



VALUE KOREA ETF (Stock code: 3041)

A Sub-fund of Value ETFs Trust

SEMI-ANNUAL REPORT 2015

For the six months ended 30 September 2015

Sensible Asset Management Hong Kong Limited

9th Floor, Nexus Building,
41 Connaught Road Central, Hong Kong

Tel : (852) 2880 9263

Fax : (852) 2564 8487

Email : operations@valueetf.com.hk

Website : www.valueETF.com.hk

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.

CONTENTS

	<i>Pages</i>
General information	2 - 3
Manager's report	4
Statement of financial position (unaudited)	5
Investment portfolio (unaudited)	6 - 7
Statement of movements in portfolio holdings (unaudited)	8

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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

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

Information available from:

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

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GENERAL INFORMATION (Continued)

Recent awards and achievements

Corporate awards		
2014	•	Fund of the Year Awards 2014 Investor Education (ETF) – Outstanding Achiever <i>– Benchmark Magazine</i>
2012	•	2012 The Asset Triple A Investment Awards Highly Commended ETF House for Hong Kong <i>– The Asset</i>

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 2015, the Net Asset Value ("NAV") per unit of the Fund was KRW4,147.01, and 1,950,000 units were outstanding. The total size of the Fund was approximately KRW8,087 million.

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

Total Return in KRW	From 1 Apr 2015 to 30 Sep 2015	2015 YTD (as at 30 Sep)	Since inception
FTSE Value-Stocks Korea Index	-1.3%	1.1%	26.7%
Value Korea ETF	-2.6%	0.3%	13.2%

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 104 basis points on an annualized basis since its inception on 23 May 2012.

Sensible Asset Management Hong Kong Limited

20 November 2015

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 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>KRW</i>	<i>KRW</i>
Assets		
Financial assets at fair value through profit or loss	7,992,077,320	8,829,668,380
Dividends receivable	–	83,924,084
Prepayments	5,324,035	17,668,696
Cash and cash equivalents	130,542,887	58,365,447
	<u>8,127,944,242</u>	<u>8,989,626,607</u>
Total assets		
	8,127,944,242	8,989,626,607
Liabilities		
Audit fee payable	28,032,042	20,498,618
Management fees payable	4,652,047	10,362,491
Trustee and registrar fees payable	3,605,385	11,903,117
Other payables	4,986,117	7,159,264
	<u>41,275,591</u>	<u>49,923,490</u>
Total liabilities		
	41,275,591	49,923,490
Total equity		
	<u>8,086,668,651</u>	<u>8,939,703,117</u>
Represented by:		
Net assets attributable to unitholders	<u>8,086,668,651</u>	<u>8,939,703,117</u>
Net asset value per unit based on		
1,950,000 (31.3.2015: 2,100,000)		
units outstanding	<u>4,147.0096</u>	<u>4,257.0015</u>

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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2015

	Holdings	Fair value KRW	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed equity securities			
<i>South Korea</i>			
CJ O Shopping Co Ltd	325	60,222,500	0.75
Daesang Corp	2,145	66,066,000	0.82
Daewoo Securities Co Ltd	20,488	243,807,200	3.02
Dongbu Insurance Co Ltd	5,434	333,104,200	4.12
E-Mart Inc	2,327	536,373,500	6.63
GS Holdings Corp	5,694	259,361,700	3.21
GS Home Shopping Inc	338	64,220,000	0.79
Halla Holdings Corp	832	49,171,200	0.61
Handsome Co Ltd	1,508	59,038,200	0.73
Hanil Cement Co Ltd	416	55,328,000	0.68
Hanwha Life Insurance Co Ltd	22,737	185,533,920	2.30
Hyundai Department Store Co Ltd	1,703	228,202,000	2.82
Hyundai Marine & Fire Insurance Co Ltd	6,773	204,883,250	2.53
Hyundai Motor Co	5,161	846,404,000	10.47
KB Insurance Co Ltd	4,316	101,857,600	1.26
Kia Motors Corp	16,055	860,548,000	10.64
KIWOOM Securities Co Ltd	1,274	72,108,400	0.89
Korea Real Estate Investment & Trust Co Ltd	17,758	58,423,820	0.72
Korean Reinsurance Co	10,101	143,939,250	1.78
LG Display Co Ltd	25,116	568,877,400	7.04
LG Fashion Corp	2,015	65,991,250	0.82
LG Innotek Co Ltd	1,573	138,424,000	1.71
LG Telecom Ltd	23,829	288,330,900	3.57
LS Industrial Systems Co Ltd	1,690	76,895,000	0.95
Meritz Fire & Marine Insurance Co Ltd	5,850	93,015,000	1.15
Meritz Securities Co Ltd	34,970	156,141,050	1.93
Mirae Asset Securities Co Ltd	2,756	77,030,200	0.95

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 SEPTEMBER 2015

	Holdings	Fair value KRW	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed equity securities (Continued)			
<i>South Korea (Continued)</i>			
NH Investment & Securities Co	14,417	143,304,980	1.77
POSCO	4,238	714,103,000	8.83
S&T Motiv Co Ltd	845	56,108,000	0.69
Samsung Fire & Marine Insurance Co Ltd	3,042	851,760,000	10.53
Seah Besteel Corp	1,274	38,347,400	0.47
Shinsegae Co Ltd	767	181,395,500	2.24
Tongyang Life Insurance Co Ltd	3,627	51,503,400	0.64
Youngone Holdings Co Ltd	585	50,017,500	0.62
		<u>7,979,837,320</u>	<u>98.68</u>
Rights			
Mirae Asset Securities Co Ltd - 15RT	2,400	<u>12,240,000</u>	<u>0.15</u>
Total financial assets at fair value through profit or loss		7,992,077,320	98.83
Cash and cash equivalents		130,542,887	1.61
Other net liabilities		<u>(35,951,556)</u>	<u>(0.44)</u>
Total net assets		<u><u>8,086,668,651</u></u>	<u><u>100.00</u></u>
Total investments, at cost		<u><u>8,253,017,705</u></u>	

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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		
South Korea	98.68	98.77
Rights	<u>0.15</u>	<u>–</u>
Total financial assets at fair value through profit or loss	98.83	98.77
Cash and cash equivalents	1.61	0.65
Other net (liabilities)/assets	<u>(0.44)</u>	<u>0.58</u>
Total net assets	<u><u>100.00</u></u>	<u><u>100.00</u></u>