

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 1 January 2018
to 30 June 2018

| CONTENTS | Page |
|--|-------------|
| Management and Administration | 1 |
| Statement of Financial Position | 2 |
| Statement of Comprehensive Income | 3 |
| Statement of Changes in Net Assets Attributable to Unitholders | 4 |
| Statement of Cash Flows | 5 |
| Investment Portfolio (Unaudited) | 6 - 7 |
| Statement of Movements in Portfolio Holdings (Unaudited) | 8 |
| Performance Record (Unaudited) | 9 |

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

BLAND Tobias Christopher James
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
Haitong International Securities Company Limited

Registrar

Computershare Hong Kong Investor Services Limited
46/F, Hopewell Centre
183 Queen's Road East
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 2018

| | 30 June 2018 HK\$ (UNAUDITED) | 31 December 2017 HK\$ (AUDITED) |
|---|---|---|
| ASSETS | | |
| Financial assets at fair value through profit or loss | 40,709,488 | 43,544,715 |
| Dividends receivable | 2,096 | 1,722 |
| Cash and cash equivalents | 173,595 | 84,969 |
| TOTAL ASSETS | 40,885,179 | 43,631,406 |
| LIABILITIES | | |
| Management fee payable | 20,268 | 21,406 |
| Other payables | 83,537 | 78,716 |
| TOTAL LIABILITIES | 103,805 | 100,122 |
| EQUITY | | |
| Net assets attributable to unitholders | 40,781,374 | 43,531,284 |
| | | |
| Number of units outstanding | 5,000,000 | 5,000,000 |
| | | |
| Net asset value per unit | 8.1563 | 8.7063 |

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2018

| | Period from 1 January 2018 to 30 June 2018 HK\$ (UNAUDITED) | Period from 14 November 2016 (date of inception) to 30 June 2017 HK\$ (UNAUDITED) |
|---|---|--|
| INCOME | | |
| Dividend income | 318,568 | 264,425 |
| Interest income | 38 | 44 |
| Net (loss)/gain on investments | (2,823,450) | 1,770,617 |
| Net foreign exchange loss | (4,612) | (44,342) |
| Total net (loss)/income | (2,509,456) | 1,990,744 |
| OPERATING EXPENSES | | |
| Management fees | 125,639 | 135,575 |
| Audit fees | 20,505 | 60,453 |
| Preliminary expenses | - | 742,575 |
| Legal and professional fees | 2,850 | - |
| Transaction costs on investments | 2,118 | 37,117 |
| Financial statements preparation fee | 17,492 | 32,768 |
| Registration fees | 3,472 | 2,692 |
| Interest expense | 80 | 11 |
| Bank charges | 782 | 1,099 |
| Other operating expenses | 34,131 | 58,217 |
| Total operating expenses | 207,069 | 1,070,507 |
| Operating (loss)/profit | (2,716,525) | 920,237 |
| (Loss)/profit before taxation | (2,716,525) | 920,237 |
| Dividend withholding tax | 33,385 | 35,388 |
| TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD | (2,749,910) | 884,849 |

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2018

| | Period from 1 January 2018 to 30 June 2018 HK\$ (UNAUDITED) | Period from 14 November 2016 (date of inception) to 30 June 2017 HK\$ (UNAUDITED) |
|--|--|--|
| Balance at the beginning of the period | 43,531,284 | - |
| Proceeds on issue of units | - | 49,360,616 |
| Payment on redemption of units | - | (9,151,781) |
| Net increase from unit transactions | - | 40,208,835 |
| Total comprehensive (loss)/income for the period | (2,749,910) | 884,849 |
| Balance at the end of the period | 40,781,374 | 41,093,684 |

STATEMENT OF CASH FLOWS

For the period ended 30 June 2018

| | Period from 1 January 2018 to 30 June 2018 HK\$ (UNAUDITED) | Period from 14 November 2016 (date of inception) to 30 June 2017 HK\$ (UNAUDITED) |
|---|--|--|
| OPERATING ACTIVITIES | | |
| Payments for purchase of investments | (1,697,832) | (50,719,217) |
| Proceeds from sale of investments | 1,709,609 | 11,528,044 |
| Dividends received | 318,194 | 262,084 |
| Interest received | 38 | 44 |
| Management fee paid | (126,777) | (118,400) |
| Dividend withholding tax paid | (33,385) | (35,388) |
| Transaction fee paid | (2,118) | (37,117) |
| Preliminary expenses paid | - | (742,575) |
| Interest expense paid | (80) | (11) |
| Other receipts and payments | (74,411) | (53,099) |
| Cash generated from/(used in) operating activities | 93,238 | (39,915,635) |
| FINANCING ACTIVITIES | | |
| Proceeds from issue of units | - | 49,360,616 |
| Redemption paid on redemption of units | - | (9,151,781) |
| Cash generated from financing activities | - | 40,208,835 |
| Net increase in cash and cash equivalents | 93,238 | 293,200 |
| Cash and cash equivalents at beginning of period | 84,969 | - |
| Net foreign exchange loss | (4,612) | (44,342) |
| Cash and cash equivalents at end of period | 173,595 | 248,858 |
| Analysis of balances of cash and cash equivalents | | |
| Cash and cash equivalents | 173,595 | 248,858 |

INVESTMENT PORTFOLIO (UNAUDITED)

As at 30 June 2018

Investments

| Listed equities | Holdings | Fair value HK\$¹ | % of net assets |
|--------------------------------|-----------------|--|----------------------------|
| Australia | | | |
| Evolution Mining Ltd | 41,662 | 847,662 | 2.08% |
| Newcrest Mining Ltd | 30,476 | 3,851,146 | 9.44% |
| Northern Star Resources Ltd | 23,528 | 990,141 | 2.43% |
| Regis Resources Ltd | 18,438 | 547,217 | 1.34% |
| Resolute Mining Ltd | 21,851 | 161,494 | 0.40% |
| Saracen Mineral Holdings Ltd | 30,217 | 383,593 | 0.94% |
| St Barbara Ltd | 20,412 | 571,490 | 1.40% |
| | | 7,352,743 | 18.03% |
| Canada | | | |
| Agnico Eagle Mines Ltd | 9,174 | 3,297,652 | 8.09% |
| Alamos Gold Inc | 15,400 | 687,935 | 1.69% |
| B2Gold Corp | 37,600 | 764,693 | 1.88% |
| Barrick Gold Corp | 46,150 | 4,753,450 | 11.66% |
| Centerra Gold Inc | 8,500 | 370,579 | 0.91% |
| Detour Gold Corp | 6,900 | 486,420 | 1.19% |
| Eldorado Gold Corp | 31,400 | 249,073 | 0.61% |
| Endeavour Mining Corp | 2,900 | 408,010 | 1.00% |
| Goldcorp Inc | 34,200 | 3,681,698 | 9.03% |
| IAMGOLD Corp | 18,300 | 836,035 | 2.05% |
| Kinross Gold Corp | 49,100 | 1,449,544 | 3.55% |
| Kirkland Lake Gold Ltd | 7,400 | 1,228,700 | 3.01% |
| New Gold Inc | 22,500 | 367,687 | 0.90% |
| OceanaGold Corp | 24,300 | 528,986 | 1.30% |
| Tahoe Resources Inc | 12,100 | 466,911 | 1.14% |
| Yamana Gold Inc | 37,500 | 856,594 | 2.10% |
| | | 20,433,967 | 50.11% |
| Hong Kong | | | |
| Zhaojin Mining Industry Co Ltd | 37,500 | 224,625 | 0.55% |
| | | 224,625 | 0.55% |

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

As at 30 June 2018

Investments (continued)

| Listed equities (continued) | Holdings | Fair value HK\$¹ | % of net assets |
|---|-----------------|--|----------------------------|
| South Africa | | | |
| AngloGold Ashanti Ltd | 16,054 | 1,030,302 | 2.52% |
| Gold Fields Ltd | 31,949 | 899,747 | 2.21% |
| Harmony Gold Mining Co Ltd | 15,069 | 183,032 | 0.45% |
| Sibanye Gold Ltd | 71,541 | 337,018 | 0.83% |
| | | 2,450,099 | 6.01% |
| The United States | | | |
| Coeur Mining Inc | 7,300 | 435,267 | 1.07% |
| Newmont Mining Corp | 21,100 | 6,242,496 | 15.30% |
| | | 6,677,763 | 16.37% |
| United Kingdom | | | |
| Acacia Mining PLC | 5,869 | 76,293 | 0.19% |
| Centamin PLC | 42,846 | 528,120 | 1.30% |
| Petropavlovsk PLC | 114,698 | 94,568 | 0.23% |
| Polymetal International PLC | 9,121 | 632,984 | 1.55% |
| Randgold Resources Ltd | 3,713 | 2,238,326 | 5.48% |
| | | 3,570,291 | 8.75% |
| Total investments | | 40,709,488 | 99.82% |
| Other net assets | | 71,886 | 0.18% |
| Net assets attributable to unitholders at 30 June 2018 | | 40,781,374 | 100.00% |
| Total investments, at cost | | 40,507,509 | |

¹ Exchange rate as at 30 June 2018

HKD/AUD 0.172514

HKD/CAD 0.167670

HKD/GBP 0.096544

HKD/MXN 0.399146

HKD/USD 0.127462

HKD/ZAR 0.572398

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

For the period ended 30 June 2018

| Investments - listed equities | Holdings as at 1 January 2018 | Additions | Corporate action | Disposals | Holdings as at 30 June 2018 |
|--------------------------------|----------------------------------|-----------|------------------|-----------|--------------------------------|
| Acacia Mining PLC | 5,698 | 171 | - | - | 5,869 |
| Agnico Eagle Mines Ltd | 8,924 | 300 | - | (50) | 9,174 |
| Alamos Gold Inc | 14,500 | 900 | - | - | 15,400 |
| AngloGold Ashanti Ltd | 15,510 | 544 | - | - | 16,054 |
| B2Gold Corp | 36,400 | 1,200 | - | - | 37,600 |
| Barrick Gold Corp | 44,900 | 1,400 | - | (150) | 46,150 |
| Centamin PLC | 41,501 | 1,345 | - | - | 42,846 |
| Centerra Gold Inc | 8,300 | 200 | - | - | 8,500 |
| Coeur Mining Inc | 7,100 | 200 | - | - | 7,300 |
| Detour Gold Corp | 6,700 | 200 | - | - | 6,900 |
| Eldorado Gold Corp | 30,400 | 1,000 | - | - | 31,400 |
| Endeavour Mining Corp | 2,700 | 200 | - | - | 2,900 |
| Evolution Mining Ltd | 40,209 | 1,453 | - | - | 41,662 |
| Fresnillo PLC | 7,099 | - | - | (7,099) | - |
| Gold Fields Ltd | 31,030 | 919 | - | - | 31,949 |
| Goldcorp Inc | 33,100 | 1,100 | - | - | 34,200 |
| Harmony Gold Mining Co Ltd | 14,441 | 628 | - | - | 15,069 |
| IAMGOLD Corp | 17,900 | 400 | - | - | 18,300 |
| Kinross Gold Corp | 47,600 | 1,500 | - | - | 49,100 |
| Kirkland Lake Gold Ltd | 7,000 | 400 | - | - | 7,400 |
| New Gold Inc | 22,100 | 400 | - | - | 22,500 |
| Newcrest Mining Ltd | 29,563 | 913 | - | - | 30,476 |
| Newmont Mining Corp | 20,500 | 600 | - | - | 21,100 |
| Northern Star Resources Ltd | 22,388 | 1,140 | - | - | 23,528 |
| OceanaGold Corp | 23,700 | 600 | - | - | 24,300 |
| Petropavlovsk PLC | 111,347 | 3,351 | - | - | 114,698 |
| Polymetal International PLC | 9,904 | - | - | (783) | 9,121 |
| Randgold Resources Ltd | 3,591 | 122 | - | - | 3,713 |
| Regis Resources Ltd | 17,780 | 658 | - | - | 18,438 |
| Resolute Mining Ltd | 21,083 | 768 | - | - | 21,851 |
| Saracen Mineral Holdings Ltd | - | 30,217 | - | - | 30,217 |
| Sibanye Gold Ltd | 64,998 | 3,944 | 2,600 | (1) | 71,541 |
| St Barbara Ltd | 19,488 | 924 | - | - | 20,412 |
| Tahoe Resources Inc | 11,700 | 400 | - | - | 12,100 |
| Yamana Gold Inc | 36,400 | 1,100 | - | - | 37,500 |
| Zhaojin Mining Industry Co Ltd | 36,500 | 3,000 | - | (2,000) | 37,500 |
| Zijin Mining Group Co Ltd | 220,000 | - | - | (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 2018 | 8.2524 | 41,262,123 |
| 31 December 2017 | 8.8185 | 44,092,379 |
| Highest and lowest net asset value per unit | | |
| | Lowest HK\$ | Highest HK\$ |
| For the period ended | | |
| 30 June 2018 | 8.0057 | 9.3772 |
| 31 December 2017 | 7.1561 | 9.7021 |

During the period ended 30 June 2018, the FTSE Gold Mines Net Tax Index decreased by 5.79% (31 December 2017: increased by 8.28%), while the net asset value per unit of XIE Shares FTSE Gold Miners ETF decreased by 6.42%^(a) (31 December 2017: increased by 6.33%^(b)).

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 2018 and 31 December 2017 and its weighting of the FTSE Gold Mines Net Tax Index as at 30 June 2018 and 31 December 2017:

| Constituent securities | Respective weighting in FTSE Gold Mines Net Tax Index | |
|------------------------|---|------------------|
| | 30 June 2018 | 31 December 2017 |
| Barrick Gold Corp | 11.54% | 11.67% |
| Newmont Mining Corp | 15.34% | 13.83% |

^(a) This is the return of XIE Shares FTSE Gold Mines ETF (net of fees and expenses) from 1 January 2018 to 30 June 2018

^(b) This is the annualised return of XIE Shares FTSE Gold Miners ETF (net of fees and expenses) from 14 November 2016 (date of inception) to 31 December 2017.