

SSIF ETF I

(An umbrella unit trust established in Hong Kong)

SSIF DCE IRON ORE FUTURES INDEX ETF

Stock Codes: 03047 (HKD Counter) and 09047 (USD Counter)

(A sub-fund of SSIF ETF I)

UNAUDITED SEMI-ANNUAL REPORT

FOR THE PERIOD ENDED 30 JUNE 2022

SSIF DCE IRON ORE FUTURES INDEX ETF
(A SUB-FUND OF SSIF ETF I)

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SSIF DCE IRON ORE FUTURES INDEX ETF

(A SUB-FUND OF SSIF ETF I)

REPORT OF THE MANAGER TO THE UNITHOLDERS

SSIF ETF I (the "Trust") is an umbrella unit trust established under Hong Kong law by a trust deed dated 24 February 2020 (the "Trust Deed") between Shanxi Securities International Asset Management Limited (the "Manager") and HSBC Institutional Trust Services (Asia) Limited (the "Trustee"). The Trust has one sub-fund which is an exchange traded fund (the "ETF").

SSIF DCE Iron Ore Futures Index ETF

The Units of the SSIF DCE Iron Ore Futures Index ETF (the "Sub-Fund") are listed on The Stock Exchange of Hong Kong Limited and commenced trading in HKD counter under stock code 03047 and USD counter under stock code 09047 on 27 March 2020. The Sub-Fund is a passively managed index tracking ETF under Chapters 8.6 and 8.8 of the Code on Unit Trusts and Mutual Funds and invests in iron ore futures contracts traded on the Dalian Commodity Exchange. The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the DCE Iron Ore Futures Price Index ("Underlying Index"). As at 30 June 2022, net asset value per unit of the Sub-fund (at dealing net asset value) was USD1.8643, and there were 9,900,000 units outstanding. The net asset value was USD18,456,832.

Market Review

After a strong start in price appreciation during the first quarter of 2022, iron ore joined industrial metals and overall commodity market to give up some gains in the second quarter of 2022. From the macro perspective, global central banks have raised interest rates aggressively to fight off the inflation. US Federal Reserve raised fed fund rate by 200 bps during the quarter while ECB were ready to raise interest for the first time in 11 years. Rampant inflation was shown to weaken consumer sentiment, and the market started to worry about upcoming recession. This led to sharp sell-off of commodities especially towards the end of the quarter. Chinese demand, which has been the predominant driver for Iron Ore price, also weakened during the quarter primarily caused by two reasons. First is the strict implementation of zero-corvid policy led to weakened economic activities. China eked out GDP growth of just 0.4% in the second quarter from a year ago, missing expectation. Secondly, the Chinese property market continued to weaken due to project delay and debt restructuring of local developers and soft consumer demand to purchase new real estate. According to the China's National Bureau of Statistics, the real estate output, a key economic contributor, contracted 7% in the second quarter from a year ago.

Market Outlook

Looking forward, we believe iron ore market will gradually recover throughout the 2nd half of 2022. First, the cost of supply, driven by inflation, is at a much higher level than previous downtown during 2014-2015, indicating limited downside to the Iron Ore price before the reduction in supply. Secondly, Chinese government has implemented policy support to spur construction and completion of pre-sold properties and has relaxed certain restrictions on real-estate industry, both of which will improve the demand of Iron Ore over time. Thirdly, United States and other governments will stimulate more spending with the Chips Act and Inflation Reduction Act. Lastly, while the market still expects central banks to continue to tighten monetary policy to fight inflation, it is believed that the bulk of the increase has already taken place and company and consumers have been resilient so far. Therefore, the fear of recession may start to abate. However, overall inflation level is still very high and the real interest is still low. Current condition is still favorable to invest in commodity as an inflation hedge.

Shanxi Securities International Asset Management Limited
26 August 2022

SSIF DCE IRON ORE FUTURES INDEX ETF
(A SUB-FUND OF SSIF ETF I)

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	30 June 2022 <i>USD</i>	31 December 2021 <i>USD</i>
ASSETS		
CURRENT ASSETS		
Financial assets at fair value through profit or loss	7,124,134	5,906,311
Financial derivative instruments	-	645,620
Bank interest receivable	13	3
Margin deposits with brokers	11,218,979	10,854,793
Cash and cash equivalents	1,138,340	4,214,771
	<hr/>	<hr/>
Total assets	19,481,466	21,621,498
	-----	-----
LIABILITIES		
CURRENT LIABILITIES		
Financial derivative instruments	1,009,725	-
Management fee payable	19,233	21,628
Trustee fee payable	9,863	10,192
Other accounts payable	17,330	30,909
	<hr/>	<hr/>
Total liabilities	1,056,151	62,729
	-----	-----
EQUITY		
Net assets attributable to unitholders	18,425,315	21,558,769
	<hr/> <hr/>	<hr/> <hr/>
Number of units in issue	9,900,000	13,500,000
	<hr/> <hr/>	<hr/> <hr/>
Net assets value per unit	1.8611	1.5969
	<hr/> <hr/>	<hr/> <hr/>

Note: Semi-annual reports have applied the same accounting policies and methods of computation as are applied in the annual reports of the Sub-Fund.

SSIF DCE IRON ORE FUTURES INDEX ETF
(A SUB-FUND OF SSIF ETF I)

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2022

	Period from 1 January 2022 to 30 June 2022 <i>USD</i>	Period from 1 January 2021 to 30 June 2021 <i>USD</i>
INCOME		
Dividend income	1,551	-
Interest revenue from bank deposits	217	7,855
Net gain on investments and financial derivative instruments	5,457,584	5,537,658
Net foreign currency (loss)/gain	(602,860)	7,523
Total net income	<u>4,856,492</u>	<u>5,553,036</u>
EXPENSES		
Management fee ^{Note 2}	(137,251)	(116,519)
Trustee fee ^{Note 1}	(59,507)	(59,507)
Transaction costs on investments	(19,438)	(3,948)
Audit fee	(11,304)	(12,917)
Safe custody and bank charges ^{Note 1}	(1,927)	(567)
Legal and other professional fee	-	(73)
Other operating expenses ^{Note 1}	(75,204)	(19,501)
Transaction fees paid to trustee ^{Note 1}	(210)	(165)
Total operating expenses	<u>(304,841)</u>	<u>(213,197)</u>
Operating profit	4,551,651	5,339,839
FINANCE COSTS		
Interest expenses ^{Note 1}	(5,915)	-
Profit and total comprehensive income	<u><u>4,545,736</u></u>	<u><u>5,339,839</u></u>

Note 1: During the period ended 30 June 2022 and 2021 trustee fee, safe custody and bank charges and transaction fees paid to trustee were paid to the Trustee or its connected persons, other respective amounts paid to the Trustee or its connected persons were as follows:

	Period from 1 January 2022 to 30 June 2022 <i>USD</i>	Period from 1 January 2021 to 30 June 2021 <i>USD</i>
Other operating expenses	(4,331)	(4,266)
Interest expenses	(623)	-
	<u><u> </u></u>	<u><u> </u></u>

Note 2: During the period ended 30 June 2022 and 2021, other than management fee paid to Manager, no other amounts was paid to the Manager or its connected persons.

SSIF DCE IRON ORE FUTURES INDEX ETF
(A SUB-FUND OF SSIF ETF I)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period ended 30 June 2022

	Period from 1 January 2022 to 30 June 2022 <i>USD</i>	Period from 1 January 2021 to 30 June 2021 <i>USD</i>
Net assets attributable to unitholders at the beginning of the period	21,558,769	17,712,142
Proceeds on issue of units	1,989,330	688,440
Payments on redemption of units	(9,668,520)	(2,727,420)
Net decrease from unit transactions	(7,679,190)	(2,038,980)
Profit and total comprehensive income for the period	4,545,736	5,339,839
Net assets attributable to unitholders at the end of the period	18,425,315	21,013,001

	Period from 1 January 2022 to 30 June 2022 <i>Units</i>	Period from 1 January 2021 to 30 June 2021 <i>Units</i>
Number of units in issue at the beginning of the period	13,500,000	9,300,000
Units issued	1,200,000	300,000
Units redeemed	(4,800,000)	(1,200,000)
Number of units in issue at the end of the period	9,900,000	8,400,000

SSIF DCE IRON ORE FUTURES INDEX ETF
(A SUB-FUND OF SSIF ETF I)

STATEMENT OF CASH FLOWS

For the period ended 30 June 2022

	Period from 1 January 2022 to 30 June 2022 <i>USD</i>	Period from 1 January 2021 to 30 June 2021 <i>USD</i>
OPERATING ACTIVITIES		
Payments for purchase of investments	(3,500,000)	(6,000,000)
Proceeds from sale of investments	2,300,000	-
Proceeds from settlement of futures contracts	20,701,122	21,536,355
Payments for settlement of futures contracts	(13,606,016)	(16,068,500)
Interest revenue from bank deposits received	207	7,853
Management fee paid	(139,646)	(113,961)
Trustee fee paid	(59,836)	(59,808)
Transaction costs paid	(19,438)	(3,948)
Interest paid	(5,915)	-
Payment for auditor's remuneration	(23,700)	(25,520)
Other operating expenses paid	(78,524)	(23,208)
Increase in margin deposits with broker	(364,186)	(3,249,248)
Dividend income received	1,551	-
Establishment cost paid	-	(60,000)
	-----	-----
Net cash generated from/(used in) operating activities	5,205,619	(4,059,985)
	-----	-----
FINANCING ACTIVITIES		
Proceeds on issue of units	1,989,330	688,440
Payments on redemption of units	(9,668,520)	(2,727,420)
	-----	-----
Net cash used in financing activities	(7,679,190)	(2,038,980)
	=====	=====
Net decrease in cash and cash equivalents	(2,473,571)	(6,098,965)
Cash and cash equivalents at the beginning of period	4,214,771	14,473,230
Effect of foreign exchange rate changes	(602,860)	7,523
	-----	-----
Cash and cash equivalents at the end of the period	1,138,340	8,381,788
	=====	=====
Analysis of balances of cash and cash equivalents		
Bank balances	1,138,340	8,381,788
	=====	=====

**SSIF DCE IRON ORE FUTURES INDEX ETF
(A SUB-FUND OF SSIF ETF I)**

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2022

	Holdings	Fair value USD	% of net assets
Financial assets at fair value through profit or loss and financial derivative instruments			
Financial assets at fair value through profit or loss			
Unlisted investment funds			
Hong Kong			
E FUND MANAGEMENT HONG KONG CO LTD-E FUND US DOLLAR M/M-I A USD	16,003	1,712,951	9.30
PING AN OF CHINA ASSET MANAGEMENT HONG KONG CO LTD-PING AN MONEY MARKET-P USD	34,959	3,511,183	19.05
Ireland			
GOLDMAN SACHS ASSET MANAGEMENT GLOBAL SERVICES LTD-GOLDMAN SACHS FUNDS PLC - USD	1,900,000	1,900,000	10.31
Total unlisted investment funds		<u>7,124,134</u>	<u>38.66</u>
Financial derivative instruments			
Listed futures contracts			
	<i>Expiration Date</i>	<i>Contracts</i>	
China			
DCE IRON ORE FUTURE September 2022	15 September 2022	1,501	(1,009,725) (5.48)
Total financial derivative instruments at fair value		<u>(1,009,725)</u>	<u>(5.48)</u>
Total financial assets at fair value through profit or loss and financial derivative instruments		6,114,409	33.18
Other net assets		<u>12,310,906</u>	<u>66.82</u>
Net assets attributable to unitholders as at 30 June 2022		<u>18,425,315</u>	<u>100.00</u>
Total financial assets at fair value through profit or loss and financial derivative instruments, at cost		<u>7,103,989</u>	

SSIF DCE IRON ORE FUTURES INDEX ETF
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period ended 30 June 2022

	1 January 2022	Additions	Disposals	30 June 2022
Financial assets at fair value through profit or loss and financial derivative instruments				
Unlisted investment funds				
Hong Kong				
E FUND MANAGEMENT HONG KONG CO LTD-E FUND US DOLLAR M/M-I A USD	37,565	-	21,562	16,003
PING AN OF CHINA ASSET MANAGEMENT HONG KONG CO LTD-PING AN MONEY MARKET-P USD	-	34,959	-	34,959
Ireland				
GOLDMAN SACHS ASSET MANAGEMENT GLOBAL SERVICES LTD-GOLDMAN SACHS FUNDS PLC - USD	1,900,000	-	-	1,900,000
Listed future contracts (number of contracts)				
China				
DCE IRON ORE FUTURE May 2022	2,038	176	2,214	-
DCE IRON ORE FUTURE September 2022	-	1,955	454	1,501

**SSIF DCE IRON ORE FUTURES INDEX ETF
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DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)

As at 30 June 2022

The financial derivative instruments held by the Sub-Fund as at 30 June 2022 are summarised below:

Futures

The details of futures contracts held by the Sub-Fund as at 30 June 2022 are as follows:

Description	Underlying assets	Contract Size	Notional market value USD	Position	Counterparty	Fair value USD
Financial liabilities:						
					Citic Futures Co., Ltd, China Futures Co., Ltd. and Goldman Sachs International	
DCE IRON ORE FUTURE September 2022	Commodities futures	1,501	17,947,857	Long		(1,009,725)
						<u>(1,009,725)</u>

**SSIF DCE IRON ORE FUTURES INDEX ETF
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PERFORMANCE RECORD (Unaudited)

Net asset value

	Dealing net asset value of the Sub-Fund* <i>USD</i>	Dealing net asset value per unit <i>USD</i>
At the end of financial period/year dated		
30 June 2022	18,456,832	1.8643
31 December 2021	21,596,520	1.5997
31 December 2020	17,762,464	1.9099

Highest and lowest net asset value per unit

	Highest net asset value per unit <i>USD</i>	Lowest net asset value per unit <i>USD</i>
Financial period/year ended		
30 June 2022	2.2141	1.6004
31 December 2021	2.8730	1.2699
31 December 2020 (Since 26 March 2020 (date of commencement of operations))	2.1366	0.9186

Performance of the Sub-Fund and the Underlying Index

	30 June 2022	31 December 2021
Sub-Fund		
SSIF DCE Iron Ore Futures Index ETF	116.54%	-16.24%
Underlying Index		
DCE Iron Ore Futures Price Index	120.62%	-13.53%

* The dealing net asset value of the Sub-Fund disclosed is calculated in accordance with the Trust's Prospectus.

**SSIF DCE IRON ORE FUTURES INDEX ETF
(A SUB-FUND OF SSIF ETF I)**

MANAGEMENT AND ADMINISTRATION

Manager

Shanxi Securities International Asset Management Limited
Unit A, 29/F, Admiralty Center Tower 1
18 Harcourt Road, Admiralty
Hong Kong

Directors of the Manager

Chan Wai Mui
Qiao Junfeng (appointed on 22 February 2022)
Tse Sheung Lai, Sunny (resigned on 21 February 2022)
Zhang Haimo

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Service Agent

HK Conversion Agency Services Limited
1st Floor, One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

Listing Agent

Altus Capital Limited
21 Wing Wo Street
Central, Hong Kong

Legal Adviser to the Manager

Deacons
5th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

Auditor

KPMG
Certified Public Accountants
Registered Public Interest Entity Auditor
8/F Prince's Building
Central
Hong Kong