

**XIE Shares CLSA GARY ETF**  
**(Stock Code: 3102)**  
**a sub-fund of the XIE Shares Trust II**

**Unaudited Interim Report**

For the period from 1 January 2018  
to 30 June 2018

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## MANAGEMENT AND ADMINISTRATION

### Manager and Listing Agent

Enhanced Investment Products Limited  
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### Directors of the Manager

BLAND Tobias Christopher James  
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### Trustee

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50/F, Champion Tower  
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### Administrator and Custodian

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

### Participating Dealers

BNP Paribas Securities Services  
CLSA Limited  
Haitong International Securities Company Limited

### Registrar

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46/F, Hopewell Centre  
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Hong Kong

### Service Agent

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### Legal Counsel to the Manager

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13/F, One Pacific Place  
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### Auditor

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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](http://www.xieshares.com).

Issued by Enhanced Investment Products Limited, the Manager of the XIE Shares CLSA GARY ETF.

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2018

	<b>30 June 2018</b> <b>HK\$</b> (UNAUDITED)	<b>31 December 2017</b> <b>HK\$</b> (AUDITED)
<b>ASSETS</b>		
Financial assets at fair value through profit or loss	64,119,555	70,064,305
Dividends receivable	213,217	90,123
Cash and cash equivalents	471,821	340,584
<b>TOTAL ASSETS</b>	<b>64,804,593</b>	<b>70,495,012</b>
<b>LIABILITIES</b>		
Management fee payable	38,810	41,422
Other payables	177,867	188,460
<b>TOTAL LIABILITIES</b>	<b>216,677</b>	<b>229,882</b>
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>64,587,916</b>	<b>70,265,130</b>
<b>Number of units outstanding</b>	<b>6,500,000</b>	<b>6,500,000</b>
<b>Net asset value per unit</b>	<b>9.9366</b>	<b>10.8100</b>

## STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2018

	Period from 1 January 2018 to 30 June 2018 HK\$ (UNAUDITED)	Period from 1 January 2017 to 30 June 2017 HK\$ (UNAUDITED)
<b>INCOME</b>		
Dividend income	1,253,999	1,683,494
Interest income	164	156
Net (loss)/gain on investments	(6,218,283)	12,989,942
Net foreign exchange (loss)/gain	(65,438)	51,588
<b>Total net (loss)/income</b>	<b>(5,029,558)</b>	<b>14,725,180</b>
<b>OPERATING EXPENSES</b>		
Management fees	244,681	291,743
Audit fees	42,126	47,936
Preliminary expenses	-	56,552
Legal and professional fees	15,323	57,788
Transaction costs on investments	117,219	185,406
Financial statements preparation fee	17,492	32,768
Registration fees	3,472	2,692
Interest expense	3,974	2,587
Bank charges	840	440
Other operating expenses	34,131	37,631
<b>Total operating expenses</b>	<b>479,258</b>	<b>715,543</b>
<b>Operating (loss)/profit</b>	<b>(5,508,816)</b>	<b>14,009,637</b>
<b>(Loss)/profit before taxation</b>	<b>(5,508,816)</b>	<b>14,009,637</b>
Dividend withholding tax	102,118	141,478
Capital gains tax	66,280	283,913
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>(5,677,214)</b>	<b>13,584,246</b>

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

For the period ended 30 June 2018

	<b>Period from 1 January 2018 to 30 June 2018 HK\$ (UNAUDITED)</b>	<b>Period from 1 January 2017 to 30 June 2017 HK\$ (UNAUDITED)</b>
<b>Balance at the beginning of the period</b>	70,265,130	100,661,318
Proceeds on issue of units	-	-
Payment on redemption of units	-	(53,560,914)
Net decrease from unit transactions	-	(53,560,914)
Total comprehensive (loss)/income for the period	(5,677,214)	13,584,246
<b>Balance at the end of the period</b>	<b>64,587,916</b>	<b>60,684,650</b>

## STATEMENT OF CASH FLOWS

For the period ended 30 June 2018

	Period from 1 January 2018 to 30 June 2018 HK\$ (UNAUDITED)	Period from 1 January 2017 to 30 June 2017 HK\$ (UNAUDITED)
<b>OPERATING ACTIVITIES</b>		
Payments for purchase of investments	(50,094,113)	(48,309,600)
Proceeds from sale of investments	49,820,580	101,877,521
Dividends received	1,130,905	1,580,166
Interest received	164	156
Management fee paid	(247,293)	(317,168)
Dividend withholding tax paid	(102,118)	(141,478)
Capital gains tax paid	(66,280)	(283,913)
Transaction fee paid	(117,219)	(185,406)
Preliminary expenses paid	-	(358,897)
Interest expense paid	(3,974)	(2,587)
Other receipts and payments	(123,977)	(106,393)
<b>Cash generated from operating activities</b>	<b>196,675</b>	<b>53,752,401</b>
<b>FINANCING ACTIVITIES</b>		
Redemption paid on redemption of units	-	(53,560,914)
<b>Cash used in financing activities</b>	<b>-</b>	<b>(53,560,914)</b>
<b>Net increase in cash and cash equivalents</b>	<b>196,675</b>	<b>191,487</b>
Cash and cash equivalents at beginning of period	340,584	178,058
Net foreign exchange (loss)/gain	(65,438)	51,588
<b>Cash and cash equivalents at end of period</b>	<b>471,821</b>	<b>421,133</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and cash equivalents	<b>471,821</b>	<b>421,133</b>

**INVESTMENT PORTFOLIO (UNAUDITED)**

As at 30 June 2018

**Investments**

<b>Listed equities</b>	<b>Holdings</b>	<b>Fair value HK\$<sup>1</sup></b>	<b>% of net assets</b>
<b>Australia</b>			
Aurizon Holdings Ltd	42,660	1,070,741	1.66%
CIMIC Group Ltd	4,332	1,062,195	1.64%
Credit Corp Group Ltd	10,514	1,101,290	1.71%
Downer EDI Ltd	28,405	1,116,349	1.73%
Greencross Ltd	35,983	934,439	1.45%
Macquarie Group Ltd	1,790	1,282,988	1.99%
nib holdings Ltd	34,491	1,145,608	1.77%
Orora Ltd	58,507	1,210,742	1.87%
Pendal Group Ltd	20,377	1,170,549	1.81%
Sandfire Resources NL	22,533	1,196,438	1.85%
Scentre Group	47,947	1,220,117	1.89%
Star Entertainment Grp Ltd	35,777	1,022,413	1.58%
Stockland	47,222	1,086,702	1.68%
Suncorp Group Ltd	13,684	1,157,295	1.79%
Super Retail Group Ltd	26,220	1,231,100	1.91%
		<u>17,008,966</u>	<u>26.33%</u>
<b>Hong Kong</b>			
China Vanke Co Ltd	34,700	952,515	1.47%
CK Infrastructure Holdings Ltd	18,500	1,075,775	1.67%
Colour Life Services Group Co Ltd	176,000	1,390,400	2.15%
Country Garden Holdings Co Ltd	74,000	1,021,200	1.58%
Guangzhou Automobile Group Co Ltd	123,200	944,944	1.46%
Guotai Junan International Holdings Ltd	505,000	858,500	1.33%
Man Wah Holdings Ltd	198,400	1,222,144	1.89%
Nine Dragons Paper Holdings Ltd	99,000	990,000	1.53%
Sands China Ltd	25,600	1,073,920	1.66%
Sun Hung Kai Properties Ltd	9,000	1,065,600	1.65%
		<u>10,594,998</u>	<u>16.39%</u>
<b>India</b>			
National Aluminium Co Ltd	110,614	819,479	1.27%
Oil India Ltd	43,732	1,050,828	1.63%
		<u>1,870,307</u>	<u>2.90%</u>

**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**

As at 30 June 2018

**Investments (continued)**

<b>Listed equities (continued)</b>	<b>Holdings</b>	<b>Fair value HK\$<sup>1</sup></b>	<b>% of net assets</b>
<b>Malaysia</b>			
Bursa Malaysia Bhd	76,000	1,084,906	1.68%
CIMB Group Holdings Bhd	77,600	821,390	1.27%
Inari Amertron Bhd	312,900	1,373,425	2.13%
Malayan Banking Bhd	53,300	931,667	1.44%
MISC Bhd	81,300	934,767	1.45%
		5,146,155	7.97%
<b>New Zealand</b>			
Trade Me Group Ltd	45,244	1,119,920	1.73%
		1,119,920	1.73%
<b>Philippines</b>			
DMCI Holdings Inc	616,400	951,469	1.47%
		951,469	1.47%
<b>Singapore</b>			
Ascendas Real Estate Investment Trust	70,600	1,072,439	1.67%
CDL Hospitality Trusts	111,400	1,006,350	1.56%
Frasers Centrepoint Trust	85,100	1,082,147	1.68%
Frasers Commercial Trust	131,400	1,043,371	1.62%
Mapletree Industrial Trust	95,300	1,058,314	1.64%
Oversea-Chinese Banking Corp Ltd	14,100	944,358	1.46%
SATS Ltd	35,200	1,012,691	1.57%
Singapore Exchange Ltd	25,300	1,043,768	1.62%
Singapore Technologies Engineering Ltd	52,200	988,168	1.53%
United Overseas Bank Ltd	6,500	1,000,838	1.55%
		10,252,444	15.90%
<b>South Korea</b>			
Coway Co Ltd	1,763	1,074,751	1.66%
Hana Financial Group Inc	3,514	1,059,962	1.64%
NH Investment & Securities Co Ltd	10,518	1,106,909	1.71%
		3,241,622	5.01%
<b>Taiwan</b>			
ASMedia Technology Inc	12,000	1,503,799	2.33%
Catcher Technology Co Ltd	12,000	1,052,969	1.63%
Chailease Holding Co Ltd	42,000	1,080,760	1.67%
Chicony Electronics Co Ltd	57,000	1,007,654	1.56%
Chipbond Technology Corp	67,000	1,091,336	1.69%
Chroma ATE Inc	25,000	1,055,027	1.63%
Nien Made Enterprise Co Ltd	16,000	1,072,525	1.66%
Primax Electronics Ltd	70,000	1,113,183	1.72%
Sercomm Corp	52,000	948,701	1.47%
Tong Hsing Electronic Industries Ltd	35,000	954,671	1.48%
Transcend Information Inc	50,000	1,088,479	1.69%
		11,969,104	18.53%

**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**

As at 30 June 2018

**Investments (continued)**

<b>Listed equities (continued)</b>	<b>Holdings</b>	<b>Fair value HK\$<sup>1</sup></b>	<b>% of net assets</b>
<b>Thailand</b>			
MK Restaurants Group PCL	57,100	993,847	1.54%
Tisco Financial Group PCL	48,800	970,723	1.50%
		<u>1,964,570</u>	<u>3.04%</u>
<b>Total investments</b>		<u>64,119,555</u>	<u>99.27%</u>
<b>Other net assets</b>		<u>468,361</u>	<u>0.73%</u>
<b>Net assets attributable to unitholders at 30 June 2018</b>		<u>64,587,916</u>	<u>100.00%</u>
<b>Total investments, at cost</b>		<u>67,350,521</u>	

<sup>1</sup> Exchange rate as at 30 June 2018

HKD/AUD 0.172514

HKD/INR 0.114505

HKD/KRW 0.007039

HKD/MYR 0.514883

HKD/NZD 0.188261

HKD/PHP 0.147009

HKD/SGD 0.173794

HKD/THB 0.236808

HKD/TWD 0.257324

HKD/USD 0.127462

**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
Accton Technology Corp	35,000	1,000	-	(36,000)	-
Adaro Energy Tbk PT	814,100	-	-	(814,100)	-
Advanced Ceramic X Corp	9,000	1,000	-	(10,000)	-
Advanced Semiconductor Engineering Inc	91,000	-	-	(91,000)	-
Air New Zealand Ltd	47,107	-	-	(47,107)	-
ANTA Sports Products Ltd	27,000	-	-	(27,000)	-
Ascendas Real Estate Investment Trust	-	70,600	-	-	70,600
ASMedia Technology Inc	-	12,000	-	-	12,000
Aurizon Holdings Ltd	28,296	14,364	-	-	42,660
Australian Pharmaceutical Industries Ltd	84,511	-	-	(84,511)	-
BOC Hong Kong Holdings Ltd	23,000	1,500	-	(24,500)	-
Bursa Malaysia Bhd	-	51,850	24,150	-	76,000
Caltex Australia Ltd	4,320	323	-	(4,643)	-
Catcher Technology Co Ltd	-	12,000	-	-	12,000
CDL Hospitality Trusts	93,800	17,600	-	-	111,400
Chailease Holding Co Ltd	-	42,000	-	-	42,000
Chicony Electronics Co Ltd	45,000	12,000	-	-	57,000
China Lesso Group Holdings Ltd	163,000	-	-	(163,000)	-
China Resources Land Ltd	36,000	2,000	-	(38,000)	-
China State Construction International Holdings Ltd	78,000	10,000	-	(88,000)	-
China Telecom Corp Ltd	220,000	48,000	-	(268,000)	-
China Vanke Co Ltd	33,400	8,900	-	(7,600)	34,700
China Yuchai International Ltd	-	4,900	-	(4,900)	-
Chipbond Technology Corp	61,000	8,000	-	(2,000)	67,000
Chroma ATE Inc	27,000	2,000	-	(4,000)	25,000
CIFI Holdings Group Co Ltd	206,000	-	-	(206,000)	-
CIMB Group Holdings Bhd	-	77,600	-	-	77,600
CIMIC Group Ltd	3,098	1,234	-	-	4,332
CK Infrastructure Holdings Ltd	-	18,500	-	-	18,500
Colour Life Services Group Co Ltd	-	176,000	-	-	176,000
Country Garden Holdings Co Ltd	-	74,000	-	-	74,000
Country Garden Services Holdings Co Ltd	-	-	8,505	(8,505)	-
Coway Co Ltd	-	1,763	-	-	1,763
Credit Corp Group Ltd	7,092	3,422	-	-	10,514
DBS Group Holdings Ltd	7,000	-	-	(7,000)	-
DMCI Holdings Inc	366,100	250,300	-	-	616,400
Downer EDI Ltd	20,272	8,133	-	-	28,405
Elite Material Co Ltd	26,000	11,000	-	(37,000)	-
Frasers Centrepoint Trust	-	85,100	-	-	85,100
Frasers Commercial Trust	-	131,400	-	-	131,400
Global Unichip Corp	11,000	-	-	(11,000)	-
Greencross Ltd	25,883	10,199	-	(99)	35,983
Guangzhou Automobile Group Co Ltd	46,000	42,000	35,200	-	123,200
Guotai Junan International Holdings Ltd	345,000	172,000	-	(12,000)	505,000
Hana Financial Group Inc	2,675	939	-	(100)	3,514
Holtek Semiconductor Inc	-	53,000	-	(53,000)	-
Hu Lane Associate Inc	19,000	6,000	-	(25,000)	-
Inari Amertron Bhd	168,200	84,000	76,300	(15,600)	312,900
Indofood Sukses Makmur Tbk PT	-	220,400	-	(220,400)	-
InvoCare Ltd	8,282	2,110	-	(10,392)	-
K Wah International Holdings Ltd	191,000	-	-	(191,000)	-
KB Financial Group Inc	2,212	-	-	(2,212)	-
Kingboard Chemical Holdings Ltd	20,500	2,000	-	(22,500)	-
Kingboard Laminates Holdings Ltd	73,000	1,000	-	(74,000)	-
Lee & Man Paper Manufacturing Ltd	92,000	15,000	-	(107,000)	-
Lien Hwa Industrial Corp	-	95,000	-	(95,000)	-
Link REIT	13,500	1,000	-	(14,500)	-
Luk Fook Holdings International Ltd	28,000	7,000	-	(35,000)	-
Macquarie Group Ltd	-	1,790	-	-	1,790
Malayan Banking Bhd	-	53,300	-	-	53,300
Man Wah Holdings Ltd	106,400	92,000	-	-	198,400
Manappuram Finance Ltd	72,014	-	-	(72,014)	-
Mapletree Industrial Trust	80,200	15,100	-	-	95,300

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

For the period ended 30 June 2018

Investments - listed equities (continued)	Holdings as at 1 January 2018	Additions	Corporate action	Disposals	Holdings as at 30 June 2018
MISC Bhd	-	81,300	-	-	81,300
MK Restaurants Group PCL	-	57,100	-	-	57,100
National Aluminium Co Ltd	-	110,614	-	-	110,614
NH Investment & Securities Co Ltd	8,834	1,684	-	-	10,518
nib holdings Ltd	23,265	11,226	-	-	34,491
Nien Made Enterprise Co Ltd	-	16,000	-	-	16,000
Nine Dragons Paper Holdings Ltd	60,000	39,000	-	-	99,000
Oil India Ltd	-	32,657	11,075	-	43,732
Orora Ltd	43,948	14,559	-	-	58,507
Oversea-Chinese Banking Corp Ltd	-	14,100	-	-	14,100
Pendal Group Ltd	12,796	7,581	-	-	20,377
Petronas Chemicals Group Bhd	62,900	-	-	(62,900)	-
POSCO	373	-	-	(373)	-
Primax Electronics Ltd	43,000	27,000	-	-	70,000
PTT PCL	8,900	-	-	(8,900)	-
Sandfire Resources NL	-	22,533	-	-	22,533
Sands China Ltd	-	25,600	-	-	25,600
SATS Ltd	-	35,200	-	-	35,200
Scentre Group	-	47,947	-	-	47,947
Sercomm Corp	-	52,000	-	-	52,000
Seven Group Holdings Ltd	11,391	-	-	(11,391)	-
Shenzhen Investment Ltd	247,783	-	-	(247,783)	-
Shenzhou International Group Holdings Ltd	14,000	-	-	(14,000)	-
Sinbon Electronics Co Ltd	41,000	6,000	-	(47,000)	-
Singapore Exchange Ltd	19,800	5,500	-	-	25,300
Singapore Technologies Engineering Ltd	45,300	6,900	-	-	52,200
Singapore Telecommunications Ltd	40,200	-	-	(40,200)	-
SK Telecom Co Ltd	488	15	-	(503)	-
Star Entertainment Grp Ltd	-	35,777	-	-	35,777
Stockland	32,597	14,625	-	-	47,222
Sun Hung Kai Properties Ltd	7,000	2,000	-	-	9,000
Suncorp Group Ltd	10,387	3,297	-	-	13,684
Sunny Friend Environmental Technology Co Ltd	18,000	-	-	(18,000)	-
Super Retail Group Ltd	17,445	8,775	-	-	26,220
Taiwan Union Technology Corp	41,000	1,000	-	(42,000)	-
Telekomunikasi Indonesia Persero Tbk PT	360,600	56,900	-	(417,500)	-
Thai Beverage PCL	158,700	-	-	(158,700)	-
Thanachart Capital PCL	72,600	-	-	(72,600)	-
Tisco Financial Group PCL	44,700	4,100	-	-	48,800
Tong Hsing Electronic Industries Ltd	-	35,000	-	-	35,000
Trade Me Group Ltd	36,651	8,593	-	-	45,244
Transcend Information Inc	-	50,000	-	-	50,000
Tripod Technology Corp	30,000	8,000	-	(38,000)	-
United Overseas Bank Ltd	6,342	258	-	(100)	6,500
Venture Corp Ltd	8,300	-	-	(8,300)	-
Yanlord Land Group Ltd	83,700	15,300	-	(99,000)	-
Yuexiu Real Estate Investment Trust	178,000	21,000	-	(199,000)	-

## 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/year dated		
30 June 2018	10.0469	65,304,781
31 December 2017	10.9481	71,162,715
31 December 2016	8.1496	101,870,407

### Highest and lowest net asset value per unit

	Lowest HK\$	Highest HK\$
For the period/year ended		
30 June 2018	9.9096	11.7044
31 December 2017	8.1914	10.9486
31 December 2016	6.9481	8.8381

During the period ended 30 June 2018, the CLSA GARY Net Total Return Index decreased by 7.12% (31 December 2017: increased by 38.26%), while the net asset value per unit of XIE Shares CLSA GARY ETF decreased by 8.24%<sup>(a)</sup> (31 December 2017: increased by 34.34%<sup>(b)</sup>).

There were no constituent securities of that CLSA GARY Net Total Return Index that accounted for more than 10% of the weighting of CLSA GARY Net Total Return Index as at 30 June 2018 and 31 December 2017.

<sup>(a)</sup> This is the return of XIE Shares CLSA GARY ETF (net of fees and expenses) from 1 January 2018 to 30 June 2018.

<sup>(b)</sup> This is the annualised return of XIE Shares CLSA GARY ETF (net of fees and expenses) from 1 January 2017 to 31 December 2017.