

XIE Shares FTSE Gold Miners ETF
(Stock Code: 3116)
a sub-fund of the XIE Shares Trust II

Unaudited Interim Report

For the period from 14 November 2016 (Date of inception)
to 30 June 2017

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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

BEATTIE Nigel John
BLAND Tobias Christopher James
GLADSTONE Xenophon Thomas
LAU Che Loon David

Trustee

Cititrust Limited
50/F, Champion Tower
Three Garden Road
Central
Hong Kong

Administrator and Custodian

Citibank N.A.
50/F, Champion Tower
Three Garden Road
Central
Hong Kong

Participating Dealers

BNP Paribas Securities Services
CLSA Limited

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

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

Market Makers

CLSA Limited
Commerz Securities Hong Kong Ltd

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.

Issued by Enhanced Investment Products Limited, the Manager of the XIE Shares FTSE Gold Miners ETF.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	30 June 2017 HK\$ (UNAUDITED)
ASSETS	
Financial assets at fair value through profit or loss	40,961,790
Dividends receivable	2,341
Prepayments	7,561
Cash and cash equivalents	248,858
TOTAL ASSETS	<u>41,220,550</u>
LIABILITIES	
Management fee payable	17,175
Other payables	109,691
TOTAL LIABILITIES	<u>126,866</u>
EQUITY	
Net assets attributable to unitholders	<u><u>41,093,684</u></u>
Number of units outstanding	5,000,000
Net asset value per unit	8.2187

The date of inception for this Sub-Fund was 14 November 2016. Therefore, comparative figures are unavailable.

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2017

**Period from
14 November 2016
(Date of inception)
to 30 June 2017
HK\$
(UNAUDITED)**

INCOME

Dividend income	264,425
Interest income	44
Net gain on investments	1,770,617
Net foreign exchange loss	(44,342)

Total net income

1,990,744

OPERATING EXPENSES

Management fees	135,575
Audit fees	60,453
Preliminary expenses	742,575
Transaction costs on investments	37,117
Financial statements preparation fee	32,768
Registration fees	2,692
Interest expense	11
Bank charges	1,099
Other operating expenses	58,217

Total operating expenses

1,070,507

Operating profit

920,237

Profit before taxation

920,237

Dividend withholding tax

35,388

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

884,849

The date of inception for this Sub-Fund was 14 November 2016. Therefore, comparative figures are unavailable.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2017

Period from
14 November 2016
(Date of inception)
to 30 June 2017
HK\$
(UNAUDITED)

Balance at the beginning of the period	-
Proceeds on issue of units	49,360,616
Payment on redemption of units	<u>(9,151,781)</u>
Net increase from unit transactions	40,208,835
Total comprehensive income for the period	884,849
Balance at the end of the period	<u><u>41,093,684</u></u>

The date of inception for this Sub-Fund was 14 November 2016. Therefore, comparative figures are unavailable.

STATEMENT OF CASH FLOWS

For the period ended 30 June 2017

Period from
14 November 2016
(Date of inception)
to 30 June 2017
HK\$
(UNAUDITED)

OPERATING ACTIVITIES

Payments for purchase of investments	(50,719,217)
Proceeds from sale of investments	11,528,044
Dividends received	262,084
Interest received	44
Management fee paid	(118,400)
Dividend withholding tax paid	(35,388)
Transaction fee paid	(37,117)
Preliminary expenses paid	(742,575)
Interest expense paid	(11)
Other receipts and payments	(53,099)

Cash used in operating activities

(39,915,635)

FINANCING ACTIVITIES

Proceeds from issue of units	49,360,616
Redemption paid on redemption of units	(9,151,781)

Cash flows generated from financing activities

40,208,835

Net increase in cash and cash equivalents

293,200

Cash and cash equivalents at beginning of period

-

Net foreign exchange loss

(44,342)

Cash and cash equivalents at end of period

248,858

Analysis of balances of cash and cash equivalents

Cash and cash equivalents

248,858

The date of inception for this Sub-Fund was 14 November 2016. Therefore, comparative figures are unavailable.

INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2017

Investments

Listed equities	Holdings	Fair value HK\$¹	% of net assets
Australia			
Evolution Mining Ltd	40,209	580,254	1.41%
Newcrest Mining Ltd	29,563	3,568,757	8.68%
Northern Star Resources Ltd	22,388	636,776	1.55%
Regis Resources Ltd	17,780	402,440	0.98%
Resolute Mining Ltd	21,083	150,230	0.37%
St Barbara Ltd	19,078	332,433	0.81%
		5,670,890	13.80%
Canada			
Agnico Eagle Mines Ltd	8,900	3,128,550	7.61%
Alamos Gold Inc	11,400	630,432	1.53%
B2Gold Corp	37,200	816,171	1.99%
Barrick Gold Corp	44,800	5,555,496	13.52%
Centerra Gold Inc	8,300	353,229	0.86%
Detour Gold Corp	6,700	611,353	1.49%
Eldorado Gold Corp	27,500	568,639	1.38%
Endeavour Mining Corp	2,700	363,220	0.88%
Goldcorp Inc	32,700	3,286,469	8.00%
IAMGOLD Corp	17,900	719,821	1.75%
Kinross Gold Corp	47,600	1,507,867	3.67%
Kirkland Lake Gold Ltd	7,000	516,283	1.26%
New Gold Inc	22,100	547,312	1.33%
OceanaGold Corp	23,700	557,020	1.36%
Tahoe Resources Inc	11,700	786,273	1.91%
Yamana Gold Inc	36,400	684,843	1.67%
		20,632,978	50.21%
Hong Kong			
Zhaojin Mining Industry Co Ltd	36,500	233,235	0.57%
Zijin Mining Group Co Ltd	220,000	567,600	1.38%
		800,835	1.95%

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 30 June 2017

Investments (continued)

Listed equities (continued)	Holdings	Fair value HK\$ ¹	% of net assets
Mexico			
Minera Frisco SAB de CV	20,600	101,553	0.25%
		<u>101,553</u>	<u>0.25%</u>
South Africa			
AngloGold Ashanti Ltd	15,510	1,182,824	2.88%
Gold Fields Ltd	31,030	830,647	2.02%
Harmony Gold Mining Co Ltd	14,441	186,533	0.45%
Sibanye Gold Ltd	63,724	571,397	1.39%
		<u>2,771,401</u>	<u>6.74%</u>
The United States			
Coeur Mining Inc	6,900	462,158	1.12%
Newmont Mining Corp	20,600	5,208,737	12.68%
		<u>5,670,895</u>	<u>13.80%</u>
United Kingdom			
Acacia Mining PLC	5,698	172,124	0.42%
Centamin PLC	41,501	651,443	1.59%
Fresnillo PLC	7,099	1,069,702	2.60%
Petropavlovsk PLC	111,347	77,342	0.19%
Polymetal International PLC	9,904	864,690	2.10%
Randgold Resources Ltd	3,591	2,477,937	6.03%
		<u>5,313,238</u>	<u>12.93%</u>
Total investments in listed equities at fair value		<u>40,961,790</u>	<u>99.68%</u>
Total investments		<u>40,961,790</u>	<u>99.68%</u>
Other net assets		<u>131,894</u>	<u>0.32%</u>
Net assets attributable to unitholders at 30 June 2017		<u>41,093,684</u>	<u>100.00%</u>
Total investments, at cost		<u>40,331,592</u>	

¹ Exchange rate as at 30 June 2017

HKD/AUD 0.167002

HKD/CAD 0.166362

HKD/GBP 0.098617

HKD/MXN 0.431299

HKD/USD 0.128099

HKD/ZAR 0.595797

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

For the period ended 30 June 2017

Investments - listed equities	Holdings as at 14 November 2016 (Date of inception)	Additions	Corporate action	Disposals	Holdings as at 30 June 2017
Acacia Mining PLC	-	7,368	-	(1,670)	5,698
Agnico Eagle Mines Ltd	-	11,100	-	(2,200)	8,900
Alamos Gold Inc	-	14,800	-	(3,400)	11,400
AngloGold Ashanti Ltd	-	19,857	-	(4,347)	15,510
B2Gold Corp	-	46,400	-	(9,200)	37,200
Barrick Gold Corp	-	57,000	-	(12,200)	44,800
Centamin PLC	-	52,730	-	(11,229)	41,501
Centerra Gold Inc	-	10,500	-	(2,200)	8,300
Coeur Mining Inc	-	6,900	-	-	6,900
Detour Gold Corp	-	8,400	-	(1,700)	6,700
Eldorado Gold Corp	-	34,800	-	(7,300)	27,500
Endeavour Mining Corp	-	3,300	-	(600)	2,700
Evolution Mining Ltd	-	50,159	-	(9,950)	40,209
Fresnillo PLC	-	8,616	-	(1,517)	7,099
Gold Fields Ltd	-	39,944	-	(8,914)	31,030
Goldcorp Inc	-	41,700	-	(9,000)	32,700
Harmony Gold Mining Co Ltd	-	18,291	-	(3,850)	14,441
IAMGOLD Corp	-	22,200	-	(4,300)	17,900
Kinross Gold Corp	-	60,700	-	(13,100)	47,600
Kirkland Lake Gold Ltd	-	7,000	-	-	7,000
Minera Frisco SAB de CV	-	26,400	-	(5,800)	20,600
New Gold Inc	-	27,700	-	(5,600)	22,100
Newcrest Mining Ltd	-	37,429	-	(7,866)	29,563
Newmont Mining Corp	-	25,900	-	(5,300)	20,600
Nord Gold SE	-	2,209	-	(2,209)	-
Northern Star Resources Ltd	-	28,420	-	(6,032)	22,388
OceanaGold Corp	-	29,800	-	(6,100)	23,700
Petropavlovsk PLC	-	141,709	-	(30,362)	111,347
Polymetal International PLC	-	12,666	-	(2,762)	9,904
Randgold Resources Ltd	-	4,540	-	(949)	3,591
Regis Resources Ltd	-	22,602	-	(4,822)	17,780
Resolute Mining Ltd	-	26,892	-	(5,809)	21,083
Sibanye Gold Ltd	-	46,353	26,573	(9,202)	63,724
St Barbara Ltd	-	24,184	-	(5,106)	19,078
Tahoe Resources Inc	-	11,700	-	-	11,700
Yamana Gold Inc	-	46,200	-	(9,800)	36,400
Yamana Gold Inc-RTS	-	-	2,206	(2,206)	-
Zhaojin Mining Industry Co Ltd	-	44,500	-	(8,000)	36,500
Zijin Mining Group Co Ltd	-	280,000	-	(60,000)	220,000

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 dated		
30 June 2017	8.3473	41,736,438
Highest and lowest net asset value per unit		
	Lowest HK\$	Highest HK\$
For the period ended		
30 June 2017	7.1561	9.7021

During the period ended 30 June 2017, the FTSE Gold Mines Net Tax Index increased by 4.40%, while the net asset value per unit of XIE Shares FTSE Gold Miners ETF increased by 3.77%^(a).

The following lists the constituent securities that individually accounted for more than 10% of the FTSE Gold Mines Net Tax Index as at 30 June 2017 and its weighting of the FTSE Gold Mines Net Tax Index as at 30 June 2017:

Constituent securities	Respective weighting in FTSE Gold Mines Net Tax Index 30 June 2017
Barrick Gold Corp	13.58%
Newmont Mining Corp	12.69%

The date of inception for this Sub-Fund was 14 November 2016. Therefore, comparative figures are unavailable.

^(a) This is the return of XIE Shares FTSE Gold Miners ETF (net of fees and expenses) from 14 November 2016 (date of inception) to 30 June 2017.