

XIE Shares Chimerica FTSE N Share Daily (2x) Leveraged Product*
(*This is a synthetic product) (Stock Code: 7210)
a sub-fund of the XIE Shares Trust III* (*This is a synthetic product)

Unaudited Interim Report

For the period from 2 February 2017 (Date of inception)
to 30 June 2017

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MANAGEMENT AND ADMINISTRATION

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CLSA Limited

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Market Makers

Bluefin HK Limited
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 III 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 Chimerica FTSE N Share Daily (2x) Leveraged Product* (*This is a synthetic product).

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	30 June 2017 HK\$ (UNAUDITED)
ASSETS	
Interest receivable	23,766
Cash and cash equivalents	53,578,867
TOTAL ASSETS	53,602,633
LIABILITIES	
Financial liabilities at fair value through profit or loss	389,605
Management fee payable	40,429
Preliminary expenses payable	126,165
Other payables	95,367
TOTAL LIABILITIES	651,566
EQUITY	
Net assets attributable to unitholders	52,951,067
Number of units outstanding	4,250,000
Net asset value per unit	12.4591

The date of inception for this Sub-Fund was 2 February 2017. Therefore, comparative figures are unavailable.

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2017

Period from
2 February 2017
(Date of inception)
to 30 June 2017
HK\$
(UNAUDITED)

INCOME

Interest income	59,494
Net gain on investments	15,682,710
Net foreign exchange gain	250,858

Total net income

15,993,062

OPERATING EXPENSES

Management fees	124,281
Audit fees	51,140
Preliminary expenses	1,109,192
Financial statements preparation fee	33,154
Bank charges	764
Other operating expenses	29,739

Total operating expenses

1,348,270

Operating profit

14,644,792

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

14,644,792

The date of inception for this Sub-Fund was 2 February 2017. Therefore, comparative figures are unavailable.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2017

**Period from
2 February 2017
(Date of inception)
to 30 June 2017
HK\$
(UNAUDITED)**

Balance at the beginning of the period	-
Proceeds on issue of units	38,306,275
Payment on redemption of units	-
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Net increase from unit transactions	38,306,275
Total comprehensive income for the period	14,644,792
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Balance at the end of the period	<u><u>52,951,067</u></u>

The date of inception for this Sub-Fund was 2 February 2017. Therefore, comparative figures are unavailable.

STATEMENT OF CASH FLOWS

For the period ended 30 June 2017

**Period from
2 February 2017
(Date of inception)
to 30 June 2017
HK\$
(UNAUDITED)**

OPERATING ACTIVITIES

Proceeds from sale of investments	16,072,315
Interest received	35,728
Management fee paid	(83,852)
Preliminary expenses paid	(983,027)
Other receipts and payments	(19,430)

Cash generated from operating activities 15,021,734

FINANCING ACTIVITIES

Proceeds from issue of units	38,306,275
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Cash generated from financing activities 38,306,275

Net increase in cash and cash equivalents **53,328,009**

Cash and cash equivalents at beginning of period	-
Net foreign exchange gain	250,858

Cash and cash equivalents at end of period 53,578,867

Analysis of balances of cash and cash equivalents

Cash at bank	14,546,556
Short-term deposits	39,032,311
	<u><u>53,578,867</u></u>

The date of inception for this Sub-Fund was 2 February 2017. Therefore, comparative figures are unavailable.

INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2017

Investments

	Fair value HK\$ ¹	% of net assets
Total return swaps issued by SOCIETE GENERALE	(389,605)	-0.74%
Total investments in total return swaps at fair value	<u>(389,605)</u>	<u>-0.74%</u>
Total investments	<u>(389,605)</u>	<u>-0.74%</u>
Other net assets	<u>53,340,672</u>	<u>100.74%</u>
Net assets attributable to unitholders at 30 June 2017	<u><u>52,951,067</u></u>	<u><u>100.00%</u></u>
Total investments, at cost	<u><u>-</u></u>	

¹ 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

	Fair value as at 2 February 2017 (Date of inception) HK\$	Fair value change HK\$	Fair value as at 30 June 2017 HK\$
Total return swaps issued by			
SOCIETE GENERALE	-	(389,605)	(389,605)

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	12.6961	53,958,500
Highest and lowest net asset value per unit		
	Lowest HK\$	Highest HK\$
For the period ended		
30 June 2017	8.0000	14.1439

During the period ended 30 June 2017, the FTSE N Share 2x Daily Leveraged Index increased by 63.27%, while the net asset value per unit of XIE Shares Chimerica FTSE N Share Daily (2x) Leveraged Product* (*This is a synthetic product) increased by 58.70%^(a).

There were no constituent securities that FTSE N Share 2x Daily Leveraged Index accounted for more than 10 % of the weighting of the FTSE N Share 2x Daily Leveraged Index as at 30 June 2017.

The date of inception for this Sub-Fund was 2 February 2017. Therefore, comparative figures are unavailable.

^(a) This is the return of XIE Shares Chimerica FTSE N Share Daily (2x) Leveraged Product* (*This is a synthetic product) (net of fees and expenses) from 2 February 2017 (date of inception) to 30 June 2017.