



VALUE CHINA ETF (Stock code: 3046)

SEMI-ANNUAL REPORT 2015

For the six months ended 30 September 2015

Sensible Asset Management Hong Kong Limited

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In the event of inconsistency, the English text of this Semi-Annual Report shall prevail over the Chinese text. This report shall not constitute an offer to sell or a solicitation of an offer to buy shares in any of the funds. Subscriptions are to be made only on the basis of the information contained in the prospectus, as supplemented by the latest semi-annual and annual reports.

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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

Ernst & Young
22/F, CITIC Tower
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GENERAL INFORMATION (Continued)

Recent awards and achievements

Corporate awards	
2014	<ul style="list-style-type: none"> • Fund of the Year Awards 2014 Investor Education (ETF) – Outstanding Achiever <i>– Benchmark Magazine</i>
2012	<ul style="list-style-type: none"> • 2012 The Asset Triple A Investment Awards Highly Commended ETF House for Hong Kong <i>– The Asset</i>
Value China ETF	
2010	<ul style="list-style-type: none"> • Asian ETFs Awards 2010 – Best New ETF in Asia <i>– Republic Partners Ltd., September 2010</i>

MANAGER'S REPORT

Value China 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 China Index (“the Index”) by holding a portfolio of the constituent stocks of the Index. The Index comprises 25 value stocks amongst Chinese companies’ shares listed in Hong Kong.

As at 30 September 2015, the Net Asset Value (“NAV”) per unit of the Fund was HKD35.49, and 3,000,000 units were outstanding. The total size of the Fund was approximately HKD106 million.

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

Total Return in HKD	From 1 Apr 2015 to 30 Sep 2015	2015 YTD (as at 30 Sep)	Since inception
FTSE Value-Stocks China Index	-10.5%	-11.4%	30.5%
Value China ETF	-10.8%	-11.7%	17.0%

The difference in performance between the FTSE Value-Stocks China Index and the Value China 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 China Index was at 50 basis points on an annualized basis since its inception on 10 December 2009.

Sensible Asset Management Hong Kong Limited

20 November 2015

All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in HKD, NAV to NAV with dividends reinvested, as at 30 September 2015. Performance data is net of all fees.

Past performance is not indicative of future results.

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 SEPTEMBER 2015

	30.9.2015	31.3.2015
	<i>HK\$</i>	<i>HK\$</i>
Assets		
Financial assets at fair value through profit or loss	105,947,548	119,182,300
Dividends receivable	350,517	–
Prepayments	–	51,561
Cash and cash equivalents	766,752	800,507
	<hr/>	<hr/>
Total assets	107,064,817	120,034,368
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Liabilities		
Audit fees payable	292,166	252,164
Management fees payable	203,820	354,770
Trustee and registrar fees payable	16,703	57,030
Other payables	73,987	–
	<hr/>	<hr/>
Total liabilities	586,676	663,964
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Total equity	106,478,141	119,370,404
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Represented by:		
Net assets attributable to unitholders	106,478,141	119,370,404
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Net asset value per unit based on 3,000,000 (31.3.2015: 3,000,000) units outstanding	35.49	39.79
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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2015

	Holdings	Fair value <i>HK\$</i>	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed equity securities			
<i>Hong Kong</i>			
Agricultural Bank of China Ltd	3,913,545	11,466,687	10.77
Bank of Communications Co Ltd	1,220,520	6,554,192	6.16
China Communications Construction Co Ltd	671,055	6,395,154	6.01
China Everbright Bank Co Ltd	517,800	1,744,986	1.64
China Galaxy Securities Co Ltd	563,745	3,066,773	2.88
China Merchants Bank Co Ltd	695,820	13,011,834	12.22
China Minsheng Banking Corp Ltd	987,840	7,053,178	6.62
China Resources Cement Holdings Ltd	296,430	1,046,398	0.98
China Resources Power Holdings Co Ltd	288,270	5,096,614	4.79
China Shenhua Energy Co Ltd	515,100	6,098,784	5.73
Chongqing Rural Commercial Bank Co Ltd	422,865	1,847,920	1.74
CITIC Ltd	970,005	13,677,070	12.84
Country Garden Holdings Co Ltd	1,095,540	3,056,557	2.87
Dongfeng Motor Group Co Ltd	444,000	4,284,600	4.02
Great Wall Motor Co Ltd	469,755	4,021,103	3.78
Guangzhou Automobile Group Co Ltd	335,460	2,116,753	1.99
Kingboard Chemical Holdings Ltd	102,585	963,273	0.90
Shanghai Industrial Holdings Ltd	68,805	1,176,565	1.10
Shenzhen Investment Ltd	447,510	1,221,702	1.15
Shimao Property Holdings Ltd	189,105	2,197,400	2.06

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 SEPTEMBER 2015

	Holdings	Fair value HK\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed equity securities (Continued)			
<i>Hong Kong (Continued)</i>			
Sino-Ocean Land Holdings Ltd	558,765	2,357,988	2.21
Sinopec Engineering (Group) Co Ltd	167,775	1,130,803	1.06
Wheelock and Co Ltd	123,120	4,124,520	3.87
Xinyi Glass Holdings Ltd	297,195	1,028,295	0.97
Yuexiu Property Co Ltd	951,495	<u>1,208,399</u>	<u>1.14</u>
Total financial assets at fair value through profit or loss		105,947,548	99.50
Cash and cash equivalents		766,752	0.72
Other net liabilities		<u>(236,159)</u>	<u>(0.22)</u>
Total net assets		<u><u>106,478,141</u></u>	<u><u>100.00</u></u>
Total investments, at cost		<u><u>116,060,285</u></u>	

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	% of net assets	
	30.9.2015	31.3.2015
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Listed equity securities		
Hong Kong	99.50	99.84
	<u>99.50</u>	<u>99.84</u>
Total financial assets at fair value through profit or loss	99.50	99.84
Cash and cash equivalents	0.72	0.67
Other net liabilities	(0.22)	(0.51)
	<u>(0.22)</u>	<u>(0.51)</u>
Total net assets	<u>100.00</u>	<u>100.00</u>