

XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF*
(*This is a synthetic ETF) (Stock Code: 3029)
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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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

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¹Prior 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 Malaysia (FTSE Bursa Malaysia KLCI) 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	8,514,586	8,277,987
Investments in derivative instruments	340,673	552,729
Cash and cash equivalents	1,709,660	1,651,527
Receivable due from swap counterparties	3	-
TOTAL ASSETS	10,564,922	10,482,243
LIABILITIES		
Investments in derivative instruments	-	143,605
Payable due to swap counterparties	232,578	465,005
Amounts due to brokers	25,773	25,747
Management fee payable	3,228	3,218
Other payables	70,985	98,980
TOTAL LIABILITIES	332,564	736,555
EQUITY		
Net assets attributable to unitholders	10,232,358	9,745,688
Number of units outstanding	1,500,000	1,500,000
Net asset value per unit	6.8216	6.4971

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	67,921	339,503
Interest income	221	965
Net gain/(loss) on investments	488,383	(2,835,692)
Net foreign exchange gain/(loss)	8,877	(4,298)
Total net income/(loss)	565,402	(2,499,522)
OPERATING EXPENSES		
Management fees	19,833	62,063
Audit fees	1,684	37,561
Interest expense	354	1,201
Bank charges	1,235	2,078
Other operating expenses	47,868	57,831
Total operating expenses	70,974	160,734
Operating profit/(loss)	494,428	(2,660,256)
Profit/(loss) before taxation	494,428	(2,660,256)
Dividend withholding tax	7,758	18,402
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	486,670	(2,678,658)

**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 (UNAUDITED)	Period from 1st January 2015 to 30th June 2015 HKD (UNAUDITED)
Balance at the beginning of the period	9,745,688	20,602,803
Proceeds on issue of units	-	12,032,700
Net increase from unit transactions	-	12,032,700
Total comprehensive income/(loss) for the period	486,670	(2,678,658)
Balance at the end of the period	<u>10,232,358</u>	<u>29,956,845</u>

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	(8,266,225)	(9,478,441)
Proceeds from sale of investments	8,586,486	397,012
Dividends received	67,921	330,676
Interest received	221	965
Management fee paid	(19,823)	(60,615)
Dividend withholding tax paid	(7,758)	(18,402)
Interest expense paid	(354)	(1,201)
Net payments to swap counterparties	(232,430)	(4,303,236)
Other receipts and payments	(78,782)	(141,640)
Cash generated from/(used in) operating activities	49,256	(13,274,882)
FINANCING ACTIVITIES		
Proceeds from issue of units	-	12,032,700
Cash flows generated from financing activities	-	12,032,700
Net increase/(decrease) in cash and cash equivalents	49,256	(1,242,182)
Cash and cash equivalents at beginning of period	1,651,527	3,123,715
Net foreign exchange gain/(loss)	8,877	(4,298)
Cash and cash equivalents at end of period	1,709,660	1,877,235
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents	1,709,660	1,877,235

INVESTMENT PORTFOLIO (UNAUDITED)

as at 30th June 2016

Investments

Listed equities

	Holdings	Fair value HKD ¹	% of net assets
Japan			
AJINOMOTO CO INC	1,000	181,943	1.76%
ASAHI GROUP HOLDINGS LTD	700	175,002	1.71%
ASTELLAS PHARMA INC	2,300	278,285	2.72%
BRIDGESTONE CORP	900	222,484	2.17%
CANON INC	1,900	418,467	4.09%
CHUGAI PHARMACEUTICAL CO LTD	1,000	274,882	2.69%
DAIKIN INDUSTRIES LTD	500	321,918	3.15%
DENTSU INC	400	144,285	1.41%
EISAI CO LTD	500	215,066	2.10%
FANUC CORP	300	375,118	3.67%
FAST RETAILING CO LTD	200	412,890	4.04%
FUJI HEAVY INDUSTRIES LTD	800	210,408	2.06%
HONDA MOTOR CO LTD	1,900	369,616	3.61%
JAPAN TOBACCO INC	1,400	434,382	4.25%
KAO CORP	600	269,014	2.63%
KDDI CORP	2,200	517,898	5.06%
KIRIN HOLDINGS CO LTD	1,600	208,472	2.04%
KYOCERA CORP	500	183,078	1.79%
MITSUBISHI CORP	2,000	270,421	2.64%
NTT DATA CORP	400	146,100	1.43%
OLYMPUS CORP	600	172,189	1.68%
PANASONIC CORP	3,400	226,515	2.21%
SECOM CO LTD	300	171,350	1.67%
SEVEN & I HOLDINGS CO LTD	1,200	388,480	3.80%
SHIN-ETSU CHEMICAL CO LTD	600	270,511	2.64%
SOFTBANK GROUP CORP	1,300	569,101	5.56%
SUMITOMO REALTY & DEVELOPMENT CO LTD	1,000	208,298	2.04%
SUZUKI MOTOR CORP	800	166,578	1.63%
TAKEDA PHARMACEUTICAL CO LTD	1,100	368,002	3.60%
TOYOTA MOTOR CORP	900	343,833	3.36%
Total investments in listed Japanese securities at fair value		<u>8,514,586</u>	<u>83.21%</u>
Total investments in securities at fair value		<u>8,514,586</u>	<u>83.21%</u>
		Fair value HKD²	% of net assets
Index swaps issued by			
BNP PARIBAS		55,397	0.54%
Total investment in index swaps at fair value		<u>55,397</u>	<u>0.54%</u>
		Fair value HKD²	% of net assets
Equity swaps issued by			
BNP PARIBAS		285,276	2.79%
Total investment in equity swaps at fair value		<u>285,276</u>	<u>2.79%</u>
Total investments		<u>8,855,259</u>	<u>86.54%</u>
Other net assets		<u>1,377,099</u>	<u>13.46%</u>
Net assets attributable to unitholders at 30th June 2016		<u>10,232,358</u>	<u>100.00%</u>
Total investments, at cost		<u>8,266,225</u>	

¹ Exchange rate as at 30th June 2016

HKD/JPY 13.223849

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	1,000	-	(1,000)	1,000
ASAHI GROUP HOLDINGS LTD	200	700	-	(200)	700
ASTELLAS PHARMA INC	900	2,300	-	(900)	2,300
BRIDGESTONE CORP	200	900	-	(200)	900
CANON INC	1,500	1,900	-	(1,500)	1,900
CHUGAI PHARMACEUTICAL CO LTD	400	1,000	-	(400)	1,000
DAIKIN INDUSTRIES LTD	1,400	500	-	(1,400)	500
DENTSU INC	300	400	-	(300)	400
EISAI CO LTD	300	500	-	(300)	500
FANUC CORP	500	300	-	(500)	300
FAST RETAILING CO LTD	100	200	-	(100)	200
FUJI HEAVY INDUSTRIES LTD	2,000	800	-	(2,000)	800
HONDA MOTOR CO LTD	1,900	1,900	-	(1,900)	1,900
JAPAN TOBACCO INC	300	1,400	-	(300)	1,400
KAO CORP	100	600	-	(100)	600
KDDI CORP	3,800	2,200	-	(3,800)	2,200
KIRIN HOLDINGS CO LTD	700	1,600	-	(700)	1,600
KYOCERA CORP	1,900	500	-	(1,900)	500
MITSUBISHI CORP	300	2,000	-	(300)	2,000
NITTO DENKO CORP	100	-	-	(100)	-
NTT DATA CORP	500	400	-	(500)	400
OLYMPUS CORP	200	600	-	(200)	600
PANASONIC CORP	1,400	3,400	-	(1,400)	3,400
SECOM CO LTD	100	300	-	(100)	300
SEVEN & I HOLDINGS CO LTD	200	1,200	-	(200)	1,200
SHIN-ETSU CHEMICAL CO LTD	200	600	-	(200)	600
SOFTBANK GROUP CORP	1,700	1,300	-	(1,700)	1,300
SUMITOMO REALTY & DEVELOPMENT CO LTD	300	1,000	-	(300)	1,000
SUZUKI MOTOR CORP	3,100	800	-	(3,100)	800
TAKEDA PHARMACEUTICAL CO LTD	400	1,100	-	(400)	1,100
TERUMO CORP	200	-	-	(200)	-
TOKYO ELECTRON LTD	300	-	-	(300)	-
TOYOTA MOTOR CORP	200	900	-	(200)	900
			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			-	340,673	340,673
STANDARD CHARTERED BANK			409,124	(409,124)	-

PERFORMANCE RECORD (UNAUDITED)

Highest and lowest net asset value per unit

	Lowest HKD	Highest HKD
Period ended 30th June 2016	<u>6.1572</u>	<u>7.4245</u>

Net asset value attributable to unitholders

	HKD
As at 30th June 2016	<u>10,232,358</u>

Net asset value per unit

	HKD
As at 30th June 2016	<u>6.8216</u>

During the period, the FTSE Bursa Malaysia KLCI Index increased by 5.81%, while the net asset value per unit of XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (*This is a synthetic ETF) increased by 4.26%^(a).

There were no constituent securities of that FTSE Bursa Malaysia KLCI Index that accounted for more than 10% of the weighting of FTSE Bursa Malaysia KLCI Index as at 30th June 2016.

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