

**XIE Shares India (Nifty 50) ETF\***

**(\*This is a synthetic ETF) (Stock Code: 3091)**

**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

### Manager and Listing Agent

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Hong Kong

### Directors of the Manager

BLAND Tobias Christopher James  
BEATTIE Nigel John  
GLADSTONE Xenophon Thomas  
LAU Che Loon David

### Trustee

Cititrust Limited  
50/F, Champion Tower<sup>1</sup>  
Three Garden Road  
Central  
Hong Kong

### Administrator

Cititrust, N.A.  
50/F, Champion Tower<sup>1</sup>  
Three Garden Road  
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 Makers

BNP Paribas Securities (Asia) Limited  
Commerzbank AG

### Registrar

Computershare Hong Kong Investor  
Services Limited  
46/F, Hopewell Centre  
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### Service Agent

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### Legal Counsel to the Manager

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13/F, One Pacific Place  
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Hong Kong

### Auditor

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

### Custodian

Citibank, N.A.  
50/F, Champion Tower<sup>1</sup>  
Three Garden Road  
Central  
Hong Kong

<sup>1</sup> 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](http://www.xieshares.com).

Issued by Enhanced Investment Products Limited, the Manager of the XIE Shares India (Nifty 50) 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)
<b>ASSETS</b>		
Investments in listed securities	54,891,941	57,106,940
Investments in derivative instruments	2,269,434	2,648,741
Amounts due from brokers	33,820	33,785
Cash and cash equivalents	15,349,579	11,970,403
<b>TOTAL ASSETS</b>	<b>72,544,774</b>	<b>71,759,869</b>
<b>LIABILITIES</b>		
Investments in derivative instruments	844,764	850,480
Payable due to swap counterparties	77,509	1,162,520
Management fee payable	22,712	22,559
Other payables	156,934	259,641
<b>TOTAL LIABILITIES</b>	<b>1,101,919</b>	<b>2,295,200</b>
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>71,442,855</b>	<b>69,464,669</b>
<b>Number of units outstanding</b>	<b>8,000,000</b>	<b>8,000,000</b>
<b>Net asset value per unit</b>	<b>8.9304</b>	<b>8.6831</b>

**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)
<b>INCOME</b>		
Dividend income	552,042	1,188,674
Interest income	1,151	3,660
Net gain/(loss) on investments	1,755,999	(227,334)
Net foreign exchange gain/(loss)	62,505	(15,988)
<b>Total net income</b>	<b>2,371,697</b>	<b>949,012</b>
<b>OPERATING EXPENSES</b>		
Management fees	129,443	243,742
Audit fees	158,371	123,259
Interest expense	1,538	13,661
Bank charges	1,470	3,045
Other operating expenses	47,868	57,766
<b>Total operating expenses</b>	<b>338,690</b>	<b>441,473</b>
<b>Operating profit</b>	<b>2,033,007</b>	<b>507,539</b>
<b>Profit before taxation</b>	2,033,007	507,539
Dividend withholding tax	54,821	54,437
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,978,186</b>	<b>453,102</b>

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

	<b>Period from</b> <b>1st January 2016</b> <b>to 30th June 2016</b> <b>HKD</b> <b>(UNAUDITED)</b>	<b>Period from</b> <b>1st January 2015</b> <b>to 30th June 2015</b> <b>HKD</b> <b>(UNAUDITED)</b>
<b>Balance at the beginning of the period</b>	69,464,669	94,621,377
Proceeds on issue of units	-	28,528,500
Net increase from unit transactions	-	28,528,500
Total comprehensive income for the period	1,978,186	453,102
<b>Balance at the end of the period</b>	<b>71,442,855</b>	<b>123,602,979</b>

**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)
<b>OPERATING ACTIVITIES</b>		
Payments for purchase of investments	(53,496,351)	(33,746,302)
Proceeds from sale of investments	57,840,905	8,485,888
Dividends received	552,042	1,188,674
Interest received	1,151	3,660
Management fee paid	(129,290)	(244,505)
Dividend withholding tax paid	(54,821)	(54,437)
Interest expense paid	(1,538)	(13,661)
Net payments to swap counterparties	(1,085,011)	(4,522,983)
Other receipts and payments	(310,416)	(264,769)
<b>Cash generated from/(used in) operating activities</b>	<b>3,316,671</b>	<b>(29,168,435)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issue of units	-	28,528,500
<b>Cash flows generated from financing activities</b>	<b>-</b>	<b>28,528,500</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,316,671</b>	<b>(639,935)</b>
Cash and cash equivalents at beginning of period	11,970,403	25,407,683
Net foreign exchange gain/(loss)	62,505	(15,988)
<b>Cash and cash equivalents at end of period</b>	<b>15,349,579</b>	<b>24,751,760</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and cash equivalents	<b>15,349,579</b>	<b>24,751,760</b>

## INVESTMENT PORTFOLIO (UNAUDITED)

as at 30th June 2016

### Investments

#### Listed equities

	Holdings	Fair value HKD <sup>1</sup>	% of net assets
<b>Japan</b>			
AJINOMOTO CO INC	9,000	1,637,497	2.29%
ASAHI GROUP HOLDINGS LTD	8,100	2,025,024	2.83%
ASTELLAS PHARMA INC	15,500	1,875,400	2.63%
BRIDGESTONE CORP	5,600	1,384,347	1.94%
CANON INC	1,600	352,394	0.49%
CHUGAI PHARMACEUTICAL CO LTD	7,400	2,034,128	2.85%
DAIKIN INDUSTRIES LTD	3,300	2,124,661	2.97%
DENTSU INC	5,400	1,947,844	2.73%
EISAI CO LTD	3,600	1,548,475	2.17%
FANUC CORP	1,100	1,375,432	1.93%
FAST RETAILING CO LTD	600	1,238,671	1.73%
FUJI HEAVY INDUSTRIES LTD	5,300	1,393,951	1.95%
HONDA MOTOR CO LTD	1,600	311,256	0.44%
JAPAN TOBACCO INC	1,200	372,327	0.52%
KAO CORP	4,100	1,838,262	2.57%
KDDI CORP	1,900	447,275	0.63%
KIRIN HOLDINGS CO LTD	18,900	2,462,573	3.45%
KYOCERA CORP	7,000	2,563,096	3.59%
MITSUBISHI CORP	5,900	797,740	1.12%
MITSUBISHI UFJ FINANCIAL GROUP INC	67,400	2,323,655	3.25%
MIZUHO FINANCIAL GROUP INC	195,000	2,186,844	3.06%
NIPPON TELEGRAPH & TELEPHONE CORP	7,000	2,540,864	3.56%
NTT DATA CORP	5,000	1,826,246	2.56%
NTT DOCOMO INC	13,400	2,803,352	3.92%
OLYMPUS CORP	6,600	1,894,078	2.65%
PANASONIC CORP	24,700	1,645,565	2.30%
SECOM CO LTD	3,500	1,999,078	2.80%
SEVEN & I HOLDINGS CO LTD	2,500	809,333	1.13%
SHIN-ETSU CHEMICAL CO LTD	4,600	2,073,920	2.90%
SOFTBANK GROUP CORP	2,100	919,316	1.29%
SUMITOMO MITSUI FINANCIAL GROUP INC	10,500	2,323,301	3.23%
SUMITOMO REALTY & DEVELOPMENT CO LTD	8,000	1,666,382	2.33%
SUZUKI MOTOR CORP	5,000	1,041,111	1.46%
TAKEDA PHARMACEUTICAL CO LTD	2,400	802,913	1.12%
TOYOTA MOTOR CORP	800	305,630	0.43%

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

54,891,941 76.82%

#### Total investments in securities at fair value

54,891,941 76.82%

	Fair value HKD <sup>2</sup>	% of net assets
<b>Index swaps issued by</b>		
BNP PARIBAS	(74,780)	-0.10%
NOMURA HKG	397,065	0.56%

#### Total investment in index swaps at fair value

322,285 0.46%

	Fair value HKD <sup>2</sup>	% of net assets
<b>Equity swaps issued by</b>		
BNP PARIBAS	233,068	0.33%
NOMURA HKG	869,317	1.22%

#### Total investment in equity swaps at fair value

1,102,385 1.55%

**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**

as at 30th June 2016

**Investments (continued)**

	<b>Fair value HKD</b>	<b>% of net assets</b>
<b>Total investments</b>	56,316,611	78.83%
<b>Other net assets</b>	<u>15,126,244</u>	<u>21.17%</u>
<b>Net assets attributable to unitholders at 30th June 2016</b>	<u><u>71,442,855</u></u>	<u><u>100.00%</u></u>
<b>Total investments, at cost</b>	<u><u>53,496,351</u></u>	

<sup>1</sup> Exchange rate as at 30th June 2016

HKD/JPY 13.223849

HKD/USD 0.128900

<sup>2</sup> 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
<b>Investments - listed equities</b>					
AJINOMOTO CO INC	1,000	9,000	-	(1,000)	9,000
ASAHI GROUP HOLDINGS LTD	2,800	8,100	-	(2,800)	8,100
ASTELLAS PHARMA INC	2,600	15,500	-	(2,600)	15,500
BRIDGESTONE CORP	1,100	5,600	-	(1,100)	5,600
CANON INC	500	1,600	-	(500)	1,600
CHUGAI PHARMACEUTICAL CO LTD	1,400	7,400	-	(1,400)	7,400
DAIKIN INDUSTRIES LTD	9,000	3,300	-	(9,000)	3,300
DENTSU INC	1,800	5,400	-	(1,800)	5,400
EISAI CO LTD	-	3,600	-	-	3,600
FANUC CORP	4,000	1,100	-	(4,000)	1,100
FAST RETAILING CO LTD	300	600	-	(300)	600
FUJI HEAVY INDUSTRIES LTD	500	5,300	-	(500)	5,300
HONDA MOTOR CO LTD	21,300	1,600	-	(21,300)	1,600
JAPAN TOBACCO INC	2,300	1,200	-	(2,300)	1,200
KAO CORP	2,700	4,100	-	(2,700)	4,100
KDDI CORP	25,400	1,900	-	(25,400)	1,900
KIRIN HOLDINGS CO LTD	-	18,900	-	-	18,900
KYOCERA CORP	13,000	7,000	-	(13,000)	7,000
MITSUBISHI CORP	700	5,900	-	(700)	5,900
MITSUBISHI UFJ FINANCIAL GROUP INC	-	67,400	-	-	67,400
MIZUHO FINANCIAL GROUP INC	-	195,000	-	-	195,000
NIPPON TELEGRAPH & TELEPHONE CORP	-	7,000	-	-	7,000
NITTO DENKO CORP	1,900	-	-	(1,900)	-
NTT DATA CORP	1,500	5,000	-	(1,500)	5,000
NTT DOCOMO INC	-	13,400	-	-	13,400
OLYMPUS CORP	500	6,600	-	(500)	6,600
PANASONIC CORP	12,400	24,700	-	(12,400)	24,700
SECOM CO LTD	2,900	3,500	-	(2,900)	3,500
SEVEN & I HOLDINGS CO LTD	1,700	2,500	-	(1,700)	2,500
SHIN-ETSU CHEMICAL CO LTD	2,100	4,600	-	(2,100)	4,600
SINGAPORE TECH ENGINEERING	10,000	-	-	(10,000)	-
SOFTBANK GROUP CORP	11,200	2,100	-	(11,200)	2,100
SUMITOMO MITSUI FINANCIAL GROUP INC	-	10,500	-	-	10,500
SUMITOMO REALTY & DEVELOPMENT CO LTD	-	8,000	-	-	8,000
SUZUKI MOTOR CORP	19,500	5,000	-	(19,500)	5,000
TAKEDA PHARMACEUTICAL CO LTD	5,800	2,400	-	(5,800)	2,400
TERUMO CORP	17,000	-	-	(17,000)	-
TOKYO ELECTRON LTD	1,800	-	-	(1,800)	-
TOYOTA MOTOR CORP	1,600	800	-	(1,600)	800
WILMAR INTERNATIONAL LTD	160,000	-	-	(160,000)	-

	Fair value as at 1st January 2016 HKD	Fair value change HKD	Fair value as at 30th June 2016 HKD
<b>Swaps issued by</b>			
BNP PARIBAS	-	158,288	158,288
NOMURA HKG	-	1,266,382	1,266,382
STANDARD CHARTERED BANK	1,798,261	(1,798,261)	-

## PERFORMANCE RECORD (UNAUDITED)

### Highest and lowest net asset value per unit

	Lowest HKD	Highest HKD
Period ended 30th June 2016	<u>7.3825</u>	<u>9.0319</u>

### Net asset value attributable to unitholders

	HKD
As at 30th June 2016	<u>71,442,855</u>

### Net asset value per unit

	HKD
As at 30th June 2016	<u>8.9304</u>

During the period, the Nifty 50 Index increased by 3.26%, while the net asset value per unit of XIE Shares India (Nifty 50) ETF\*(\*This is a synthetic ETF) increased by 2.67%<sup>(a)</sup>.

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 30th June 2016.

<sup>(a)</sup> This is the return of XIE Shares India(Nifty 50) ETF\*(\*This is a synthetic ETF) (net of fees and expenses) from 1st January 2016 to 30th June 2016.