

**XIE Shares Thailand (SET50) ETF\***

**(\*This is a synthetic ETF) (Stock Code: 3069)**

**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

## CONTENTS

Page

|                                                                      |   |
|----------------------------------------------------------------------|---|
| Management and Administration .....                                  | 1 |
| Statement of Financial Position .....                                | 2 |
| Statement of Comprehensive Income .....                              | 3 |
| Statement of Changes in Net Assets Attributable to Unitholders ..... | 4 |
| Statement of Cash Flows. ....                                        | 5 |
| Investment Portfolio (Unaudited) .....                               | 6 |
| Statement of Movements in Portfolio Holdings (Unaudited) .....       | 7 |
| Performance Record (Unaudited). ....                                 | 8 |

## MANAGEMENT AND ADMINISTRATION

### Manager and Listing Agent

Enhanced Investment Products Limited  
337 New Henry House  
10 Ice House Street  
Central  
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  
183 Queen's Road East  
Wanchai, Hong Kong

### Service Agent

HK Conversion Agency Services Limited  
1/F One & Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

### Legal Counsel to the Manager

Simmons & Simmons  
13/F, One Pacific Place  
88 Queensway  
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 Thailand (SET50) ETF\* (\*This is a synthetic ETF).

**STATEMENT OF FINANCIAL POSITION**

as at 30th June 2016

|                                         | 30th June 2016<br>HKD<br>(UNAUDITED) | 31st December 2015<br>HKD<br>(AUDITED) |
|-----------------------------------------|--------------------------------------|----------------------------------------|
| <b>ASSETS</b>                           |                                      |                                        |
| Investments in listed securities        | 6,665,416                            | 6,908,894                              |
| Investments in derivative instruments   | 210,124                              | 136,276                                |
| Cash and cash equivalents               | 2,080,710                            | 676,966                                |
| Receivable due from swap counterparties | -                                    | 697,512                                |
| <b>TOTAL ASSETS</b>                     | <b>8,956,250</b>                     | <b>8,419,648</b>                       |
| <b>LIABILITIES</b>                      |                                      |                                        |
| Investments in derivative instruments   | 102,297                              | 812,109                                |
| Payable due to swap counterparties      | 77,584                               | -                                      |
| Amounts due to brokers                  | 26,011                               | 25,985                                 |
| Management fee payable                  | 2,780                                | 2,565                                  |
| Other payables                          | 74,601                               | 99,513                                 |
| <b>TOTAL LIABILITIES</b>                | <b>283,273</b>                       | <b>940,172</b>                         |
| <b>EQUITY</b>                           |                                      |                                        |
| Net assets attributable to unitholders  | <b>8,672,977</b>                     | <b>7,479,476</b>                       |
| <b>Number of units outstanding</b>      | <b>1,000,000</b>                     | <b>1,000,000</b>                       |
| <b>Net asset value per unit</b>         | <b>8.6730</b>                        | <b>7.4795</b>                          |

**STATEMENT OF COMPREHENSIVE INCOME**

for the period ended 30th June 2016

|                                                         | Period from<br>1st January 2016<br>to 30th June 2016<br>HKD<br>(UNAUDITED) | Period from<br>1st January 2015<br>to 30th June 2015<br>HKD<br>(UNAUDITED) |
|---------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|
| <b>INCOME</b>                                           |                                                                            |                                                                            |
| Dividend income                                         | 54,149                                                                     | 399,672                                                                    |
| Interest income                                         | 336                                                                        | 1,331                                                                      |
| Net gain/(loss) on investments                          | 1,200,175                                                                  | (1,459,093)                                                                |
| Net foreign exchange gain/(loss)                        | 6,159                                                                      | (4,446)                                                                    |
| <b>Total net income/(loss)</b>                          | <b>1,260,819</b>                                                           | <b>(1,062,536)</b>                                                         |
| <b>OPERATING EXPENSES</b>                               |                                                                            |                                                                            |
| Management fees                                         | 16,036                                                                     | 78,722                                                                     |
| Audit fees                                              | (3,987)                                                                    | 37,266                                                                     |
| Interest expense                                        | 228                                                                        | 1,627                                                                      |
| Bank charges                                            | 1,250                                                                      | 2,117                                                                      |
| Other operating expenses                                | 47,868                                                                     | 57,892                                                                     |
| <b>Total operating expenses</b>                         | <b>61,395</b>                                                              | <b>177,624</b>                                                             |
| <b>Operating profit/(loss)</b>                          | <b>1,199,424</b>                                                           | <b>(1,240,160)</b>                                                         |
| <b>Profit/(loss) before taxation</b>                    | 1,199,424                                                                  | (1,240,160)                                                                |
| Dividend withholding tax                                | 5,923                                                                      | 15,777                                                                     |
| <b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b> | <b>1,193,501</b>                                                           | <b>(1,255,937)</b>                                                         |

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

|                                                  | Period from<br>1st January 2016<br>to 30th June 2016<br>HKD<br>(UNAUDITED) | Period from<br>1st January 2015<br>to 30th June 2015<br>HKD<br>(UNAUDITED) |
|--------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|
| <b>Balance at the beginning of the period</b>    | 7,479,476                                                                  | 25,113,280                                                                 |
| Proceeds on issue of units                       | -                                                                          | 15,399,300                                                                 |
| Net increase from unit transactions              | -                                                                          | 15,399,300                                                                 |
| Total comprehensive income/(loss) for the period | 1,193,501                                                                  | (1,255,937)                                                                |
| <b>Balance at the end of the period</b>          | <b>8,672,977</b>                                                           | <b>39,256,643</b>                                                          |

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

|                                                             | Period from<br>1st January 2016<br>to 30th June 2016<br>HKD<br>(UNAUDITED) | Period from<br>1st January 2015<br>to 30th June 2015<br>HKD<br>(UNAUDITED) |
|-------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|
| <b>OPERATING ACTIVITIES</b>                                 |                                                                            |                                                                            |
| Payments for purchase of investments                        | (6,453,027)                                                                | (14,255,650)                                                               |
| Proceeds from sale of investments                           | 7,113,046                                                                  | 586,542                                                                    |
| Dividends received                                          | 54,149                                                                     | 390,728                                                                    |
| Interest received                                           | 336                                                                        | 1,331                                                                      |
| Management fee paid                                         | (15,821)                                                                   | (76,596)                                                                   |
| Dividend withholding tax paid                               | (5,923)                                                                    | (15,777)                                                                   |
| Interest expense paid                                       | (228)                                                                      | (1,627)                                                                    |
| Net receipts from/(payments to) swap counterparties         | 775,096                                                                    | (2,333,016)                                                                |
| Other receipts and payments                                 | (70,043)                                                                   | (130,400)                                                                  |
| <b>Cash generated from/(used in) operating activities</b>   | <b>1,397,585</b>                                                           | <b>(15,834,465)</b>                                                        |
| <b>FINANCING ACTIVITIES</b>                                 |                                                                            |                                                                            |
| Proceeds from issue of units                                | -                                                                          | 15,399,300                                                                 |
| <b>Cash flows generated from financing activities</b>       | <b>-</b>                                                                   | <b>15,399,300</b>                                                          |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>1,397,585</b>                                                           | <b>(435,165)</b>                                                           |
| Cash and cash equivalents at beginning of period            | 676,966                                                                    | 4,706,515                                                                  |
| Net foreign exchange gain/(loss)                            | 6,159                                                                      | (4,446)                                                                    |
| <b>Cash and cash equivalents at end of period</b>           | <b>2,080,710</b>                                                           | <b>4,266,904</b>                                                           |
| <b>Analysis of balances of cash and cash equivalents</b>    |                                                                            |                                                                            |
| Cash and cash equivalents                                   | <b>2,080,710</b>                                                           | <b>4,266,904</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                                                     | 1,000    | 181,944                           | 2.10%                  |
| ASAHI GROUP HOLDINGS LTD                                             | 500      | 125,001                           | 1.44%                  |
| ASTELLAS PHARMA INC                                                  | 1,800    | 217,788                           | 2.51%                  |
| BRIDGESTONE CORP                                                     | 700      | 173,043                           | 2.00%                  |
| CANON INC                                                            | 1,500    | 330,369                           | 3.81%                  |
| CHUGAI PHARMACEUTICAL CO LTD                                         | 800      | 219,906                           | 2.54%                  |
| DAIKIN INDUSTRIES LTD                                                | 400      | 257,535                           | 2.97%                  |
| DENTSU INC                                                           | 300      | 108,214                           | 1.25%                  |
| EISAI CO LTD                                                         | 400      | 172,053                           | 1.98%                  |
| FANUC CORP                                                           | 300      | 375,118                           | 4.33%                  |
| FAST RETAILING CO LTD                                                | 100      | 206,445                           | 2.38%                  |
| FUJI HEAVY INDUSTRIES LTD                                            | 700      | 184,107                           | 2.12%                  |
| HONDA MOTOR CO LTD                                                   | 1,400    | 272,349                           | 3.14%                  |
| JAPAN TOBACCO INC                                                    | 1,100    | 341,300                           | 3.94%                  |
| KAO CORP                                                             | 500      | 224,178                           | 2.58%                  |
| KDDI CORP                                                            | 1,700    | 400,194                           | 4.61%                  |
| KIRIN HOLDINGS CO LTD                                                | 1,200    | 156,354                           | 1.80%                  |
| KYOCERA CORP                                                         | 400      | 146,463                           | 1.69%                  |
| MITSUBISHI CORP                                                      | 1,600    | 216,336                           | 2.49%                  |
| NTT DATA CORP                                                        | 300      | 109,575                           | 1.26%                  |
| OLYMPUS CORP                                                         | 400      | 114,793                           | 1.32%                  |
| PANASONIC CORP                                                       | 2,600    | 173,217                           | 2.00%                  |
| SECOM CO LTD                                                         | 200      | 114,233                           | 1.32%                  |
| SEVEN & I HOLDINGS CO LTD                                            | 1,000    | 323,733                           | 3.73%                  |
| SHIN-ETSU CHEMICAL CO LTD                                            | 500      | 225,426                           | 2.60%                  |
| SOFTBANK GROUP CORP                                                  | 900      | 393,993                           | 4.54%                  |
| SUMITOMO REALTY & DEVELOPMENT CO LTD                                 | 1,000    | 208,298                           | 2.40%                  |
| SUZUKI MOTOR CORP                                                    | 600      | 124,933                           | 1.44%                  |
| TAKEDA PHARMACEUTICAL CO LTD                                         | 900      | 301,092                           | 3.47%                  |
| TOYOTA MOTOR CORP                                                    | 700      | 267,426                           | 3.10%                  |
| <b>Total investments in listed Japanese securities at fair value</b> |          | <u>6,665,416</u>                  | <u>76.86%</u>          |
| <b>Total investments in securities at fair value</b>                 |          | <u><u>6,665,416</u></u>           | <u><u>76.86%</u></u>   |
|                                                                      |          | <b>Fair value HKD<sup>2</sup></b> | <b>% of net assets</b> |
| <b>Index swaps issued by</b>                                         |          |                                   |                        |
| BNP PARIBAS                                                          |          | (102,269)                         | -1.18%                 |
| <b>Total investment in index swaps at fair value</b>                 |          | <u>(102,269)</u>                  | <u>-1.18%</u>          |
|                                                                      |          | <b>Fair value HKD<sup>2</sup></b> | <b>% of net assets</b> |
| <b>Equity Swaps Issued by</b>                                        |          |                                   |                        |
| BNP PARIBAS                                                          |          | 210,096                           | 2.42%                  |
| <b>Total investment in equity swaps at fair value</b>                |          | <u>210,096</u>                    | <u>2.42%</u>           |
| <b>Total investments</b>                                             |          | 6,773,243                         | 78.10%                 |
| <b>Other net assets</b>                                              |          | <u>1,899,734</u>                  | <u>21.90%</u>          |
| <b>Net assets attributable to unitholders at 30th June 2016</b>      |          | <u><u>8,672,977</u></u>           | <u><u>100.00%</u></u>  |
| <b>Total investments, at cost</b>                                    |          | <u><u>6,453,027</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<br>1st January 2016 | Additions | Corporate action | Disposals | Holdings as at<br>30th June 2016 |
|--------------------------------------|------------------------------------|-----------|------------------|-----------|----------------------------------|
| <b>Investments - listed equities</b> |                                    |           |                  |           |                                  |
| AJINOMOTO CO INC                     | 1,000                              | 1,000     | -                | (1,000)   | 1,000                            |
| ASAHI GROUP HOLDINGS LTD             | 600                                | 500       | -                | (600)     | 500                              |
| ASTELLAS PHARMA INC                  | 800                                | 1,800     | -                | (800)     | 1,800                            |
| BRIDGESTONE CORP                     | -                                  | 700       | -                | -         | 700                              |
| CANON INC                            | 500                                | 1,500     | -                | (500)     | 1,500                            |
| CHUGAI PHARMACEUTICAL CO LTD         | 200                                | 800       | -                | (200)     | 800                              |
| DAIKIN INDUSTRIES LTD                | 1,200                              | 400       | -                | (1,200)   | 400                              |
| DENTSU INC                           | 100                                | 300       | -                | (100)     | 300                              |
| EISAI CO LTD                         | 100                                | 400       | -                | (100)     | 400                              |
| FANUC CORP                           | 400                                | 300       | -                | (400)     | 300                              |
| FAST RETAILING CO LTD                | 100                                | 100       | -                | (100)     | 100                              |
| FUJI HEAVY INDUSTRIES LTD            | 300                                | 700       | -                | (300)     | 700                              |
| HONDA MOTOR CO LTD                   | 2,000                              | 1,400     | -                | (2,000)   | 1,400                            |
| JAPAN TOBACCO INC                    | 300                                | 1,100     | -                | (300)     | 1,100                            |
| KAO CORP                             | 200                                | 500       | -                | (200)     | 500                              |
| KDDI CORP                            | 3,300                              | 1,700     | -                | (3,300)   | 1,700                            |
| KIRIN HOLDINGS CO LTD                | 600                                | 1,200     | -                | (600)     | 1,200                            |
| KYOCERA CORP                         | 1,700                              | 400       | -                | (1,700)   | 400                              |
| MITSUBISHI CORP                      | 1,500                              | 1,600     | -                | (1,500)   | 1,600                            |
| NITTO DENKO CORP                     | 200                                | -         | -                | (200)     | -                                |
| NTT DATA CORP                        | 300                                | 300       | -                | (300)     | 300                              |
| OLYMPUS CORP                         | 300                                | 400       | -                | (300)     | 400                              |
| PANASONIC CORP                       | 1,000                              | 2,600     | -                | (1,000)   | 2,600                            |
| SECOM CO LTD                         | 100                                | 200       | -                | (100)     | 200                              |
| SEVEN & I HOLDINGS CO LTD            | 200                                | 1,000     | -                | (200)     | 1,000                            |
| SHIN-ETSU CHEMICAL CO LTD            | 600                                | 500       | -                | (600)     | 500                              |
| SOFTBANK GROUP CORP                  | 1,500                              | 900       | -                | (1,500)   | 900                              |
| SUMITOMO REALTY & DEVELOPMENT CO LTD | 300                                | 1,000     | -                | (300)     | 1,000                            |
| SUZUKI MOTOR CORP                    | 2,700                              | 600       | -                | (2,700)   | 600                              |
| TAKEDA PHARMACEUTICAL CO LTD         | 300                                | 900       | -                | (300)     | 900                              |
| TERUMO CORP                          | 200                                | -         | -                | (200)     | -                                |
| TOKYO ELECTRON LTD                   | 100                                | -         | -                | (100)     | -                                |
| TOYOTA MOTOR CORP                    | 200                                | 700       | -                | (200)     | 700                              |

|                         | Fair value as at<br>1st January 2016<br>HKD | Fair value change<br>HKD | Fair value as at<br>30th June 2016<br>HKD |
|-------------------------|---------------------------------------------|--------------------------|-------------------------------------------|
| <b>Swaps issued by</b>  |                                             |                          |                                           |
| BNP PARIBAS             | -                                           | 107,827                  | 107,827                                   |
| STANDARD CHARTERED BANK | (675,833)                                   | 675,833                  | -                                         |

## PERFORMANCE RECORD (UNAUDITED)

### Highest and lowest net asset value per unit

|                             | Lowest<br>HKD | Highest<br>HKD |
|-----------------------------|---------------|----------------|
| Period ended 30th June 2016 | <u>7.0775</u> | <u>8.8377</u>  |

### Net asset value attributable to unitholders

|                      | HKD              |
|----------------------|------------------|
| As at 30th June 2016 | <u>8,672,977</u> |

### Net asset value per unit

|                      | HKD           |
|----------------------|---------------|
| As at 30th June 2016 | <u>8.6730</u> |

During the period, the SET50 Index increased by 16.87%, while the net asset value per unit of XIE Shares Thailand (SET50) ETF\* (\*This is a synthetic ETF) increased by 14.81%<sup>(a)</sup>.

The following lists the constituent securities that individually accounted for more than 10% of the SET50 Index as at 30th June 2016 and its weighting of the SET50 Index as at 30th June 2016:

| Constituent securities | Respective weighting in SET50 Index |
|------------------------|-------------------------------------|
| PTT PCL <sup>(b)</sup> | <u>10.14%</u>                       |

<sup>(a)</sup> This is the return of XIE Shares Thailand (SET50) ETF\*(\*This is a synthetic ETF) (net of fees and expenses) from 1st January 2016 to 30th June 2016.

<sup>(b)</sup> XIE Shares Thailand (SET50) ETF\*(\*This is a synthetic ETF) did not hold the constituent securities as at 30th June 2016.