

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 2024

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

**CONTENTS**

	<b>Page</b>
Report of the Manager to the Unitholders	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 Investment Portfolio (Unaudited)	8
Details in Respect of Financial Derivative Instruments (Unaudited)	9
Performance Record (Unaudited)	10
Management and Administration	11

# **SSIF DCE IRON ORE FUTURES INDEX ETF**

## **(A SUB-FUND OF SSIF ETF I)**

### **REPORT OF THE MANAGER TO THE UNITHOLDERS**

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

#### **SSIF DCE Iron Ore Futures Index ETF**

The units of the SSIF DCE Iron Ore Futures Index ETF ("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 ("Code") 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 2024, net asset value per unit of the Sub-fund was USD2.8086 (2023: USD3.0870), and there were 4,300,000 units outstanding (2023: 4,600,000 units). The net asset value was USD12,076,801 (2023: USD14,200,074).

#### **Market Review**

The price of Iron Ore generic contract increased by 5.3% during the second quarter of 2024 after dropping 24.6% in the first quarter. Demand was relatively weak as China as steel production dropped 1.6% during the 1st half compared to same period last year. Overseas demand was resilient as steel export increased by 24% year over year while domestic consumption decreased by 4%. Increase from steel export was not able to offset the decline in domestic consumption as real estate and construction sector continued to slow down. Global supply entered a new phase of capacity expansion. Supply to Chinese market increased by 43 million tons during the first half of 2024. Due to negative outlook of future demand and continued pressure on the steel price, downstream steel manufacturers adopted more conservative approach in purchasing iron ore and reduced opportunistic inventory buildup. These actions also prevented iron ore price from rebounding meaningfully in the 2nd quarter of 2024 amid sharp drop during the 1st half of 2024.

#### **Market Outlook**

Looking ahead for the second half of 2024, we expect global supply will accelerate and exceed that of 2023. Overseas mainstream supply is estimated to increase over 14 million ton while non-mainstream supply is to increase by 35 million tons. Domestic supply is expected to increase around 10 million tons. From the demand perspective, downstream steel production resumed acceleration starting from the 2nd quarter especially in the emerging market economies notably India. We expect overseas iron ore demand to increase roughly by 4.7 million ton. Domestically, manufacturing demand offset weakness in the real estate sector to a certain degree but overall demand is likely to decrease by 8 million tons compared to last year. We expect supply and delivery of iron ore will continue at the high level while demand situation will diverge across different regions in the world with overall demand expected to remain resilient with limited downside risk. We expect iron ore price will reflect slight imbalance between supply and demand. However, macro-economic condition, especially in emerging market such as South-eastern Asia and South Asia, will continue to provide support to the overall commodity sector and put a floor under the iron ore price.

**Shanxi Securities International Asset Management Limited**  
**28 August 2024**

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

**STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2024*

	30 June 2024 <i>USD</i>	31 December 2023 <i>USD</i>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Financial assets at fair value through profit or loss	4,592,922	5,597,267
Financial derivative instruments	637,586	540,354
Bank interest receivable	1,123	952
Amount due from brokers	5,632,683	7,394,682
Cash and cash equivalents	1,264,445	858,964
	<hr/>	<hr/>
<b>Total assets</b>	<b>12,128,759</b>	<b>14,392,219</b>
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Financial derivative instruments	21,103	150,369
Management fee payable	11,097	13,459
Trustee fee payable	9,180	9,534
Other accounts payable	17,004	31,461
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>58,384</b>	<b>204,823</b>
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>EQUITY</b>		
<b>Net assets attributable to unitholders</b>	<b>12,070,375</b>	<b>14,187,396</b>
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b>Number of units in issue</b>	<b>4,300,000</b>	<b>4,600,000</b>
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b>Net assets value per unit</b>	<b>2.8071</b>	<b>3.0842</b>
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

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 2024*

	Period from 1 January 2024 to 30 June 2024 <i>USD</i>	Period from 1 January 2023 to 30 June 2023 <i>USD</i>
<b>INCOME</b>		
Dividend income	84,771	76,607
Interest income from bank deposits	6,896	7,610
Net (loss)/gain on investments and financial derivative instruments	(1,053,579)	1,608,832
Net foreign currency loss	(48,911)	(419,981)
<b>Total net (loss)/income</b>	<u>(1,010,823)</u>	<u>1,273,068</u>
<b>EXPENSES</b>		
Management fee <sup>Note 2</sup>	(79,136)	(118,696)
Trustee fee <sup>Note 1</sup>	(59,672)	(59,836)
Transaction fees paid to trustee <sup>Note 1</sup>	-	(105)
Transaction costs on investments	(7,919)	(8,395)
Audit fee	(14,202)	(12,365)
Safe custody and bank charges <sup>Note 1</sup>	(1,083)	(1,068)
Other operating expenses <sup>Note 1</sup>	(8,719)	(8,322)
<b>Total operating expenses</b>	<u>(170,731)</u>	<u>(208,787)</u>
<b>Operating (loss)/profit</b>	(1,181,554)	1,064,281
<b>FINANCE COSTS</b>		
Interest expenses <sup>Note 1</sup>	(6,217)	(6,371)
<b>(Loss)/profit and total comprehensive income</b>	<u><u>(1,187,771)</u></u>	<u><u>1,057,910</u></u>

Note 1: During the period ended 30 June 2024 and 2023 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 2024 to 30 June 2024 <i>USD</i>	Period from 1 January 2023 to 30 June 2023 <i>USD</i>
Other operating expenses	<u>(3,926)</u>	<u>(3,906)</u>

Note 2: During the period ended 30 June 2024 and 2023, other than management fee paid to Manager, no other amounts were 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 2024*

	Period from 1 January 2024 to 30 June 2024 <i>USD</i>	Period from 1 January 2023 to 30 June 2023 <i>USD</i>
<b>Net assets attributable to unitholders at the beginning of the period</b>	14,187,396	20,700,006
Payments for redemption of units	(929,250)	(1,388,040)
Net decrease from unit transactions	(929,250)	(1,388,040)
<b>(Loss)/profit and total comprehensive income for the period</b>	(1,187,771)	1,057,910
<b>Net assets attributable to unitholders at the end of the period</b>	12,070,375	20,369,876

	Period from 1 January 2024 to 30 June 2024 <i>Units</i>	Period from 1 January 2023 to 30 June 2023 <i>Units</i>
Number of units in issue at the beginning of the period	4,600,000	9,600,000
Units redeemed	(300,000)	(600,000)
Number of units in issue at the end of the period	4,300,000	9,000,000

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

**STATEMENT OF CASH FLOWS**

*For the period ended 30 June 2024*

	Period from 1 January 2024 to 30 June 2024 <i>USD</i>	Period from 1 January 2023 to 30 June 2023 <i>USD</i>
<b>OPERATING ACTIVITIES</b>		
Proceeds from sales of fund investments	1,053,535	-
Proceeds from settlement of futures contracts	3,267,277	7,155,146
Payments for settlement of futures contracts	(4,596,545)	(4,734,931)
Interest income from bank deposits received	6,725	7,752
Management fee paid	(81,498)	(118,706)
Trustee fee paid	(60,026)	(59,836)
Transaction costs paid	(7,919)	(8,395)
Interest paid	(6,217)	(6,371)
Payment for auditor's remuneration	(26,500)	(25,000)
Other operating expenses paid	(11,960)	(10,521)
Proceeds from margin deposits with brokers	1,761,999	-
Payments for margin deposits with brokers	-	(709,728)
Dividend income received	84,771	76,607
	-----	-----
<b>Net cash generated from operating activities</b>	<b>1,383,642</b>	<b>1,566,017</b>
	-----	-----
<b>FINANCING ACTIVITIES</b>		
Payments for redemption of units	(929,250)	(1,388,040)
	-----	-----
<b>Net cash used in financing activities</b>	<b>(929,250)</b>	<b>(1,388,040)</b>
	=====	=====
Net increase in cash and cash equivalents	454,392	177,977
Cash and cash equivalents at the beginning of the period	858,964	1,828,736
Effect of foreign exchange rate changes	(48,911)	(419,981)
	-----	-----
Cash and cash equivalents at the end of the period	<b>1,264,445</b>	<b>1,586,732</b>
	=====	=====
<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances	1,264,445	1,586,732
	=====	=====

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

**INVESTMENT PORTFOLIO (Unaudited)**

As at 30 June 2024

	Holdings	Fair value USD	% of net assets
<b>Financial assets at fair value through profit or loss and financial derivative instruments</b>			
<b>Financial assets at fair value through profit or loss</b>			
<b>Unlisted investment funds</b>			
<b>Hong Kong</b>			
E FUND MANAGEMENT HONG KONG CO LTD - E FUND US DOLLAR M/M - I A USD	16,003	1,889,683	15.66
HSBC INVESTMENT FUNDS HONG KONG LTD - HSBC GLOBAL MONEY HKD - ED	133,000	1,703,239	14.11
<b>Ireland</b>			
GOLDMAN SACHS ASSET MANAGEMENT GLOBAL SERVICES LTD - GOLDMAN SACHS FUNDS PLC - USD	1,000,000	1,000,000	8.28
Total unlisted investment funds		4,592,922	38.05
<b>Financial derivative instruments</b>			
<b>Listed futures contracts</b>			
	<i>Expiration Date</i>	<i>Contracts</i>	
<b>China</b>			
DCE IRON ORE FUTURE September 2024	13 September 2024	654	578,177
USD/CNH September 2024	16 September 2024	55	27,043
USD/CNH FUTURES September 2024	16 September 2024	55	32,366
Total financial derivative instruments at fair value		637,586	5.28
Total financial assets at fair value through profit or loss and financial derivative instruments		5,230,508	43.33



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

**INVESTMENT PORTFOLIO (Unaudited) (Continued)**

*As at 30 June 2024*

			Fair value USD	% of net assets
<b>Financial liabilities at fair value through profit or loss and financial derivative instruments</b>				
<b>Financial derivative instruments</b>				
<b>Listed futures contracts</b>	<i>Expiration Date</i>	<i>Contracts</i>		
<b>China</b>				
DCE IRON ORE FUTURE September 2024	13 September 2024	376	(21,103)	(0.17)
			<u>          </u>	<u>          </u>
Total financial derivative instruments at fair value			(21,103)	(0.17)
			<u>          </u>	<u>          </u>
				-
Total financial liabilities at fair value through profit or loss and financial derivative instruments			(21,103)	(0.17)
Other net assets			6,860,970	56.84
			<u>          </u>	<u>          </u>
Net assets attributable to unitholders as at 30 June 2024			12,070,375	100.00
			<u>          </u>	<u>          </u>
Total financial assets at fair value through profit or loss and financial derivative instruments, at cost			4,398,320	
			<u>          </u>	

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

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)**

*For the period ended 30 June 2024*

	<b>Holdings</b>			<b>30 June 2024</b>
	<b>1 January 2024</b>	<b>Additions</b>	<b>Disposals</b>	
<b>Financial assets at fair value through profit or loss and financial derivative instruments</b>				
<b>Unlisted investment funds</b>				
<b>Hong Kong</b>				
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	-	67,000	133,000	
<b>Ireland</b>				
GOLDMAN SACHS ASSET MANAGEMENT GLOBAL SERVICES LTD - GOLDMAN SACHS FUNDS PLC - USD				
1,200,000	-	200,000	1,000,000	
<b>Listed future contracts (number of contracts)</b>				
<b>China</b>				
DCE IRON ORE FUTURE May 2024				
1,028	-	1,028	-	
DCE IRON ORE FUTURE September 2024				
-	1,102	72	1,030	
USD/CNH March 2024				
65	-	65	-	
USD/CNH June 2024				
-	60	60	-	
USD/CNH September 2024				
-	55	-	55	
USD/CNH FUTURES March 2024				
65	-	65	-	
USD/CNH FUTURES June 2024				
-	60	60	-	
USD/CNH FUTURES September 2024				
-	55	-	55	

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

**DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (Unaudited)**

*As at 30 June 2024*

The financial derivative instruments held by the Sub-Fund as at 30 June 2024 are summarized below:

Futures

The details of futures contracts held by the Sub-Fund as at 30 June 2024 are as follows:

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

**Financial assets:**

DCE IRON ORE Future September 2024	Commodity futures	654	7,520,248	Long	Goldman Sachs International	578,177
USD/CNH September 2024	Currency futures	55	5,596,467	Long	Goldman Sachs (Asia) LLC	27,043
USD/CNH Futures September 2024	Currency futures	55	5,601,252	Long	Goldman Sachs (Asia) LLC	32,366
						<u>637,586</u>

**Financial liabilities:**

DCE IRON ORE Future September 2024	Commodity futures	376	4,323,567	Long	Citic Futures Co., Ltd.	(21,103)
						<u>(21,103)</u>

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

**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 2024	12,076,801	2.8086
31 December 2023	14,200,074	3.0870
31 December 2022	20,725,220	2.1589

**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 2024	3.2293	2.5397
31 December 2023	3.1101	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 2024	31 December 2023
<b>Sub-Fund</b>		
SSIF DCE Iron Ore Futures Index ETF	-9.02%	43.78 %
<b>Underlying Index</b>		
DCE Iron Ore Futures Price Index	-11.84%	49.27 %

\* 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**

Qiao Junfeng  
Yang Jia  
Zhang Haimo

**Trustee and Registrar**

HSBC Institutional Trust Services (Asia) Limited  
5/F Tower 1  
HSBC Center  
1 Sham Mong Road  
Kowloon  
Hong Kong

**Service Agent**

HK Conversion Agency Services Limited  
1<sup>st</sup> 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  
5<sup>th</sup> Floor, Alexandra House  
18 Chater Road  
Central  
Hong Kong

**Auditor**

KPMG  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
8<sup>th</sup> Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong