

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 2023

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 2023, net asset value per unit of the Sub-fund (at dealing net asset value) was USD2.2654, and there were 9,000,000 units outstanding. The net asset value was USD20,388,822.

Market Review

The price of Iron Ore active contract dropped 8.43% during the second quarter of 2023. Demand was relatively weak as China was still recovering from the pandemics. Although economic reopening helped boost economy to a large extent, real estate sector still experienced headwinds in terms of buying activities during the quarter. From the supply perspective, global mines production was strong seasonally during second quarter of 2023 highlighted by a strong increase of 7% production from Russia compared to the 1st quarter of 2023. However, the combined iron ore output from Russia and Ukraine in the second quarter both declined year-of-year due to the conflict in the region. Elsewhere, BHP Billiton's output also decreased 5% in the second quarter. Overall, the supply was sufficient while demand recovery was slower than expected during the quarter, leading to the decline in iron ore prices.

Market Outlook

Looking ahead, we expect iron ore prices to remain resilient in the coming months, as demand from China's steel industry begins to pick up, offset by port inventory accumulation in Chinese market. Overall supply is abundant while Chinese economy growth rate is expected to accelerate at a slow but steady pace. Possible stimulus in Chinese's real estate demand and policy to aid completion of inventory housing may pose upside potential for Iron ore commodity. Globally, housing and infrastructure spending remain healthy and that bode well for Iron ore. However, higher and longer US dollar interest rate dampens the value of commodity and increases odd of recession in 2024. In summary, we expect iron ore market to remain range-bound but likely outperform against other commodity markets in the near term, driven by recovering demand from China's steel industry and ongoing supply chain disruptions, but the upside will be contained due to overall global macro environment.

Shanxi Securities International Asset Management Limited
28 August 2023

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	30 June 2023 <i>USD</i>	31 December 2022 <i>USD</i>
ASSETS		
CURRENT ASSETS		
Financial assets at fair value through profit or loss	5,939,418	5,907,360
Financial derivative instruments	531,886	1,375,327
Bank interest receivable	1,030	1,172
Margin deposits with brokers	12,356,945	11,647,217
Cash and cash equivalents	1,586,732	1,828,736
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Total assets	20,416,011	20,759,812
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LIABILITIES		
CURRENT LIABILITIES		
Management fee payable	19,280	19,290
Trustee fee payable	9,863	9,863
Other accounts payable	16,992	30,653
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Total liabilities	46,135	59,806
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EQUITY		
Net assets attributable to unitholders	20,369,876	20,700,006
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Number of units in issue	9,000,000	9,600,000
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Net assets value per unit	2.2633	2.1563
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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 2023

	Period from 1 January 2023 to 30 June 2023 <i>USD</i>	Period from 1 January 2022 to 30 June 2022 <i>USD</i>
INCOME		
Dividend income	76,607	1,551
Interest income from bank deposits	7,610	217
Net gain on investments and financial derivative instruments	1,608,832	5,457,584
Net foreign currency loss	(419,981)	(602,860)
Total net income	<u>1,273,068</u>	<u>4,856,492</u>
EXPENSES		
Management fee ^{Note 2}	(118,696)	(137,251)
Trustee fee ^{Note 1}	(59,836)	(59,507)
Transaction fees paid to trustee ^{Note 1}	(105)	(210)
Transaction costs on investments	(8,395)	(19,438)
Audit fee	(12,365)	(11,304)
Safe custody and bank charges ^{Note 1}	(1,068)	(1,927)
Other operating expenses ^{Note 1}	(8,322)	(75,204)
Total operating expenses	<u>(208,787)</u>	<u>(304,841)</u>
Operating profit	1,064,281	4,551,651
FINANCE COSTS		
Interest expenses ^{Note 1}	(6,371)	(5,915)
Profit and total comprehensive income	<u><u>1,057,910</u></u>	<u><u>4,545,736</u></u>

^{Note 1:} During the period ended 30 June 2023 and 2022 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 2023 to 30 June 2023 <i>USD</i>	Period from 1 January 2022 to 30 June 2022 <i>USD</i>
Other operating expenses	(3,906)	(4,331)
Interest expenses	-	(623)
	<u><u>-</u></u>	<u><u>(623)</u></u>

^{Note 2:} During the period ended 30 June 2023 and 2022, 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 2023

	Period from 1 January 2023 to 30 June 2023 <i>USD</i>	Period from 1 January 2022 to 30 June 2022 <i>USD</i>
Net assets attributable to unitholders at the beginning of the period	20,700,006	21,558,769
Proceeds on issue of units	-	1,989,330
Payments on redemption of units	(1,388,040)	(9,668,520)
Net decrease from unit transactions	(1,388,040)	(7,679,190)
Profit and total comprehensive income for the period	1,057,910	4,545,736
Net assets attributable to unitholders at the end of the period	20,369,876	18,425,315

	Period from 1 January 2023 to 30 June 2023 <i>Units</i>	Period from 1 January 2022 to 30 June 2022 <i>Units</i>
Number of units in issue at the beginning of the period	9,600,000	13,500,000
Units issued	-	1,200,000
Units redeemed	(600,000)	(4,800,000)
Number of units in issue at the end of the period	9,000,000	9,900,000

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

STATEMENT OF CASH FLOWS

For the period ended 30 June 2023

	Period from 1 January 2023 to 30 June 2023 <i>USD</i>	Period from 1 January 2022 to 30 June 2022 <i>USD</i>
OPERATING ACTIVITIES		
Payments for purchase of fund investments	-	(3,500,000)
Proceeds from sale of fund investments	-	2,300,000
Proceeds from settlement of futures contracts	7,155,146	20,701,122
Payments for settlement of futures contracts	(4,734,931)	(13,606,016)
Interest income from bank deposits received	7,752	207
Management fee paid	(118,706)	(139,646)
Trustee fee paid	(59,836)	(59,836)
Transaction costs paid	(8,395)	(19,438)
Interest paid	(6,371)	(5,915)
Payment for auditor's remuneration	(25,000)	(23,700)
Other operating expenses paid	(10,521)	(78,524)
Increase in margin deposits with broker	(709,728)	(364,186)
Dividend income received	76,607	1,551
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Net cash generated from operating activities	1,566,017	5,205,619
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FINANCING ACTIVITIES		
Proceeds on issue of units	-	1,989,330
Payments on redemption of units	(1,388,040)	(9,668,520)
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Net cash used in financing activities	(1,388,040)	(7,679,190)
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Net increase/(decrease) in cash and cash equivalents	177,977	(2,473,571)
Cash and cash equivalents at the beginning of the period	1,828,736	4,214,771
Effect of foreign exchange rate changes	(419,981)	(602,860)
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Cash and cash equivalents at the end of the period	1,586,732	1,138,340
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Analysis of balances of cash and cash equivalents		
Bank balances	1,586,732	1,138,340
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**SSIF DCE IRON ORE FUTURES INDEX ETF
(A SUB-FUND OF SSIF ETF I)**

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2023

	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	1,787,507	8.78
HSBC INVESTMENT FUNDS HONG KONG LTD - HSBC GLOBAL MONEY HKD - ED	200,000	2,551,911	12.53
Ireland			
GOLDMAN SACHS ASSET MANAGEMENT GLOBAL SERVICES LTD - GOLDMAN SACHS FUNDS PLC - USD	1,600,000	1,600,000	7.85
Total unlisted investment funds		<u>5,939,418</u>	<u>29.16</u>
Financial derivative instruments			
Listed futures contracts	<i>Expiration Date</i>	<i>Contracts</i>	
China			
DCE IRON ORE FUTURE September 2023	14 September 2023	1,724	531,886
Total financial derivative instruments at fair value		<u>531,886</u>	<u>2.61</u>
Total financial assets at fair value through profit or loss and financial derivative instruments		6,471,304	31.77
Other net assets		13,898,572	68.23
Net assets attributable to unitholders as at 30 June 2023		<u>20,369,876</u>	<u>100.00</u>
Total financial assets at fair value through profit or loss and financial derivative instruments, at cost		<u>5,851,855</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 2023

	1 January 2023	Additions	Disposals	30 June 2023
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	16,003	-	-	16,003
HSBC INVESTMENT FUNDS HONG KONG LTD - HSBC GLOBAL MONEY HKD - ED	200,000	-	-	200,000
Ireland				
GOLDMAN SACHS ASSET MANAGEMENT GLOBAL SERVICES LTD - GOLDMAN SACHS FUNDS PLC - USD	1,600,000	-	-	1,600,000
Listed future contracts (number of contracts)				
China				
DCE IRON ORE FUTURE May 2023	1,681	-	1,681	-
DCE IRON ORE FUTURE September 2023	-	1,724	-	1,724

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

As at 30 June 2023

The financial derivative instruments held by the Sub-Fund as at 30 June 2023 are summarized below:

Futures

The details of futures contracts held by the Sub-Fund as at 30 June 2023 are as follows:

Description	Underlying assets	Contract Size	Notional market value USD	Position	Counterparty	Fair value USD
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Financial assets:

DCE IRON ORE FUTURE September 2023	Commodities futures	1,724	19,874,505	Long	Citic Futures Co., Ltd. and Goldman Sachs International	531,886
						<u>531,886</u>
						<u><u>531,886</u></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* USD	Dealing net asset value per unit USD
At the end of financial period/year dated		
30 June 2023	20,388,822	2.2654
31 December 2022	20,725,220	2.1589
31 December 2021	21,596,520	1.5997

Highest and lowest net asset value per unit

	Highest net asset value per unit USD	Lowest net asset value per unit USD
Financial period/year ended		
30 June 2023	2.3514	1.8908
31 December 2022	2.2141	1.5186
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 2023	31 December 2022
Sub-Fund		
SSIF DCE Iron Ore Futures Index ETF	4.93%	34.96%
Underlying Index		
DCE Iron Ore Futures Price Index	7.15%	42.88%

* 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, Tower 1, Admiralty Center
18 Harcourt Road, Admiralty
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Directors of the Manager

Chan Wai Mui
Qiao Junfeng
Zhang Haimo

Trustee and Registrar

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Service Agent

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Listing Agent

Altus Capital Limited
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Central, Hong Kong

Legal Adviser to the Manager

Deacons
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Hong Kong

Auditor

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