

**LIPPO FUND SERIES**

**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**SEMI-ANNUAL FINANCIAL STATEMENTS (UNAUDITED)**

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

## **LIPPO FUND SERIES**

### **LIPPO SELECT HK & MAINLAND PROPERTY ETF**

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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 Two  
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 and Administrator**

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)*

**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  
1/F, One & Two Exchange Square  
8 Connaught Place  
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

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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 2018 was HKD 117.99 million and the Dealing NAV per unit was HKD68.3999. The ETF achieved a return of -11.7% (dealing NAV per unit) for the six month period to the end of September 2018.

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 2018, the ETF had 53 constituent stocks with a total unadjusted market capitalization\* of HKD 2794.1billion.

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

**LIPPO FUND SERIES**  
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**STATEMENT OF NET ASSETS**  
**AS AT 30 SEPTEMBER 2018 (UNAUDITED)**

	As at 30 September 2018 (unaudited) HK\$	As at 31 March 2018 (audited) HK\$
<b>CURRENT ASSETS</b>		
Investments	116,129,222	132,800,908
Dividends receivable	1,058,269	335,876
Cash and cash equivalents	865,100	504,564
<b>TOTAL ASSETS</b>	<b>118,052,591</b>	<b>133,641,348</b>
<b>CURRENT LIABILITIES</b>		
Management fee payable	62,822	72,452
<b>TOTAL LIABILITIES</b>	<b>62,822</b>	<b>72,452</b>
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>117,989,769</b>	<b>133,568,896</b>
<b>Number of units in issue</b>	<b>1,725,000</b>	<b>1,725,000</b>
<b>Net assets attributable to unitholders per unit</b>	<b>68.3999</b>	<b>77.4312</b>

**LIPPO FUND SERIES**  
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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 2018 and 31 March 2018, 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 2018 to 30 September 2018, the Underlying Index decreased by 11.6% [31 March 2018 (audited): increased by 52.1%], while the unaudited net asset value per unit of the Sub-Fund decreased by 11.7% [31 March 2018 (audited): increased by 50.2%].

**LIPPO FUND SERIES**  
**LIPPO SELECT HK & MAINLAND PROPERTY ETF**

**INVESTMENT PORTFOLIO (UNAUDITED)**  
**AS AT 30 SEPTEMBER 2018**

Listed investments	Holdings	Fair value HK\$	% of net assets
<b>Equities</b>			
AGILE GROUP HLDGS LTD	194,660	2,152,940	1.82%
BEIJING CAPITAL LAND LTD-H	108,124	310,316	0.26%
CARNIVAL GROUP INTERNATIONAL HLDGS LTD	1,041,734	232,307	0.20%
CENTRAL CHINA REAL ESTATE LTD	102,000	324,360	0.27%
CHINA AOYUAN PROPERTY GROUP LTD	133,924	709,797	0.60%
CHINA EVERGRANDE GROUP	246,144	5,402,861	4.58%
CHINA JINMAO HLDGS GROUP LTD	575,961	2,050,421	1.74%
CHINA MERCHANTS LAND LTD	182,828	212,080	0.18%
CHINA OVERSEAS GRAND OCEANS GROUP LTD	213,000	536,760	0.45%
CHINA OVERSEAS LAND & INVESTMENT LTD	301,210	7,379,645	6.25%
CHINA RESOURCES LAND LTD	271,857	7,448,882	6.31%
CHINA SCE GROUP HLDGS LTD	238,528	720,355	0.61%
CHINA VANKE CO LTD-H	163,779	4,241,876	3.59%
CIFI HLDGS GROUP CO LTD	480,397	1,729,429	1.47%
COLOUR LIFE SERVICES GROUP CO LTD	41,049	185,131	0.16%
COUNTRY GARDEN HLDGS CO LTD	639,443	6,311,302	5.35%
EMPEROR INTL HLDGS LTD	136,545	282,648	0.24%
FANTASIA HLDGS GROUP CO LTD	179,520	172,339	0.15%
FUTURE LAND DEVELOPMENT HLDGS LTD	220,215	1,116,490	0.95%
GEMDALE PROPERTIES AND INVESTMENT CORP LTD	593,249	421,207	0.36%
GREENLAND HONG KONG HLDGS LTD	70,021	169,451	0.14%
GUANGZHOU R&F PROPERTIES CO LTD-H	126,638	1,821,054	1.54%
HENDERSON LAND DEVELOPMENT CO LTD	164,377	6,468,235	5.48%
K WAH INTL HLDGS LTD	171,282	635,456	0.54%
KAISA GROUP HLDGS LTD	302,000	758,020	0.64%
KERRY PROPERTIES LTD	81,478	2,163,241	1.83%
KWG GROUP HLDGS LTD	157,457	1,127,392	0.96%
LOGAN PROPERTY HLDGS CO LTD	170,668	1,508,705	1.28%
LONGFOR GROUP HLDGS LTD	184,908	3,735,142	3.17%
LVGEM CHINA REAL ESTATE INVESTMENT CO LTD	121,059	295,384	0.25%
NEW WORLD DEVELOPMENT CO LTD	709,641	7,578,966	6.42%
POWERLONG REAL ESTATE HLDGS LTD	199,572	662,579	0.56%
REDCO PROPERTIES GROUP LTD	132,000	525,360	0.44%
ROAD KING INFRASTRUCTURE LTD	33,106	444,945	0.38%
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LTD	180,000	235,800	0.20%
SHENZHEN INVESTMENT LTD	352,142	880,355	0.75%
SHIMAO PROPERTY HLDGS LTD	147,540	2,879,981	2.44%
SHUI ON LAND LTD	452,000	822,640	0.70%
SINO LAND CO LTD	369,852	4,963,414	4.21%
SINO-OCEAN GROUP HLDG LTD	426,997	1,473,140	1.25%
SUNAC CHINA HLDGS LTD	282,871	6,817,191	5.78%
SWIRE PROPERTIES LTD	145,661	4,318,849	3.66%
WHARF HLDGS LTD	152,093	3,239,581	2.75%
WHEELLOCK & CO LTD	101,750	4,777,162	4.05%
YUEXIU PROPERTY CO LTD	850,169	1,190,236	1.01%
YUZHOU PROPERTIES CO LTD	208,764	663,869	0.56%
ZHUGUANG HLDGS GROUP CO LTD	280,000	422,800	0.36%
		102,520,094	86.89%

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**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**  
**AS AT 30 SEPTEMBER 2018**

<b>Listed investments</b>	<b>Holdings</b>	<b>Fair value HK\$</b>	<b>% of net assets</b>
<b>REITS</b>			
CHAMPION REAL ESTATE INVESTMENT TRUST	254,585	1,395,126	1.18%
FORTUNE REIT	179,573	1,668,233	1.41%
HUI XIAN REAL ESTATE INVESTMENT TRUST	424,964	1,521,896	1.29%
LINK REAL ESTATE INVESTMENT TRUST	94,641	7,292,089	6.18%
PROSPERITY REIT	156,321	475,216	0.40%
YUEXIU REAL ESTATE INVESTMENT TRUST	244,945	1,256,568	1.07%
		<u>13,609,128</u>	<u>11.53%</u>
Total listed investments		<u>116,129,222</u>	<u>98.42%</u>
Total investments, at cost		<u>97,529,492</u>	



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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

<b>Investments</b>	<b>Beginning holdings as at 1 April 2018</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	<b>Closing holdings as at 30 September 2018</b>
AGILE GROUP HLDGS LTD	164,660	30,000	—	—	194,660
BEIJING CAPITAL LAND LTD-H	90,124	18,000	—	—	108,124
CARNIVAL GROUP INTERNATIONAL HLDGS LTD	901,734	140,000	—	—	1,041,734
CENTRAL CHINA REAL ESTATE LTD	—	102,000	—	—	102,000
CHAMPION REAL ESTATE INVESTMENT TRUST	213,585	41,000	—	—	254,585
CHINA AOYUAN PROPERTY GROUP LTD	111,924	22,000	—	—	133,924
CHINA EVERGRANDE GROUP	275,144	27,000	—	56,000	246,144
CHINA JINMAO HLDGS GROUP LTD	391,961	206,000	—	22,000	575,961
CHINA MERCHANTS LAND LTD	154,828	28,000	—	—	182,828
CHINA OVERSEAS GRAND OCEANS GROUP LTD	—	213,000	—	—	213,000
CHINA OVERSEAS LAND & INVESTMENT LTD	277,210	30,000	—	6,000	301,210
CHINA RESOURCES LAND LTD	273,857	6,000	—	8,000	271,857
CHINA SCE GROUP HLDGS LTD	200,528	38,000	—	—	238,528
CHINA VANKE CO LTD-H	137,679	26,100	—	—	163,779
CIFI HLDGS GROUP CO LTD	396,397	84,000	—	—	480,397
COLOUR LIFE SERVICES GROUP CO LTD	21,049	20,000	—	—	41,049
COUNTRY GARDEN HLDGS CO LTD	552,443	121,000	—	34,000	639,443
COUNTRY GARDEN SERVICES HLDGS CO LTD	—	59,591	—	59,591	—
EMPEROR INTL HLDGS LTD	114,545	22,000	—	—	136,545
FANTASIA HLDGS GROUP CO LTD	151,020	28,500	—	—	179,520
FAR EAST CONSORTIUM INTL LTD	131,477	14,000	—	145,477	—
FORTUNE REIT	149,573	30,000	—	—	179,573
FUTURE LAND DEVELOPMENT HLDGS LTD	178,215	42,000	—	—	220,215
GEMDALE PROPERTIES AND INVESTMENT CORP LTD	497,249	96,000	—	—	593,249
GREENLAND HONG KONG HLDGS LTD	58,021	12,000	—	—	70,021
GUANGZHOU R&F PROPERTIES CO LTD-H	106,238	20,400	—	—	126,638
HANG LUNG PROPERTIES LTD	212,106	—	—	212,106	—
HENDERSON LAND DEVELOPMENT CO LTD	125,616	25,000	13,761	—	164,377
HUI XIAN REAL ESTATE INVESTMENT TRUST	379,964	45,000	—	—	424,964
K WAH INTL HLDGS LTD	144,282	27,000	—	—	171,282
KAISA GROUP HLDGS LTD	—	302,000	—	—	302,000
KERRY PROPERTIES LTD	67,978	13,500	—	—	81,478
KWG GROUP HLDGS LTD	131,957	25,500	—	—	157,457
LAI SUN DEVELOPMENT CO LTD	22,078	2,400	—	24,478	—

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

<b>Investments</b>	<b>Beginning holdings as at 1 April 2018</b>	<b>Additions</b>	<b>Corporate actions</b>	<b>Disposals</b>	<b>Closing holdings as at 30 September 2018</b>
LINK REAL ESTATE INVESTMENT TRUST	116,641	–	–	22,000	94,641
LOGAN PROPERTY HLDGS CO LTD	144,668	26,000	–	–	170,668
LONGFOR GROUP HLDGS LTD	154,408	30,500	–	–	184,908
LVGEM CHINA REAL ESTATE INVESTMENT CO LTD	73,059	48,000	–	–	121,059
NEW WORLD DEVELOPMENT CO LTD	617,641	92,000	–	–	709,641
POWERLONG REAL ESTATE HLDGS LTD	167,572	32,000	–	–	199,572
PROSPERITY REIT	130,321	26,000	–	–	156,321
REDCO PROPERTIES GROUP LTD	–	132,000	–	–	132,000
ROAD KING INFRASTRUCTURE LTD	27,106	6,000	–	–	33,106
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LTD	–	180,000	–	–	180,000
SHENZHEN INVESTMENT LTD	338,142	32,000	–	18,000	352,142
SHIMAO PROPERTY HLDGS LTD	124,040	23,500	–	–	147,540
SHUI ON LAND LTD	–	452,000	–	–	452,000
SINO LAND CO LTD	303,852	66,000	–	–	369,852
SINO-OCEAN GROUP HLDG LTD	355,997	71,000	–	–	426,997
SOHO CHINA LTD	217,448	–	–	217,448	–
SOUNDWILL HLDGS LTD	8,828	–	–	8,828	–
SRE GROUP LTD	646,583	–	–	646,583	–
SUNAC CHINA HLDGS LTD	252,871	30,000	–	–	282,871
SUNLIGHT REAL ESTATE INVEST	111,502	11,000	–	122,502	–
SWIRE PROPERTIES LTD	122,461	23,200	–	–	145,661
WHARF HOLDINGS LTD	127,093	25,000	–	–	152,093
WHARF REAL ESTATE INVESTMENT	127,093	–	–	127,093	–
WHEELLOCK & CO LTD	85,750	16,000	–	–	101,750
YUEXIU PROPERTY CO LTD	714,169	136,000	–	–	850,169
YUEXIU REAL ESTATE INVESTMEN	204,945	40,000	–	–	244,945
YUZHOU PROPERTIES CO	174,764	34,000	–	–	208,764
ZHUGUANG HOLDINGS GROUP CO	–	280,000	–	–	280,000