

**XIE Shares Korea (KOSPI 200) ETF\***

**(\*This is a synthetic ETF) (Stock Code: 3090)**

**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

Enhanced Investment Products Limited  
337 New Henry House  
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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  
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### Service Agent

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### Legal Counsel to the Manager

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Hong Kong

### Auditor

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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 Korea (KOSPI 200) 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	27,754,852	30,279,341
Investments in derivative instruments	963,364	587,033
Amounts due from brokers	39,193	39,154
Cash and cash equivalents	7,389,575	4,144,155
Receivable due from swap counterparties	466,196	542,509
<b>TOTAL ASSETS</b>	<b>36,613,180</b>	<b>35,592,192</b>
<b>LIABILITIES</b>		
Investments in derivative instruments	683,815	1,091,220
Management fee payable	11,348	11,540
Other payables	112,519	170,516
<b>TOTAL LIABILITIES</b>	<b>807,682</b>	<b>1,273,276</b>
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>35,805,498</b>	<b>34,318,916</b>
<b>Number of units outstanding</b>	<b>5,000,000</b>	<b>5,000,000</b>
<b>Net asset value per unit</b>	<b>7.1611</b>	<b>6.8638</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	309,024	828,923
Interest income	646	1,175
Net gain on investments	1,362,480	911,716
Net foreign exchange gain/(loss)	28,064	(7,904)
<b>Total net income</b>	<b>1,700,214</b>	<b>1,733,910</b>
<b>OPERATING EXPENSES</b>		
Management fees	66,656	150,277
Audit fees	67,296	77,052
Interest expense	665	11,559
Bank charges	1,455	2,205
Other operating expenses	47,869	57,766
<b>Total operating expenses</b>	<b>183,941</b>	<b>298,859</b>
<b>Operating profit</b>	<b>1,516,273</b>	<b>1,435,051</b>
<b>Profit before taxation</b>	1,516,273	1,435,051
Dividend withholding tax	29,691	30,513
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,486,582</b>	<b>1,404,538</b>

**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 (UNAUDITED)	Period from 1st January 2015 to 30th June 2015 HKD (UNAUDITED)
<b>Balance at the beginning of the period</b>	34,318,916	44,822,842
Proceeds on issue of units	-	30,231,600
Net increase from unit transactions	-	30,231,600
Total comprehensive income for the period	1,486,582	1,404,538
<b>Balance at the end of the period</b>	<b>35,805,498</b>	<b>76,458,980</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	(27,084,951)	(28,856,540)
Proceeds from sale of investments	30,188,144	3,164,483
Dividends received	309,024	810,829
Interest received	646	1,175
Management fee paid	(66,848)	(146,641)
Dividend withholding tax paid	(29,691)	(30,513)
Interest expense	(665)	(11,559)
Net receipts from/(payments to) swap counterparties	76,313	(1,556,968)
Other receipts and payments	(174,616)	(223,163)
<b>Cash generated from/(used in) operating activities</b>	<b>3,217,356</b>	<b>(26,848,897)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issue of units	-	30,231,600
<b>Cash flows generated from financing activities</b>	<b>-</b>	<b>30,231,600</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,217,356</b>	<b>3,382,703</b>
Cash and cash equivalents at beginning of period	4,144,155	10,522,222
Net foreign exchange gain/(loss)	28,064	(7,904)
<b>Cash and cash equivalents at end of period</b>	<b>7,389,575</b>	<b>13,897,021</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and cash equivalents	<b>7,389,575</b>	<b>13,897,021</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	4,000	727,776	2.03%
ASAHI GROUP HOLDINGS LTD	3,900	975,011	2.72%
ASTELLAS PHARMA INC	8,000	967,948	2.70%
BRIDGESTONE CORP	3,000	741,615	2.07%
CANON INC	1,300	286,320	0.80%
CHUGAI PHARMACEUTICAL CO LTD	3,600	989,576	2.76%
DAIKIN INDUSTRIES LTD	900	579,453	1.62%
DENTSU INC	2,400	865,709	2.42%
EISAI CO LTD	1,900	817,251	2.28%
FANUC CORP	700	875,275	2.44%
FAST RETAILING CO LTD	300	619,336	1.73%
FUJI HEAVY INDUSTRIES LTD	2,600	683,825	1.91%
HONDA MOTOR CO LTD	1,300	252,895	0.71%
JAPAN TOBACCO INC	1,000	310,273	0.87%
KAO CORP	2,100	941,549	2.63%
KDDI CORP	1,500	353,112	0.99%
KIRIN HOLDINGS CO LTD	9,400	1,224,771	3.42%
KYOCERA CORP	3,500	1,281,547	3.58%
mitsubishi corp	3,300	446,194	1.25%
mitsubishi UFJ financial group inc	31,500	1,085,981	3.03%
MIZUHO FINANCIAL GROUP INC	91,100	1,021,649	2.85%
NIPPON TELEGRAPH & TELEPHONE CORP	3,200	1,161,538	3.24%
NTT DATA CORP	2,500	913,123	2.55%
NTT DOCOMO INC	6,200	1,297,073	3.62%
OLYMPUS CORP	3,300	947,039	2.64%
PANASONIC CORP	12,300	819,451	2.29%
SECOM CO LTD	1,900	1,085,214	3.03%
SEVEN & I HOLDINGS CO LTD	1,500	485,600	1.36%
SHIN-ETSU CHEMICAL CO LTD	2,300	1,036,960	2.90%
SOFTBANK GROUP CORP	1,600	700,431	1.96%
SUMITOMO MITSUI FINANCIAL GROUP INC	4,900	1,084,207	3.04%
SUMITOMO REALTY & DEVELOPMENT CO LTD	3,000	624,894	1.75%
SUZUKI MOTOR CORP	2,500	520,556	1.45%
TAKEDA PHARMACEUTICAL CO LTD	1,500	501,821	1.40%
TOYOTA MOTOR CORP	600	229,222	0.64%
<b>Total investments in listed Japanese securities at fair value</b>		<b>27,454,195</b>	<b>76.68%</b>
<b>Singapore</b>			
WILMAR INTERNATIONAL LTD	16,000	300,657	0.84%
<b>Total investments in listed Singaporean securities at fair value</b>		<b>300,657</b>	<b>0.84%</b>
<b>Total investments in securities at fair value</b>		<b>27,754,852</b>	<b>77.52%</b>



# INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

as at 30th June 2016

## Investments (continued)

	Fair value HKD <sup>2</sup>	% of net assets
<b>Index swaps issued by</b>		
BNP PARIBAS	(144,754)	-0.40%
NOMURA HKG	(170,448)	-0.48%
<b>Total investment in index swaps at fair value</b>	<b>(315,202)</b>	<b>-0.88%</b>
	Fair value HKD <sup>2</sup>	% of net assets
<b>Equity swaps issued by</b>		
BNP PARIBAS	204,761	0.57%
NOMURA HKG	389,990	1.09%
<b>Total investment in equity swaps at fair value</b>	<b>594,751</b>	<b>1.66%</b>
<b>Total investments</b>	<b>28,034,401</b>	<b>78.30%</b>
<b>Other net assets</b>	<b>7,771,097</b>	<b>21.70%</b>
<b>Net assets attributable to unitholders at 30th June 2016</b>	<b>35,805,498</b>	<b>100.00%</b>
<b>Total investments, at cost</b>	<b>27,084,951</b>	

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

HKD/JPY 13.223849

HKD/SGD 0.173487

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	4,000	-	(1,000)	4,000
ASAHI GROUP HOLDINGS LTD	500	3,900	-	(500)	3,900
ASTELLAS PHARMA INC	16,800	8,000	-	(16,800)	8,000
BRIDGESTONE CORP	7,100	3,000	-	(7,100)	3,000
CANON INC	500	1,300	-	(500)	1,300
CHUGAI PHARMACEUTICAL CO LTD	500	3,600	-	(500)	3,600
DAIKIN INDUSTRIES LTD	4,700	900	-	(4,700)	900
DENTSU INC	1,600	2,400	-	(1,600)	2,400
EISAI CO LTD	-	1,900	-	-	1,900
FANUC CORP	2,100	700	-	(2,100)	700
FAST RETAILING CO LTD	600	300	-	(600)	300
FUJI HEAVY INDUSTRIES LTD	600	2,600	-	(600)	2,600
HONDA MOTOR CO LTD	7,900	1,300	-	(7,900)	1,300
JAPAN TOBACCO INC	300	1,000	-	(300)	1,000
KAO CORP	1,500	2,100	-	(1,500)	2,100
KDDI CORP	13,400	1,500	-	(13,400)	1,500
KIRIN HOLDINGS CO LTD	-	9,400	-	-	9,400
KYOCERA CORP	6,800	3,500	-	(6,800)	3,500
MITSUBISHI CORP	1,600	3,300	-	(1,600)	3,300
MITSUBISHI UFJ FINANCIAL GROUP INC	-	31,500	-	-	31,500
MIZUHO FINANCIAL GROUP INC	-	91,100	-	-	91,100
NIPPON TELEGRAPH & TELEPHONE CORP	-	3,200	-	-	3,200
NITTO DENKO CORP	2,100	-	-	(2,100)	-
NTT DATA CORP	500	2,500	-	(500)	2,500
NTT DOCOMO INC	-	6,200	-	-	6,200
OLYMPUS CORP	1,200	3,300	-	(1,200)	3,300
PANASONIC CORP	3,600	12,300	-	(3,600)	12,300
SECOM CO LTD	300	1,900	-	(300)	1,900
SEVEN & I HOLDINGS CO LTD	-	1,500	-	-	1,500
SHIN-ETSU CHEMICAL CO LTD	2,700	2,300	-	(2,700)	2,300
SINGAPORE TECH ENGINEERING	10,000	-	-	(10,000)	-
SOFTBANK GROUP CORP	1,900	1,600	-	(1,900)	1,600
SUMITOMO MITSUI FINANCIAL GROUP INC	-	4,900	-	-	4,900
SUMITOMO REALTY & DEVELOPMENT CO LTD	-	3,000	-	-	3,000
SUZUKI MOTOR CORP	11,700	2,500	-	(11,700)	2,500
TAKEDA PHARMACEUTICAL CO LTD	1,700	1,500	-	(1,700)	1,500
TOKYO ELECTRON LTD	1,200	-	-	(1,200)	-
TOYOTA MOTOR CORP	2,400	600	-	(2,400)	600
WILMAR INTERNATIONAL LTD	19,000	16,000	-	(19,000)	16,000
		<b>Fair value as at 1st January 2016 HKD</b>	<b>Fair value change HKD</b>	<b>Fair value as at 30th June 2016 HKD</b>	
<b>Swaps issued by</b>					
BNP PARIBAS		-	60,007	60,007	
NOMURA HKG		-	219,542	219,542	
STANDARD CHARTERED BANK		(504,188)	504,188	-	

## PERFORMANCE RECORD (UNAUDITED)

### Highest and lowest net asset value per unit

	Lowest HKD	Highest HKD
Period ended 30th June 2016	<u>6.2802</u>	<u>7.3950</u>

### Net asset value attributable to unitholders

	HKD
As at 30th June 2016	<u>35,805,498</u>

### Net asset value per unit

	HKD
As at 30th June 2016	<u>7.1611</u>

During the period, the KOSPI 200 Index increased by 3.50%, while the net asset value per unit of XIE Shares Korea (KOSPI 200) ETF\*(\*This is a synthetic ETF) increased by 3.98%<sup>(a)</sup>.

The following lists the constituent securities that individually accounted for more than 10% of the KOSPI 200 Index as at 30th June 2016 and its weighting of the KOSPI 200 Index as at 30th June 2016:

Constituent securities	Respective weighting in KOSPI 200 Index
Samsung Electronics Co Ltd <sup>(b)</sup>	<u>22.51%</u>

<sup>(a)</sup> This is the return of Korea (KOSPI 200) ETF\*(\*This is a synthetic ETF) (net of fees and expenses) from 1st January 2016 to 30th June 2016.

<sup>(b)</sup> XIE Shares Korea (KOSPI 200) ETF\* (\*This is a synthetic ETF) did not hold the constituent securities as at 30th June 2016.