



# VALUE KOREA ETF (3041 HK)

A Sub-fund of Value ETFs Trust

## SEMI-ANNUAL REPORT 2013

For the six months ended 30 September 2013

## Sensible Asset Management Hong Kong Limited

9<sup>th</sup> Floor, Nexus Building,  
41 Connaught Road Central, Hong Kong

Tel : (852) 2880 9263

Fax : (852) 2564 8487

Email : [operations@valueetf.com.hk](mailto:operations@valueetf.com.hk)

Website : [www.valueETF.com.hk](http://www.valueETF.com.hk)

*In the event of inconsistency, the English text of this Semi-Annual Report shall prevail over the Chinese text.*

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# VALUE KOREA ETF

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(A Hong Kong Umbrella Unit Trust)

## GENERAL INFORMATION

### Investment Manager

Sensible Asset Management Hong Kong Limited  
9th Floor, Nexxus Building  
41 Connaught Road Central  
Hong Kong

### Sub-investment Manager

Value Partners Hong Kong Limited  
9th Floor, Nexxus Building  
41 Connaught Road Central  
Hong Kong

### Directors of the Investment Manager

Mr Chow Wai Chiu William  
Mr So Chun Ki Louis

### Trustee and Registrar

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

### Legal Advisor

Simmons & Simmons  
13th Floor, One Pacific Place  
88 Queensway  
Hong Kong

### Auditor

KPMG  
8th Floor  
Prince's Building  
10 Chater Road  
Central  
Hong Kong

### Information available from:

Sensible Asset Management Hong Kong Limited  
9th Floor, Nexxus Building  
41 Connaught Road Central  
Hong Kong

Telephone : (852) 2880 9263  
Fax : (852) 2564 8487  
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## GENERAL INFORMATION (Continued)

### Recent awards and achievements

Corporate award	
2012	<ul style="list-style-type: none"><li>• 2012 The Asset Triple A Investment Awards Highly Commended ETF House for Hong Kong – <i>The Asset</i></li></ul>

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## MANAGER'S REPORT

Value Korea ETF ("the Fund") is an index-tracking exchange traded fund whose units are listed and traded on the Stock Exchange of Hong Kong Limited ("SEHK"). The Fund aims to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE Value-Stocks Korea Index ("the Index") by holding a portfolio of the constituent stocks of the Index. The Index comprises 35 value stocks amongst Korean companies' shares listed on The Korea Exchange.

As at 30 September 2013, the Net Asset Value ("NAV") per unit of the Fund was KRW4,419.3579, and 2,550,000 units were outstanding. The total size of the Fund was approximately KRW11,252 million.

A summary of the performance of the Index and the Fund is given below.

<b>Total Return in KRW</b>	<b>From 1 Apr 2013 to 30 Sep 2013</b>	<b>2013 YTD (as at 30 Sep)</b>	<b>Since inception from 23 May 2012 to 30 Sep 2013</b>
FTSE Value-Stocks Korea Index	8.8%	12.6%	27.8%
Value Korea ETF	6.7%	8.9%	20.6%

The difference in performance between the FTSE Value-Stocks Korea Index and the Value Korea ETF is mainly attributed to fees and expenses, and security misweightings. The historical tracking error for the NAV of the Fund against the FTSE Value-Stocks Korea Index was at 63 basis points on an annualized basis since its inception on 23 May 2012.

### Sensible Asset Management Hong Kong Limited

20 November 2013

*All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in KRW, NAV to NAV with dividends reinvested, as at 30 September 2013. Performance data is net of all fees.*

*Investors should note that investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the prospectus for details and risk factors in particular those associated with investment in emerging markets and the arrangement in the event that the Fund is de-listed. Investors should also note that the Fund is different from a typical retail investment fund, in particular, units in the Fund may only be created or redeemed directly by a participating dealer in large unit sizes.*

## STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2013 (UNAUDITED)

	<b>30.9.2013</b> KRW	<b>31.3.2013</b> KRW
<b>Assets</b>		
Financial assets at fair value through profit or loss	11,153,628,260	10,451,982,160
Dividend receivable	–	150,113,943
Prepayment	3,230,462	5,531,262
Cash and cash equivalents	<u>134,872,460</u>	<u>109,210,337</u>
<b>Total assets</b>	<u>11,291,731,182</u>	<u>10,716,837,702</u>
<b>Liabilities</b>		
Audit fee payable	8,685,733	24,950,687
Manager's fees payable	6,666,804	6,282,802
Trustee and registrar fees payable	9,155,869	4,608,496
Other payables	<u>15,634,900</u>	<u>129,308,922</u>
<b>Total liabilities</b>	<u>40,143,306</u>	<u>165,150,907</u>
<b>Total equity</b>	<u><u>11,251,587,876</u></u>	<u><u>10,551,686,795</u></u>
<b>Represented by:</b>		
Net assets attributable to unitholders (at last traded prices)	11,269,362,526	10,561,300,125
Adjustment from last traded prices to bid prices	<u>(17,774,650)</u>	<u>(9,613,330)</u>
<b>Net asset value per unit based on 2,550,000 (31.3.2013: 2,550,000) units outstanding</b>	<u><u>4,419.3579</u></u>	<u><u>4,141.6863</u></u>

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## INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2013

	Holdings	Fair value KRW	% of net asset
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
<b>Listed equity securities</b>			
<i>South Korea</i>			
CJ Corp	2,856	331,296,000	2.94
Daeduck Electronics Co	7,412	67,449,200	0.60
Daou Technology Inc	4,964	68,503,200	0.61
Dong-A Socio Holdings Co Ltd	476	72,828,000	0.65
Dongbu Insurance Co Ltd	9,656	445,624,400	3.96
GS Holdings Corp	10,098	568,517,400	5.06
Hankook Tire Co Ltd	4,964	125,092,800	1.11
Hanwha Corp	10,353	391,861,050	3.48
Hyundai Department Store Co Ltd	3,094	496,587,000	4.41
Hyundai Home Shopping Network Corp	1,156	182,648,000	1.62
Hyundai Hysco Co Ltd	5,542	255,209,100	2.27
Hyundai Marine & Fire Insurance Co Ltd	12,002	351,058,500	3.12
Hyundai Securities Co	21,828	145,592,760	1.29
Korea Electric Terminal Co Ltd	2,057	84,748,400	0.75
Korea Zinc Co Ltd	2,074	674,050,000	6.00
KT Corp	25,211	905,074,900	8.05
LG Fashion Corp	5,763	173,178,150	1.54
LIG Insurance Co Ltd	6,273	152,747,550	1.36
Lotte Shopping Co Ltd	2,227	847,373,500	7.53
Mando Corp	2,516	320,790,000	2.85
Meritz Fire & Marine Insurance Co Ltd	9,554	131,845,200	1.17
Mirae Asset Securities Co Ltd	4,709	171,407,600	1.52
Partron Co Ltd	7,548	132,844,800	1.18
S-Oil Corp	8,228	640,138,400	5.69
Samsung Electro-Mechanics Co Ltd	11,067	953,975,400	8.48
Seah Besteel Corp	2,261	67,830,000	0.60
SFA Engineering Corp	1,904	84,156,800	0.75
Shinsegae Co Ltd	1,360	312,800,000	2.78
SK Chemicals Co Ltd	4,335	496,357,500	4.41
SK Holdings Co Ltd	5,100	989,400,000	8.80
Sung Kwang Bend Co Ltd	2,924	89,035,800	0.79



**INVESTMENT PORTFOLIO (UNAUDITED) (Continued)**

AS AT 30 SEPTEMBER 2013

	Holdings	Fair value KRW	% of net asset
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Listed equity securities (Continued)</b>			
<i>South Korea (Continued)</i>			
Sungwoo Hitech Co Ltd	5,423	85,954,550	0.76
Tongyang Life Insurance Co Ltd	6,800	69,360,000	0.62
Youngone Holdings Co Ltd	1,292	79,974,800	0.71
Youngone Corp	5,950	<u>188,317,500</u>	<u>1.67</u>
<b>Total financial assets at fair value through profit or loss</b>		11,153,628,260	99.13
Cash and cash equivalents		134,872,460	1.20
Other net liabilities		<u>(36,912,844)</u>	<u>(0.33)</u>
<b>Total net assets</b>		<u><u>11,251,587,876</u></u>	<u><u>100.00</u></u>
<b>Total investments, at cost</b>		<u><u>10,793,434,859</u></u>	

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## STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS

FOR THE PERIOD ENDED 30 SEPTEMBER 2013 (UNAUDITED)

	% of net assets	
	30.9.2013	31.3.2013
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
<b>Listed equity securities</b>		
South Korea	<u>99.13</u>	<u>99.06</u>
<b>Total financial assets at fair value through profit or loss</b>	99.13	99.06
Cash and cash equivalents	1.20	1.03
Other net liabilities	<u>(0.33)</u>	<u>(0.09)</u>
<b>Total net assets</b>	<u><u>100.00</u></u>	<u><u>100.00</u></u>