

**XIE Shares FTSE Chimerica ETF**  
**(Stock Code: 3161)**  
**a sub-fund of the XIE Shares Trust II**

**Unaudited Interim Report**

For the period from 1 January 2017  
to 30 June 2017

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## MANAGEMENT AND ADMINISTRATION

### Manager and Listing Agent

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### Directors of the Manager

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### Administrator and Custodian

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### Participating Dealers

BNP Paribas Securities Services  
China International Capital Corporation Hong Kong Securities Limited  
CITIC Securities Brokerage (HK) Limited  
CLSA Limited  
Deutsche Securities Asia Limited  
Goldman Sachs (Asia) Securities Limited  
Merrill Lynch Far East Limited  
Nomura International (Hong Kong) Limited

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### Legal Counsel to the Manager

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### Market Makers

CLSA Limited  
Commerz Securities Hong Kong Ltd  
Deutsche Securities Asia Limited

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 II 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 FTSE Chimerica ETF.

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2017

	<b>30 June 2017</b> <b>HK\$</b> (UNAUDITED)	<b>31 December 2016</b> <b>HK\$</b> (AUDITED)
<b>ASSETS</b>		
Financial assets at fair value through profit or loss	176,784,560	147,284,294
Prepayments	11,869	-
Cash and cash equivalents	269,122	262,075
<b>TOTAL ASSETS</b>	<b>177,065,551</b>	<b>147,546,369</b>
<b>LIABILITIES</b>		
Management fee payable	104,644	96,533
Transaction fee payable	-	38,806
Preliminary expenses payable	-	15,000
Other payables	309,084	181,901
<b>TOTAL LIABILITIES</b>	<b>413,728</b>	<b>332,240</b>
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>176,651,823</b>	<b>147,214,129</b>
<b>Number of units outstanding</b>	<b>16,000,000</b>	<b>19,000,000</b>
<b>Net asset value per unit</b>	<b>11.0407</b>	<b>7.7481</b>

**STATEMENT OF COMPREHENSIVE INCOME**

For the period ended 30 June 2017

	Period from 1 January 2017 to 30 June 2017 HK\$ (UNAUDITED)	Period from 1 January 2016 to 30 June 2016 HK\$ (UNAUDITED)
<b>INCOME</b>		
Dividend income	202,756	170,780
Interest income	563	38
Net gain/(loss) on investments	63,335,633	(21,693,381)
Net foreign exchange gain/(loss)	1,570	(4,496)
<b>Total net income/(loss)</b>	<b>63,540,522</b>	<b>(21,527,059)</b>
<b>OPERATING EXPENSES</b>		
Management fees	591,428	618,094
Audit fees	47,936	64,781
Preliminary expenses	54,645	8,252
Transaction costs on investments	14,286	9,984
Financial statements preparation fee	32,768	-
Registration fees	2,704	-
Interest expense	-	839
Bank charges	37,928	-
Other operating expenses	34,131	26,852
<b>Total operating expenses</b>	<b>815,826</b>	<b>728,802</b>
<b>Operating profit/(loss)</b>	<b>62,724,696</b>	<b>(22,255,861)</b>
<b>Profit/(loss) before taxation</b>	62,724,696	(22,255,861)
Dividend withholding tax	2,302	833
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>62,722,394</b>	<b>(22,256,694)</b>

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

For the period ended 30 June 2017

	<b>Period from 1 January 2017 to 30 June 2017 HK\$ (UNAUDITED)</b>	<b>Period from 1 January 2016 to 30 June 2016 HK\$ (UNAUDITED)</b>
<b>Balance at the beginning of the period</b>	147,214,129	186,173,787
Proceeds on issue of units	-	55,431,400
Payment on redemption of units	<u>(33,284,700)</u>	<u>(30,740,400)</u>
Net (decrease)/increase from unit transactions	(33,284,700)	24,691,000
Total comprehensive income/(loss) for the period	62,722,394	(22,256,694)
<b>Balance at the end of the period</b>	<b><u>176,651,823</u></b>	<b><u>188,608,093</u></b>

**STATEMENT OF CASH FLOWS**

For the period ended 30 June 2017

	Period from 1 January 2017 to 30 June 2017 HK\$ (UNAUDITED)	Period from 1 January 2016 to 30 June 2016 HK\$ (UNAUDITED)
<b>OPERATING ACTIVITIES</b>		
Payments for purchase of investments	(26,087,550)	(83,060,237)
Proceeds from sale of investments	59,922,917	58,722,442
Dividends received	202,756	187,075
Interest received	563	38
Management fee paid	(583,317)	(632,235)
Dividend withholding tax paid	(2,302)	(833)
Transaction fee paid	(14,286)	-
Preliminary expenses paid	(69,645)	(8,252)
Interest expense paid	-	(839)
Other receipts and payments	(78,959)	(141,401)
<b>Cash generated from/(used in) operating activities</b>	<b>33,290,177</b>	<b>(24,934,242)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issue of units	-	55,431,400
Redemption paid on redemption of units	(33,284,700)	(30,740,400)
<b>Cash flows (used in)/generated from financing activities</b>	<b>(33,284,700)</b>	<b>24,691,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,477</b>	<b>(243,242)</b>
Cash and cash equivalents at beginning of period	262,075	583,995
Net foreign exchange gain/(loss)	1,570	(4,496)
<b>Cash and cash equivalents at end of period</b>	<b>269,122</b>	<b>336,257</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and cash equivalents	<b>269,122</b>	<b>336,257</b>

**INVESTMENT PORTFOLIO (UNAUDITED)**

As at 30 June 2017

**Investments**

<b>Listed equities</b>	<b>Holdings</b>	<b>Fair value HK\$<sup>1</sup></b>	<b>% of net assets</b>
<b>The United States</b>			
21Vianet Group Inc	30,724	1,204,025	0.68%
51job Inc	5,255	1,834,957	1.04%
58.com Inc	21,613	7,442,286	4.21%
Alibaba Group Holding Ltd	16,506	18,155,453	10.28%
Autohome Inc	15,139	5,360,737	3.04%
Baidu Inc	12,711	17,747,910	10.05%
Bitauto Holdings Ltd	10,013	2,247,276	1.27%
China Lodging Group Ltd	5,843	3,680,070	2.08%
Ctrip.com International Ltd	41,225	17,333,301	9.81%
Fang Holdings Ltd	55,088	1,595,457	0.90%
Hollysys Automation Technologies Ltd	10,695	1,386,771	0.79%
JD.com Inc	59,016	18,068,896	10.23%
NetEase Inc	7,581	17,791,521	10.07%
New Oriental Education & Technology Group Inc	31,761	17,477,364	9.89%
Sohu.com Inc	8,484	2,984,325	1.69%
TAL Education Group	12,277	11,722,183	6.64%
Vipshop Holdings Ltd	94,330	7,768,847	4.40%
YY Inc	8,585	3,889,082	2.20%
China Biologic Products Inc	5,965	5,266,563	2.98%
SINA Corp	15,838	10,505,584	5.95%
Weibo Corp	2,135	1,107,842	0.63%
ZTO Express Cayman Inc	20,317	2,214,110	1.25%
<b>Total investments in listed equities at fair value</b>		<u>176,784,560</u>	<u>100.08%</u>
<b>Total investments</b>		<u>176,784,560</u>	<u>100.08%</u>
<b>Other net assets</b>		<u>(132,737)</u>	<u>-0.08%</u>
<b>Net assets attributable to unitholders at 30 June 2017</b>		<u>176,651,823</u>	<u>100.00%</u>
<b>Total investments, at cost</b>		<u>137,041,604</u>	

<sup>1</sup> Exchange rate as at 30 June 2017  
HKD/USD 0.128099



**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)**

For the period ended 30 June 2017

Investments - listed equities	Holdings as at 1 January 2017	Additions	Corporate action	Disposals	Holdings as at 30 June 2017
21Vianet Group Inc	41,472	1,318	-	(12,066)	30,724
51job Inc	6,894	517	-	(2,156)	5,255
58.com Inc	28,373	1,700	-	(8,460)	21,613
Alibaba Group Holding Ltd	21,774	98	-	(5,366)	16,506
Autohome Inc	13,321	7,118	-	(5,300)	15,139
Baidu Inc	11,890	2,901	-	(2,080)	12,711
Bitauto Holdings Ltd	6,864	4,532	-	(1,383)	10,013
Canadian Solar Inc	15,101	-	-	(15,101)	-
China Biologic Products Inc	-	8,054	-	(2,089)	5,965
China Lodging Group Ltd	4,119	2,413	-	(689)	5,843
Ctrip.com International Ltd	46,767	2,092	-	(7,634)	41,225
Fang Holdings Ltd	47,665	16,789	-	(9,366)	55,088
Hollysys Automation Technologies Ltd	14,160	450	-	(3,915)	10,695
JD.com Inc	75,674	-	-	(16,658)	59,016
NetEase Inc	9,086	1,008	-	(2,513)	7,581
New Oriental Education & Technology Group Inc	46,756	-	-	(14,995)	31,761
Qunar Cayman Islands Ltd	23,331	-	(23,331)	-	-
SINA Corp	20,775	1,200	-	(6,137)	15,838
Sohu.com Inc	10,539	643	-	(2,698)	8,484
TAL Education Group	16,448	1,000	-	(5,171)	12,277
Vipshop Holdings Ltd	80,746	28,528	-	(14,944)	94,330
Weibo Corp	-	-	2,135	-	2,135
YY Inc	11,290	359	-	(3,064)	8,585
ZTO Express Cayman Inc	-	20,317	-	-	20,317

## PERFORMANCE RECORD (UNAUDITED)

### Net asset value attributable to unitholders

	Dealing net asset value per unit HK\$	Dealing net asset value of the Sub-Fund HK\$
At end of financial period/year dated		
30 June 2017	11.0997	177,595,924
31 December 2016	7.8008	148,214,538
31 December 2015	8.5135	187,296,106

### Highest and lowest net asset value per unit

	Lowest HK\$	Highest HK\$
For the period/year ended		
30 June 2017	7.9301	11.6864
31 December 2016	6.7080	9.3039
31 December 2015	6.1061	8.9861

During the period ended 30 June 2017, the FTSE China N Shares All Cap Capped Net Tax Index increased by 43.21% (31 December 2016: decreased by 7.49%), while the net asset value per unit of XIE Shares FTSE Chimerica ETF increased by 42.29%<sup>(a)</sup> (31 December 2016: decreased by 8.37%<sup>(b)</sup>).

The following lists the constituent securities that individually accounted for more than 10% of the FTSE China N Shares All Cap Capped Net Tax Index as at 30 June 2017 and 31 December 2016 and its weighting of the FTSE China N Shares All Cap Capped Net Tax Index as at 30 June 2017 and 31 December 2016:

Constituent securities	Respective weighting in FTSE China N Shares All Cap Capped Net Tax Index	
	30 June 2017	31 December 2016
Alibaba Group Holding Ltd	10.28%	10.06%
Baidu Inc	10.05%	10.29%
JD.com Inc	10.23%	10.13%
NetEase Inc	10.07%	10.30%
New Oriental Education & Technology Group Inc	–	10.36%

<sup>(a)</sup> This is the return of XIE Shares FTSE Chimerica ETF (net of fees and expenses) from 1 January 2017 to 30 June 2017.

<sup>(b)</sup> This is the annualised return of the Sub-Fund (net of fees and expenses) from 1 January 2016 to 31 December 2016.