,886,603 71.30%

	Holdings	Fair value HKD ¹	% of net assets
Singapore			
CAPITALAND LTD	18,500	327,374	0.71%
DBS GROUP HOLDINGS LTD	5,800	526,888	1.14%
GLOBAL LOGISTIC PROPERTIES LTD	127,000	1,321,341	2.86%
SINGAPORE AIRLINES LTD	8,800	540,722	1.17%

Total investments in listed Singaporean securities at fair value

2,716,325 5.88%

Total investments in securities at fair value

35,602,928 77.18%

	Fair value HKD ²	% of net assets
Index swaps issued by		
BNP PARIBAS	260,479	0.56%
NOMURA HKG	1,301,369	2.82%

Total investment in index swaps at fair value

1,561,848 3.38%

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

as at 30th June 2016

Investments (continued)

	Fair value HKD ²	% of net assets
Equity swaps issued by		
BNP PARIBAS	181,321	0.39%
NOMURA HKG	446,115	0.97%
Total investment in equity swaps at fair value	<u>627,436</u>	<u>1.36%</u>
Total investments	37,792,212	81.92%
Other net assets	<u>8,338,632</u>	<u>18.08%</u>
Net assets attributable to unitholders at 30th June 2016	<u>46,130,844</u>	<u>100.00%</u>
Total investments, at cost	<u>35,437,339</u>	

¹ Exchange rate as at 30th June 2016

HKD/JPY 13.223849

HKD/SGD 0.173487

HKD/USD 0.128900

² excludes cash margins deposited with swap counterparties

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

for the period ended 30th June 2016

	Holdings as at 1st January 2016	Additions	Corporate action	Disposals	Holdings as at 30th June 2016
Investments - listed equities					
AJINOMOTO CO INC	1,000	4,000	-	(1,000)	4,000
ASAHI GROUP HOLDINGS LTD	1,200	4,500	-	(1,200)	4,500
ASTELLAS PHARMA INC	2,400	8,900	-	(2,400)	8,900
BRIDGESTONE CORP	1,000	3,400	-	(1,000)	3,400
CANON INC	200	1,200	-	(200)	1,200
CAPITALAND LTD	18,500	-	-	-	18,500
CHUGAI PHARMACEUTICAL CO LTD	500	4,300	-	(500)	4,300
DAIKIN INDUSTRIES LTD	5,100	2,000	-	(5,100)	2,000
DBS GROUP HOLDINGS LTD	5,800	-	-	-	5,800
DENTSU INC	900	2,800	-	(900)	2,800
EISAI CO LTD	200	2,100	-	(200)	2,100
FANUC CORP	2,000	800	-	(2,000)	800
FAST RETAILING CO LTD	200	300	-	(200)	300
FUJI HEAVY INDUSTRIES LTD	500	3,300	-	(500)	3,300
GLOBAL LOGISTIC PROPERTIES LTD	127,000	-	-	-	127,000
HONDA MOTOR CO LTD	10,900	1,200	-	(10,900)	1,200
JAPAN TOBACCO INC	300	900	-	(300)	900
KAO CORP	1,300	2,300	-	(1,300)	2,300
KDDI CORP	10,100	1,400	-	(10,100)	1,400
KIRIN HOLDINGS CO LTD	1,300	10,800	-	(1,300)	10,800
KYOCERA CORP	7,400	4,000	-	(7,400)	4,000
MITSUBISHI CORP	700	8,400	-	(700)	8,400
MITSUBISHI UFJ FINANCIAL GROUP INC	-	37,300	-	-	37,300
MIZUHO FINANCIAL GROUP INC	-	108,000	-	-	108,000
NIPPON TELEGRAPH & TELEPHONE CORP	-	3,900	-	-	3,900
NITTO DENKO CORP	1,000	-	-	(1,000)	-
NTT DATA CORP	500	2,900	-	(500)	2,900
NTT DOCOMO INC	-	7,400	-	-	7,400
OLYMPUS CORP	1,000	3,700	-	(1,000)	3,700
PANASONIC CORP	3,000	14,100	-	(3,000)	14,100
SECOM CO LTD	400	2,100	-	(400)	2,100
SEVEN & I HOLDINGS CO LTD	600	1,900	-	(600)	1,900
SHIN-ETSU CHEMICAL CO LTD	500	2,600	-	(500)	2,600
SINGAPORE AIRLINES LTD	8,800	-	-	-	8,800
SINGAPORE TECH ENGINEERING	10,000	-	-	(10,000)	-
SOFTBANK GROUP CORP	7,200	1,600	-	(7,200)	1,600
SUMITOMO MITSUI FINANCIAL GROUP INC	-	5,800	-	-	5,800
SUMITOMO REALTY & DEVELOPMENT CO LTD	100	4,000	-	(100)	4,000
SUZUKI MOTOR CORP	11,100	5,200	-	(11,100)	5,200
TAKEDA PHARMACEUTICAL CO LTD	500	1,500	-	(500)	1,500
TERUMO CORP	2,100	-	-	(2,100)	-
TOKYO ELECTRON LTD	4,600	-	-	(4,600)	-
TOYOTA MOTOR CORP	600	500	-	(600)	500
WILMAR INTERNATIONAL LTD	100,000	-	-	(100,000)	-

	Fair value as at 1st January 2016 HKD	Fair value change HKD	Fair value as at 30th June 2016 HKD
Swaps issued by			
BNP PARIBAS	26,735	415,065	441,800
NOMURA HKG	-	1,747,484	1,747,484
STANDARD CHARTERED BANK	1,250,017	(1,250,017)	-

PERFORMANCE RECORD (UNAUDITED)**Highest and lowest net asset value per unit**

	Lowest HKD	Highest HKD
	<u>6.0170</u>	<u>7.1038</u>
Period ended 30th June 2016		

Net asset value attributable to unitholders

	HKD
	<u>46,130,844</u>
As at 30th June 2016	

Net asset value per unit

	HKD
	<u>7.0971</u>
As at 30th June 2016	

During the period, the IDX LQ45 Index increased by 15.27%, while the net asset value per unit of XIE Shares Indonesia (LQ45) ETF*(*This is a synthetic ETF) increased by 14.51%^(a).

The following lists the constituent securities that individually accounted for more than 10% of the LQ45 Index as at 30th June 2016 and its weighting of the LQ45 Index as at 30th June 2016:

Constituent securities	Respective weighting in LQ45 Index
Hanjaya Mandala Sampoerna Tbk PT ^(b)	11.94%
Telekomunikasi Indonesia Tbk PT ^(b)	<u>10.83%</u>

^(a) This is the return of XIE Shares Indonesia (LQ45) ETF*(*This is a synthetic ETF) (net of fees and expenses) from 1st January 2016 to 30th June 2016.

^(b) XIE Shares Indonesia (LQ45) ETF* (*This is a synthetic ETF) did not hold the constituent securities as at 30th June 2016.