

LIPPO FUND SERIES

LIPPO SELECT HK & MAINLAND PROPERTY ETF

SEMI-ANNUAL FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

LIPPO FUND SERIES

LIPPO SELECT HK & MAINLAND PROPERTY ETF

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IMPORTANT:

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about the Lippo Fund Series, please refer to the prospectus of the Lippo Fund Series which is available at our website: <http://lippoetf.com/index.php/fund-info/>.

Investors should not rely on the information contained in this report for their investment decisions.

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ADMINISTRATION AND MANAGEMENT

Manager

Lippo Investments Management Limited
24th Floor, Tower One
Lippo Centre, 89 Queensway
Hong Kong
Website: <http://www.lippo-im.com>

Directors of the Manager

Bruce Cheung Heung Wing
David Ng Tai Chiu

Trustee

Cititrust Limited
50th Floor, Champion Tower¹
Three Garden Road
Central, Hong Kong

Custodian and Administrator

Citibank N.A.
50th Floor, Champion Tower¹
Three Garden Road
Central, Hong Kong

Registrar

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Service Agent

HK Conversion Agency Services Limited
12/F, One International Finance Centre,
1 Harbour View Street
Central, Hong Kong

Legal Adviser to the Manager

King & Wood Mallesons
13th Floor, Gloucester Tower
The Landmark, 15 Queen's Road
Central, Hong Kong

Participating Dealers

Merrill Lynch Far East Limited
55th Floor, Cheung Kong Center
2 Queen's Road
Central, Hong Kong
(until 15th April 2016)

Goldman Sachs (Asia) Securities Limited
68th Floor, Cheung Kong Center
2 Queen's Road
Central, Hong Kong

Credit Suisse Securities (Hong Kong) Limited
88th Floor, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Auditor

PricewaterhouseCoopers
22nd Floor
Prince's Building
Central, Hong Kong

¹ Prior to 28 June 2016, Champion Tower was known as Citibank Tower.

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REPORT OF THE MANAGER

The dealing net asset value (“Dealing NAV”) of “The Lippo Select Hong Kong and Mainland Property Fund (“ETF”) as at the end of September 2016 was HKD 76.74 million and the Dealing NAV per unit was HKD 46.7486. The ETF achieved a return of 21.7% (dealing NAV per unit) for the six month period to the end of September 2016.

The Fund Manager, Lippo Investments Management Limited has adopted the full replication strategy in managing the ETF. The objective of the full replication strategy is to match as closely as practically possible to the benchmark weightings of each constituent stock in the Lippo Select HK & Mainland Property Index.

As at the end of September 2016, the ETF had 48 constituent stocks with a total unadjusted market capitalization* of HKD 1881.9 billion.

(*) market capitalization is calculated by multiplying a company's full issued shares by its last closing price.

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

STATEMENT OF NET ASSETS
AS AT 30 SEPTEMBER 2016 (UNAUDITED)

| | As at 30 September 2016 (unaudited) HK\$ | As at 31 March 2016 (audited) HK\$ |
|--|---|---|
| CURRENT ASSETS | | |
| Investments | 76,228,968 | 66,142,244 |
| Dividends receivable | 405,651 | 148,192 |
| Amount due from broker | 58,429 | — |
| Cash and cash equivalents | 518,707 | 40,826 |
| TOTAL ASSETS | 77,211,755 | 66,331,262 |
| CURRENT LIABILITIES | | |
| Management fee payable | 43,759 | 36,500 |
| Establishment costs payable | 427,398 | 433,878 |
| | 471,157 | 470,378 |
| NON-CURRENT LIABILITIES | | |
| Establishment costs payable | — | 195,070 |
| TOTAL LIABILITIES | 471,157 | 665,448 |
| EQUITY | | |
| Net assets attributable to unitholders | 76,740,598 | 65,665,814 |
| Number of units in issue | 1,650,000 | 1,725,000 |
| Net assets attributable to unitholders per unit | 46.5095 | 38.0671 |

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

INVESTMENT LIMITATIONS AND PROHIBITIONS UNDER THE SFC CODE (UNAUDITED)

The SFC Code allows Lippo Select HK & Mainland Property ETF (the “Sub-Fund”) to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund’s net asset value provided that the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the Lippo Select HK & Mainland Property Index (the “Underlying Index”) and the Sub-Fund’s holding of any such constituent securities may not exceed their respective weightings in the Underlying Index (except as a result of changes in the composition of the Underlying Index and the excess is transitional and temporary in nature).

As at 30 September 2016 and 31 March 2016, the Sub-Fund did not have any constituent securities that accounted for more than 10% of its net asset value.

During the period from 1 April 2016 to 30 September 2016, the Underlying Index increased by 22.9% [31 March 2016 (audited): decreased by 6.6%], while the unaudited net asset value per unit of the Sub-Fund increased by 22.2% [31 March 2016 (audited): decreased by 7.5%].

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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 SEPTEMBER 2016

| Listed investments | Holdings | Fair value HK\$ | % of net assets |
|--|-----------|--------------------|--------------------|
| Equities | | | |
| AGILE GROUP HOLDINGS LTD | 199,114 | 878,092 | 1.14% |
| BEIJING CAPITAL LAND LTD-H | 110,292 | 350,728 | 0.46% |
| CARNIVAL GROUP INTERNATIONAL HKD0.20 | 495,782 | 466,035 | 0.61% |
| CENTRAL CHINA REAL ESTATE HKD0.10 | 93,103 | 170,378 | 0.22% |
| CHINA AOYUAN PROPERTY GROUP LTD | 141,484 | 261,745 | 0.34% |
| CHINA EVERGRANDE GROUP | 521,455 | 2,732,424 | 3.56% |
| CHINA JINMAO HOLDINGS GROUP LTD | 406,813 | 972,283 | 1.27% |
| CHINA MERCHANTS LAND LTD | 186,941 | 220,590 | 0.29% |
| CHINA MINSHENG DRAWIN TECHNO 726 | 518,928 | 163,462 | 0.21% |
| CHINA OCEANWIDE HOLDINGS LTD | 615,360 | 492,288 | 0.64% |
| CHINA OVERSEAS GRAND OCEANS GROUP LTD | 116,043 | 290,108 | 0.38% |
| CHINA OVERSEAS LAND & INVEST | 174,679 | 4,594,058 | 5.99% |
| CHINA RESOURCES LAND LTD SHS | 203,557 | 4,396,831 | 5.73% |
| CHINA SCE PROPERTY HOLDINGS HKD0.10 | 195,728 | 369,926 | 0.48% |
| CHINA SOUTH CITY HOLDINGS HKD0.01 | 406,889 | 699,849 | 0.91% |
| CIFI HOLDINGS GROUP CO LTD | 340,852 | 828,270 | 1.08% |
| COUNTRY GARDEN HOLDINGS CO HKD0.10 | 1,134,744 | 4,641,103 | 6.05% |
| EMPEROR INTL HLDG LTD HKD0.01 | 140,138 | 248,044 | 0.32% |
| FANTASIA HOLDINGS GROUP CO HKD0.10'REG S | 219,684 | 259,227 | 0.34% |
| FAR EAST CONSORTIUM | 148,997 | 461,891 | 0.60% |
| FULLSHARE HOLDINGS LTD 607 | 800,869 | 3,603,911 | 4.70% |
| FUTURE LAND DEVELOPMENT HOLD HKD0.001 | 215,682 | 325,680 | 0.42% |
| GREAT EAGLE HOLDINGS LTD | 34,334 | 1,193,107 | 1.55% |
| GREENLAND HONG KONG HOLDINGS LTD | 106,448 | 239,508 | 0.31% |
| GUANGZHOU R&F PROPERTIES - H | 129,006 | 1,573,873 | 2.05% |
| HANG LUNG PROPERTIES LTD | 256,447 | 4,472,436 | 5.83% |
| HENDERSON LAND DEVELOPMENT | 99,123 | 4,559,658 | 5.94% |
| K WAH INTL HOLDINGS SHS | 162,427 | 687,066 | 0.90% |
| KAISA GROUP HOLDINGS LTD HKD0.10 REGS | 160,141 | 187,365 | 0.24% |
| KWG PROPERTY HKD0.10 | 171,313 | 871,983 | 1.14% |
| LONGFOR PROPERTIES | 185,419 | 2,206,486 | 2.88% |
| NEW WORLD DEVELOPMENT | 469,485 | 4,732,409 | 6.17% |
| POWERLONG REAL ESTATE HOLD | 203,160 | 524,153 | 0.68% |
| RENHE COMMERCIAL HOLDINGS HKD0.01 | 2,234,668 | 431,291 | 0.56% |
| ROAD KING INFRASTRUCTURE LTD ORD | 32,901 | 216,818 | 0.28% |
| SHENZHEN INV ORD SHS | 375,323 | 1,384,942 | 1.80% |
| SHIMAO PROPERTY HOLDINGS LTD HKD0.10 | 154,454 | 1,621,767 | 2.11% |
| SINO LAND CO | 344,630 | 4,728,324 | 6.16% |
| SINO-OCEAN GROUP HOLDING LTD | 429,691 | 1,533,997 | 2.00% |
| SOHO CHINA LTD | 264,251 | 1,107,212 | 1.44% |
| SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S' | 237,627 | 1,325,959 | 1.73% |
| WHARF HOLDINGS | 82,334 | 4,647,754 | 6.06% |
| WHEELLOCK & COMPANY LTD | 101,583 | 4,647,422 | 6.06% |
| YUEXIU PROPERTY COMPANY LTD | 866,734 | 1,057,415 | 1.38% |
| YUZHOU PROPERTIES CO HKD0.10'REG S' | 169,741 | 487,157 | 0.63% |
| | | 71,865,025 | 93.64% |

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INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 30 SEPTEMBER 2016

| Listed investments | Holdings | Fair value HK\$ | % of net assets |
|-------------------------------------|-----------------|----------------------------|----------------------------|
| REITS | | | |
| CHAMPION REIT | 294,121 | 1,382,369 | 1.80% |
| FORTUNE REIT NPV | 192,467 | 1,872,704 | 2.44% |
| YUEXIU REAL ESTATE INVESTMENT TRUST | 234,930 | 1,108,870 | 1.44% |
| | | <u>4,363,943</u> | <u>5.68%</u> |
| Total listed investments | | <u>76,228,968</u> | <u>99.32%</u> |
| Total investments, at cost | | <u>69,656,780</u> | |

LIPPO FUND SERIES
LIPPO SELECT HK & MAINLAND PROPERTY ETF

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

| Investments | Beginning holdings as at 1 April 2016 | Additions | Corporate actions | Disposals | Closing holdings as at 30 September 2016 |
|--|--|------------------|--------------------------|------------------|---|
| AGILE GROUP HOLDINGS LTD | 205,439 | 17,800 | — | 24,125 | 199,114 |
| BEIJING CAPITAL LAND LTD-H | — | 114,900 | — | 4,608 | 110,292 |
| CARNIVAL GROUP INTERNATIONAL HKD0.20 | 585,400 | 9,200 | — | 98,818 | 495,782 |
| CENTRAL CHINA REAL ESTATE HKD0.10 | 96,094 | 8,300 | — | 11,291 | 93,103 |
| CHAMPION REIT | 302,715 | 26,200 | — | 34,794 | 294,121 |
| CHINA AOYUAN PROPERTY GROUP LTD | — | 147,400 | — | 5,916 | 141,484 |
| CHINA EVERGRANDE GROUP | — | 38,100 | 483,355 | — | 521,455 |
| CHINA JINMAO HOLDINGS GROUP LTD | 419,723 | 36,200 | — | 49,110 | 406,813 |
| CHINA MERCHANTS LAND LTD | 192,959 | 16,600 | — | 22,618 | 186,941 |
| CHINA MINSHENG DRAWIN TECHNO 726 | — | 535,200 | — | 16,272 | 518,928 |
| CHINA OCEANWIDE HOLDINGS LTD | 740,788 | 54,800 | — | 180,228 | 615,360 |
| CHINA OVERSEAS GRAND OCEANS GROUP LTD | 119,694 | 10,400 | — | 14,051 | 116,043 |
| CHINA OVERSEAS LAND & INVEST | 157,702 | 24,300 | — | 7,323 | 174,679 |
| CHINA RESOURCES LAND LTD SHS | 195,761 | 17,500 | — | 9,704 | 203,557 |
| CHINA SCE PROPERTY HOLDINGS HKD0.10 | 202,012 | 17,400 | — | 23,684 | 195,728 |
| CHINA SOUTH CITY HOLDINGS HKD0.01 | 471,914 | 7,400 | — | 72,425 | 406,889 |
| CIFI HOLDINGS GROUP CO LTD | — | 355,000 | — | 14,148 | 340,852 |
| COUNTRY GARDEN HOLDINGS CO HKD0.10 | 1,184,539 | 97,800 | — | 147,595 | 1,134,744 |
| EMPEROR INTL HLDG LTD HKD0.01 | 144,000 | 12,400 | — | 16,262 | 140,138 |
| EVERGRANDE REAL ESTATE GROUP USD0.01 | 549,550 | 8,500 | (483,355) | 74,695 | — |
| FANTASIA HOLDINGS GROUP CO HKD0.10'REG S | 226,567 | 19,600 | — | 26,483 | 219,684 |
| FAR EAST CONSORTIUM | 140,825 | 14,400 | — | 6,228 | 148,997 |
| FORTUNE REIT NPV | 197,898 | 17,500 | — | 22,931 | 192,467 |
| FULLSHARE HOLDINGS LTD 607 | 820,100 | 76,800 | — | 96,031 | 800,869 |
| FUTURE LAND DEVELOPMENT HOLD HKD0.001 | — | 224,700 | — | 9,018 | 215,682 |
| GEMDALE PROPERTIES AND INVESTMENT CORP L | 724,743 | — | — | 724,743 | — |
| GOLDIN PROPERTIES HOLDINGS | 187,398 | 2,900 | — | 190,298 | — |
| GREAT EAGLE HOLDINGS LTD | 34,847 | 3,500 | — | 4,013 | 34,334 |
| GREENLAND HONG KONG HOLDINGS LTD | — | 110,900 | — | 4,452 | 106,448 |
| GUANGZHOU R&F PROPERTIES - H | — | 134,400 | — | 5,394 | 129,006 |
| HANG LUNG PROPERTIES LTD | 265,699 | 22,200 | — | 31,452 | 256,447 |
| HENDERSON LAND DEVELOPMENT | 88,194 | 13,400 | 9,019 | 11,490 | 99,123 |
| HOPSON DEVELOPMENT HOLDINGS HKD0.10 | 87,825 | 8,300 | — | 96,125 | — |
| JOY CITY PROPERTY LTD 207 | 373,200 | 5,800 | — | 379,000 | — |
| K WAH INTL HOLDINGS SHS | 167,516 | 14,500 | — | 19,589 | 162,427 |

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

| Investments | Beginning holdings as at 1 April 2016 | Additions | Corporate actions | Disposals | Closing holdings as at 30 September 2016 |
|--|--|------------------|--------------------------|------------------|---|
| KAISA GROUP HOLDINGS LTD HKD0.10 REGS | 160,141 | — | — | — | 160,141 |
| KWG PROPERTY HKD0.10 | 176,777 | 15,200 | — | 20,664 | 171,313 |
| LINK REIT NPV | 88,645 | — | — | 88,645 | — |
| LONGFOR PROPERTIES | 191,068 | 16,600 | — | 22,249 | 185,419 |
| NEW WORLD DEVELOPMENT | 544,683 | 9,000 | — | 84,198 | 469,485 |
| POWERLONG REAL ESTATE HOLD | 183,394 | 41,200 | — | 21,434 | 203,160 |
| PROSPERITY REIT NPV | 160,170 | — | — | 160,170 | — |
| RENHE COMMERCIAL HOLDINGS HKD0.01 | — | 2,328,100 | — | 93,432 | 2,234,668 |
| ROAD KING INFRASTRUCTURE LTD ORD | 33,978 | 2,900 | — | 3,977 | 32,901 |
| SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GR | 189,191 | — | — | 189,191 | — |
| SHENZHEN INV ORD SHS | 387,213 | 33,400 | — | 45,290 | 375,323 |
| SHIMAO PROPERTY HOLDINGS LTD HKD0.10 | 159,310 | 13,800 | — | 18,656 | 154,454 |
| SINO LAND CO | 337,100 | 31,600 | — | 24,070 | 344,630 |
| SINO-OCEAN GROUP HOLDING LTD | 443,155 | 38,300 | — | 51,764 | 429,691 |
| SOHO CHINA LTD | — | 275,300 | — | 11,049 | 264,251 |
| SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S' | 245,160 | 21,200 | — | 28,733 | 237,627 |
| WHARF HOLDINGS | 90,302 | 3,900 | — | 11,868 | 82,334 |
| WHEELOCK & COMPANY LTD | — | 105,900 | — | 4,317 | 101,583 |
| YUEXIU PROPERTY COMPANY LTD | 894,271 | 77,200 | — | 104,737 | 866,734 |
| YUEXIU REAL ESTATE INVESTMENT TRUST | 241,052 | 20,900 | — | 27,022 | 234,930 |
| YUZHOU PROPERTIES CO HKD0.10'REG S' | 175,136 | 15,100 | — | 20,495 | 169,741 |
| ZALL GROUP LTD | 281,774 | 4,400 | — | 286,174 | — |