

LIPPO FUND SERIES

LIPPO SELECT HK & MAINLAND PROPERTY ETF

SEMI-ANNUAL FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

LIPPO FUND SERIES

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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
40/F, Tower Two¹
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 Tower
Three Garden Road
Central, Hong Kong
(prior to 1 November 2017)

BOCI-Prudential Trustee Limited
12/F & 25/F, Citicorp Centre
18 Whitfield Road
Causeway Bay, Hong Kong
(with effect from 1 November 2017)

Custodian

Citibank N.A.
50th Floor, Champion Tower
Three Garden Road
Central, Hong Kong
(prior to 1 November 2017)

Bank of China (Hong Kong) Limited
14/F, Bank of China Tower
One Garden Road
Central, Hong Kong
(with effect from 1 November 2017)

Administrator

Citibank N.A.
50th Floor, Champion Tower
Three Garden Road
Central, Hong Kong
(prior to 1 November 2017)

BOCI-Prudential Trustee Limited
12/F & 25/F, Citicorp Centre
18 Whitfield Road
Causeway Bay, Hong Kong
(with effect from 1 November 2017)

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

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 24 July 2017, the registered address was 24th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

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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 2017 was HKD 120.43 million and the Dealing NAV per unit was HKD 70.8406. The ETF achieved a return of 37.1% (dealing NAV per unit) for the six month period to the end of September 2017.

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 2017, the ETF had 48 constituent stocks with a total unadjusted market capitalization* of HKD 3266.7 billion.

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

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STATEMENT OF NET ASSETS
AS AT 30 SEPTEMBER 2017 (UNAUDITED)

	As at 30 September 2017 (unaudited) HK\$	As at 31 March 2017 (audited) HK\$
CURRENT ASSETS		
Investments	119,081,789	87,419,280
Dividends receivable	477,258	194,648
Amount receivable on subscription of units	—	1,297,290
Amount due from brokers	100,047	—
Other receivables	—	13,709
Cash and cash equivalents	862,510	284,427
TOTAL ASSETS	120,521,604	89,209,354
CURRENT LIABILITIES		
Management fee payable	67,443	48,242
Establishment costs payable	27,399	229,042
Amount due to brokers	—	1,293,632
Other payables	—	21,749
TOTAL LIABILITIES	94,842	1,592,665
EQUITY		
Net assets attributable to unitholders	120,426,762	87,616,689
Number of units in issue	1,700,000	1,700,000
Net assets attributable to unitholders per unit	70.8393	51.5392

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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 2017 and 31 March 2017, 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 2017 to 30 September 2017, the Underlying Index increased by 38.5% [31 March 2017 (audited): increased by 36.4%], while the unaudited net asset value per unit of the Sub-Fund increased by 37.4% [31 March 2017 (audited): increased by 35.4%].

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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 SEPTEMBER 2017

Listed investments	Holdings	Fair value HK\$	% of net assets
Equities			
AGILE GROUP HOLDINGS LTD	183,802	2,095,343	1.74%
BEIJING CAPITAL LAND LTD-H	101,818	443,926	0.37%
CARNIVAL GROUP INTERNATIONAL HKD0.20	1,007,810	418,241	0.35%
CHINA AOYUAN PROPERTY GROUP LTD	125,416	546,814	0.45%
CHINA EVERGRANDE GROUP	260,300	7,093,175	5.89%
CHINA JINMAO HOLDINGS GROUP LTD	375,639	1,476,261	1.23%
CHINA MERCHANTS LAND LTD	172,714	269,434	0.22%
CHINA OVERSEAS LAND & INVEST	242,302	6,154,471	5.11%
CHINA RESOURCES LAND LTD SHS	281,885	6,737,052	5.59%
CHINA SCE PROPERTY HOLDINGS HKD0.10	180,751	688,661	0.57%
CIFI HOLDINGS GROUP CO LTD	396,339	1,724,075	1.43%
COUNTRY GARDEN HOLDINGS CO HKD0.10	686,506	8,526,404	7.08%
EMPEROR INTL HLDG LTD HKD0.01	129,485	358,673	0.30%
FANTASIA HOLDINGS GROUP CO HKD0.10'REG S	169,052	187,648	0.16%
FAR EAST CONSORTIUM	144,615	595,814	0.49%
FUTURE LAND DEVELOPMENT HOLD HKD0.001	199,161	764,778	0.64%
GREAT EAGLE HOLDINGS LTD	28,236	1,160,500	0.96%
GREENLAND HONG KONG HOLDINGS LTD	98,360	291,146	0.24%
GUANGZHOU R&F PROPERTIES - H	119,110	2,155,891	1.79%
HANG LUNG PROPERTIES LTD	237,461	4,402,527	3.66%
HENDERSON LAND DEVELOPMENT	138,110	7,147,193	5.93%
I CABLE COMMUNICATIONS ORD	50,158	12,790	0.01%
K WAH INTL HOLDINGS SHS	156,335	734,775	0.61%
KERRY PROPERTIES LTD	76,200	2,465,070	2.05%
KWG PROPERTY HKD0.10	161,221	1,346,195	1.12%
LAI SUN DEVELOPMENT	21,314	299,675	0.25%
LOGAN PROPERTY HOLDINGS CO L 3380	161,200	1,299,272	1.08%
LONGFOR PROPERTIES	172,292	3,394,152	2.82%
LVGEM CHINA REAL ESTATE INVE	82,600	186,676	0.16%
NEW WORLD DEVELOPMENT	640,763	7,189,361	5.97%
POWERLONG REAL ESTATE HOLD	164,166	653,381	0.54%
ROAD KING INFRASTRUCTURE LTD ORD	30,613	385,112	0.32%
SHENZHEN INV ORD SHS	359,758	1,273,543	1.06%
SHIMAO PROPERTY HOLDINDS LTD HKD0.10	139,056	2,355,609	1.96%
SINO-OCEAN GROUP HOLDING LTD	396,795	2,067,302	1.72%
SOHO CHINA LTD	244,018	1,090,760	0.91%
SUN HUNG KAI PROPERTIES	52,900	6,713,010	5.57%
SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S'	228,819	8,180,278	6.79%
WHARF HOLDINGS	93,166	6,484,354	5.38%
WHEELLOCK & CO LTD HKD0.50	95,722	5,259,924	4.37%
YUEXIU PROPERTY COMPANY LTD	800,306	1,272,487	1.06%
YUZHOU PROPERTIES CO HKD0.10'REG S'	157,345	663,996	0.55%
		106,565,749	88.50%

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INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 30 SEPTEMBER 2017

Listed investments	Holdings	Fair value HK\$	% of net assets
REITS			
CHAMPION REIT	238,718	1,286,690	1.07%
FORTUNE REIT NPV	167,620	1,537,075	1.28%
HUI XIAN REIT UNITS REG S	421,300	1,504,370	1.25%
LINK REIT NPV	104,340	6,604,722	5.48%
PROSPERITY REIT NPV	145,847	481,295	0.40%
YUEXIU REAL ESTATE INVESTMENT TRUST	223,961	1,101,888	0.91%
		<u>12,516,040</u>	<u>10.39%</u>
Total listed investments		<u>119,081,789</u>	<u>98.89%</u>
Total investments, at cost		<u>82,188,804</u>	

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

Investments	Beginning holdings as at 1 April 2017	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2017
AGILE GROUP HOLDINGS LTD	211,002	9,800	–	37,000	183,802
AVIC INTERNATIONAL HLDGS HKD0.10	437,758	–	–	437,758	–
BEIJING CAPITAL LAND LTD-H	116,818	5,500	–	20,500	101,818
CARNIVAL GROUP INTERNATIONAL HKD0.20	909,268	70,600	187,442	159,500	1,007,810
CENTRAL CHINA REAL ESTATE HKD0.10	96,851	–	–	96,851	–
CHAMPION REIT	273,318	13,800	–	48,400	238,718
CHINA AOYUAN PROPERTY GROUP LTD	143,916	10,700	–	29,200	125,416
CHINA EVERGRANDE GROUP	553,132	–	–	292,832	260,300
CHINA JINMAO HOLDINGS GROUP LTD	431,239	20,100	–	75,700	375,639
CHINA MERCHANTS LAND LTD	194,514	9,300	–	31,100	172,714
CHINA OVERSEAS LAND & INVEST	204,202	52,400	–	14,300	242,302
CHINA RESOURCES LAND LTD SHS	230,285	51,600	–	–	281,885
CHINA SCE PROPERTY HOLDINGS HKD0.10	207,551	12,600	–	39,400	180,751
CHINA SOUTH CITY HOLDINGS HKD0.01	485,234	–	–	485,234	–
CIFI HOLDINGS GROUP CO LTD	363,139	96,700	–	63,500	396,339
COUNTRY GARDEN HOLDINGS CO HKD0.10	877,906	65,500	–	256,900	686,506
EMPEROR INTL HLDG LTD HKD0.01	148,585	7,000	–	26,100	129,485
FANTASIA HOLDINGS GROUP CO HKD0.10/REG S	190,352	9,100	–	30,400	169,052
FAR EAST CONSORTIUM	164,315	7,900	–	27,600	144,615
FORTUNE REIT NPV	191,820	9,200	–	33,400	167,620
FULLSHARE HOLDINGS LTD 607	1,062,826	–	–	1,062,826	–
FUTURE LAND DEVELOPMENT HOLD HKD0.001	228,561	12,600	–	42,000	199,161
GREAT EAGLE HOLDINGS LTD	36,536	1,900	–	10,200	28,236
GREENLAND HONG KONG HOLDINGS LTD	110,760	5,300	–	17,700	98,360
GUANGZHOU R&F PROPERTIES - H	136,710	6,400	–	24,000	119,110
HANG LUNG PROPERTIES LTD	249,061	12,700	–	24,300	237,461
HENDERSON LAND DEVELOPMENT	108,191	19,100	10,819	–	138,110
HUI XIAN REIT UNITS REG S	–	421,300	–	–	421,300
I CABLE COMMUNICATIONS ORD	–	–	132,881	82,723	50,158
K WAH INTL HOLDINGS SHS	179,235	10,500	–	33,400	156,335
KERRY PROPERTIES LTD	–	76,200	–	–	76,200
KWG PROPERTY HKD0.10	185,121	10,100	–	34,000	161,221
LAI SUN DEVELOPMENT	–	–	23,514	2,200	21,314
LINK REIT NPV	91,140	13,200	–	–	104,340

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

Investments	Beginning holdings as at 1 April 2017	Additions	Corporate actions	Disposals	Closing holdings as at 30 September 2017
LOGAN PROPERTY HOLDINGS CO L 3380	–	161,200	–	–	161,200
LONGFOR PROPERTIES	196,692	10,500	–	34,900	172,292
LVGEM CHINA REAL ESTATE INVE	–	82,600	–	–	82,600
NEW WORLD DEVELOPMENT	480,463	160,300	–	–	640,763
POWERLONG REAL ESTATE HOLD	215,366	8,800	–	60,000	164,166
PROSPERITY REIT NPV	166,447	11,200	–	31,800	145,847
RENHE COMMERCIAL HOLDINGS HKD0.01	2,368,623	–	–	2,368,623	–
ROAD KING INFRASTRUCTURE LTD ORD	34,913	2,800	–	7,100	30,613
SHENZHEN INV ORD SHS	412,058	21,900	–	74,200	359,758
SHIMAO PROPERTY HOLDINGS LTD HKD0.10	160,256	7,900	–	29,100	139,056
SINO-OCEAN GROUP HOLDING LTD	455,395	21,300	–	79,900	396,795
SOHO CHINA LTD	280,118	15,000	–	51,100	244,018
SUN HUNG KAI PROPERTIES	–	52,900	–	–	52,900
SUNAC CHINA HOLDINGS LTD HKD0.10 'REG S'	259,719	13,600	–	44,500	228,819
WHARF HOLDINGS	79,266	13,900	–	–	93,166
WHEELLOCK & CO LTD HKD0.50	96,722	5,200	–	6,200	95,722
YUEXIU PROPERTY COMPANY LTD	918,606	42,800	–	161,100	800,306
YUEXIU REAL ESTATE INVESTMENT TRUST	255,761	14,000	–	45,800	223,961
YUZHOU PROPERTIES CO HKD0.10'REG S'	179,845	9,000	–	31,500	157,345