

XIE Shares Philippines (PSEi) ETF*

(*This is a synthetic ETF) (Stock Code: 3037)

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

BNP Paribas Securities (Asia) Limited
Commerzbank AG

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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 Philippines (PSEI) 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	12,794,686	13,356,841
Investments in derivative instruments	336,536	429,699
Dividends receivable	-	23,281
Cash and cash equivalents	4,853,986	2,265,363
Receivable due from swap counterparties	3	-
TOTAL ASSETS	17,985,211	16,075,184
LIABILITIES		
Investments in derivative instruments	279,393	183,915
Payable due to swap counterparties	232,597	310,000
Management fee payable	5,552	5,122
Other payables	65,972	54,765
TOTAL LIABILITIES	583,514	553,802
EQUITY		
Net assets attributable to unitholders	17,401,697	15,521,382
Number of units outstanding	1,500,000	1,500,000
Net asset value per unit	11.6011	10.3476

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	158,388	230,827
Interest income	79	705
Net gain on investments	1,854,357	741,486
Net foreign exchange gain/(loss)	5,475	(3,161)
Total net income	2,018,299	969,857
OPERATING EXPENSES		
Management fees	31,100	46,942
Audit fees	52,909	18,270
Interest expense	167	638
Bank charges	1,045	1,825
Other operating expenses	47,868	57,863
Total operating expenses	133,089	125,538
Operating profit	1,885,210	844,319
Profit before taxation	1,885,210	844,319
Dividend withholding tax	4,895	8,363
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,880,315	835,956

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	15,521,382	17,013,249
Proceeds on issue of units	-	5,788,000
Net increase from unit transactions	-	5,788,000
Total comprehensive income for the period	1,880,315	835,956
Balance at the end of the period	17,401,697	23,637,205

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	(4,669,535)	(5,605,939)
Proceeds from sale of investments	7,274,688	-
Dividends received	181,669	255,766
Interest received	79	705
Management fee paid	(30,670)	(44,872)
Dividend withholding tax paid	(4,895)	(8,363)
Interest expense paid	(167)	(638)
Net payments to swap counterparties	(77,406)	(71,099)
Other receipts and payments	(90,615)	(84,286)
Cash generated from/(used in) operating activities	2,583,148	(5,558,726)
FINANCING ACTIVITIES		
Proceeds from issue of units	-	5,788,000
Cash flows generated from financing activities	-	5,788,000
Net increase in cash and cash equivalents	2,583,148	229,274
Cash and cash equivalents at beginning of period	2,265,363	3,611,959
Net foreign exchange gain/(loss)	5,475	(3,161)
Cash and cash equivalents at end of period	4,853,986	3,838,072
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents	4,853,986	3,838,072

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	181,944	1.05%
ASAHI GROUP HOLDINGS LTD	400	100,001	0.57%
ASTELLAS PHARMA INC	1,200	145,192	0.83%
BRIDGESTONE CORP	500	123,602	0.71%
CANON INC	500	110,123	0.63%
CHUGAI PHARMACEUTICAL CO LTD	600	164,929	0.95%
DAIKIN INDUSTRIES LTD	300	193,151	1.11%
DENTSU INC	200	72,142	0.41%
EISAI CO LTD	300	129,040	0.74%
FANUC CORP	200	250,078	1.44%
FAST RETAILING CO LTD	100	206,445	1.19%
FUJI HEAVY INDUSTRIES LTD	400	105,204	0.60%
HONDA MOTOR CO LTD	1,000	194,535	1.12%
JAPAN TOBACCO INC	800	248,218	1.43%
KAO CORP	300	134,507	0.77%
KDDI CORP	1,200	282,490	1.62%
KIRIN HOLDINGS CO LTD	900	117,265	0.67%
KYOCERA CORP	300	109,847	0.63%
MITSUBISHI CORP	1,200	162,252	0.93%
NTT DATA CORP	300	109,575	0.63%
OLYMPUS CORP	300	86,094	0.49%
PANASONIC CORP	1,900	126,582	0.73%
SECOM CO LTD	200	114,233	0.66%
SEVEN & I HOLDINGS CO LTD	600	194,240	1.12%
SHIN-ETSU CHEMICAL CO LTD	400	180,341	1.04%
SOFTBANK GROUP CORP	700	306,439	1.76%
SUMITOMO REALTY & DEVELOPMENT CO LTD	1,000	208,298	1.20%
SUZUKI MOTOR CORP	400	83,289	0.48%
TAKEDA PHARMACEUTICAL CO LTD	600	200,728	1.15%
TOYOTA MOTOR CORP	500	191,020	1.11%

Total investments in listed Japanese securities at fair value

4,831,804 27.77%

	Holdings	Fair value HKD ¹	% of net assets
Singapore			
CAPITALAND LTD	42,000	743,228	4.27%
GENTING SINGAPORE PLC	291,200	1,216,924	6.99%
GLOBAL LOGISTIC PROPERTIES LTD	112,000	1,165,278	6.70%
KEPPEL CORP LTD	27,400	868,655	4.99%
SINGAPORE AIRLINES LTD	4,300	264,216	1.52%
SINGAPORE EXCHANGE LTD	21,000	922,377	5.30%
SINGAPORE TECH ENGINEERING	1,000	18,157	0.10%
SINGAPORE TELECOMMUNICATIONS LTD	62,669	1,491,891	8.57%
WILMAR INTERNATIONAL LTD	67,700	1,272,156	7.31%

Total investments in listed Singaporean securities at fair value

7,962,882 45.75%

Total investments in securities at fair value

12,794,686 73.52%

	Fair value HKD ²	% of net assets
Index swaps issued by		
BNP PARIBAS	(215,493)	-1.24%
Total investment in index swaps at fair value	(215,493)	-1.24%

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

as at 30th June 2016

Investments (continued)

	Fair value HKD ²	% of net assets
Equity swaps issued by		
BNP PARIBAS	272,636	1.57%
Total investment in equity swaps at fair value	<u>272,636</u>	<u>1.57%</u>
Total investments	12,851,829	73.85%
Other net assets	<u>4,549,868</u>	<u>26.15%</u>
Net assets attributable to unitholders at 30th June 2016	<u>17,401,697</u>	<u>100.00%</u>
Total investments, at cost	<u>14,288,384</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	1,000	-	(1,000)	1,000
ASAHI GROUP HOLDINGS LTD	2,200	400	-	(2,200)	400
ASTELLAS PHARMA INC	200	1,200	-	(200)	1,200
BRIDGESTONE CORP	200	500	-	(200)	500
CANON INC	200	500	-	(200)	500
CAPITALAND LTD	42,000	-	-	-	42,000
CHUGAI PHARMACEUTICAL CO LTD	2,500	600	-	(2,500)	600
DAIKIN INDUSTRIES LTD	-	300	-	-	300
DENTSU INC	100	200	-	(100)	200
EISAI CO LTD	300	300	-	(300)	300
FANUC CORP	-	200	-	-	200
FAST RETAILING CO LTD	100	100	-	(100)	100
FUJI HEAVY INDUSTRIES LTD	100	400	-	(100)	400
GENTING SINGAPORE PLC	291,200	-	-	-	291,200
GLOBAL LOGISTIC PROPERTIES LTD	112,000	-	-	-	112,000
HONDA MOTOR CO LTD	-	1,000	-	-	1,000
JAPAN TOBACCO INC	100	800	-	(100)	800
KAO CORP	200	300	-	(200)	300
KDDI CORP	-	1,200	-	-	1,200
KEPPEL CORP LTD	27,400	-	-	-	27,400
KIRIN HOLDINGS CO LTD	800	900	-	(800)	900
KYOCERA CORP	-	300	-	-	300
mitsubishi corp	3,900	1,200	-	(3,900)	1,200
NITTO DENKO CORP	200	-	-	(200)	-
NTT DATA CORP	300	300	-	(300)	300
OLYMPUS CORP	300	300	-	(300)	300
PANASONIC CORP	6,400	1,900	-	(6,400)	1,900
SECOM CO LTD	500	200	-	(500)	200
SEVEN & I HOLDINGS CO LTD	800	600	-	(800)	600
SHIN-ETSU CHEMICAL CO LTD	600	400	-	(600)	400
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 TELECOMMUNICATIONS LTD	62,669	-	-	-	62,669
SOFTBANK GROUP CORP	-	700	-	-	700
SUMITOMO REALTY & DEVELOPMENT CO LTD	200	1,000	-	(200)	1,000
SUZUKI MOTOR CORP	-	400	-	-	400
TAKEDA PHARMACEUTICAL CO LTD	100	600	-	(100)	600
TERUMO CORP	500	-	-	(500)	-
TOKYO ELECTRON LTD	200	-	-	(200)	-
TOYOTA MOTOR CORP	100	500	-	(100)	500
WILMAR INTERNATIONAL LTD	83,700	-	-	(16,000)	67,700

	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	149,765	(92,622)	57,143
STANDARD CHARTERED BANK	96,019	(96,019)	-

PERFORMANCE RECORD (UNAUDITED)

Highest and lowest net asset value per unit

	Lowest HKD	Highest HKD
Period ended 30th June 2016	<u>9.0195</u>	<u>11.8139</u>

Net asset value attributable to unitholders

	HKD
As at 30th June 2016	<u>17,401,697</u>

Net asset value per unit

	HKD
As at 30th June 2016	<u>11.6011</u>

During the period, the PSEi Index increased by 13.24%, while the net asset value per unit of XIE Shares Philippines (PSEi) ETF* (*This is a synthetic ETF) increased by 11.76%^(a).

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

Constituent securities	Respective weighting in PSEi Index
SM Investments Corp ^(b)	<u>10.09%</u>

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

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