



**VALUE TAIWAN ETF** (Stock code: 3060)

A Sub-Fund of Value ETFs Trust

# 2017 SEMI-ANNUAL REPORT

For the six months ended 30 September 2017

**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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## VALUE TAIWAN ETF

A Sub-Fund of Value ETFs Trust  
(A Hong Kong Umbrella Unit Trust)

### GENERAL INFORMATION

#### Investment Manager

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

#### Sub-investment Manager

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

#### Directors of the Investment Manager

Mr So Chun Ki Louis  
Dr Au King Lun  
Mr Roger Anthony Hepper

#### Trustee and Registrar

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

#### Custodian

The Hongkong and Shanghai Banking  
Corporation 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

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## GENERAL INFORMATION (Continued)

### Recent awards and achievements

Corporate awards (ETF)	
2016	<ul style="list-style-type: none"> <li>• <b>Value Partners ETF and Indexing Awards 2016 – Best ETF Launch</b> – <i>Asia Asset Management &amp; ETFI Asia</i></li> <li>• <b>Value Partners ETF and Indexing Awards 2016 – Best Commodity ETF</b> – <i>Asia Asset Management &amp; ETFI Asia</i></li> <li>• <b>Value Partners ETF and Indexing Awards 2016 – Best Smart Beta ETF</b> – <i>Asia Asset Management &amp; ETFI Asia</i></li> </ul>
Value Taiwan ETF	
2015	<ul style="list-style-type: none"> <li>• <b>Top Fund Awards 2015 (Hong Kong) Taiwan Large-Cap Equity – Outstanding Performer (ETF)</b> – <i>Bloomberg Businessweek, Chinese edition</i></li> <li>• <b>Fund of the Year Awards 2015 Best-in-class – Taiwan Equity (ETF)</b> – <i>Benchmark Magazine</i></li> </ul>
2014	<ul style="list-style-type: none"> <li>• <b>Fund of the Year Awards 2014 Top Fund 100 – Taiwan Equity (ETF) – Best-in-Class</b> – <i>Benchmark Magazine</i></li> </ul>

## VALUE TAIWAN ETF

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### MANAGER'S REPORT

Value Taiwan ETF ("the Sub-Fund") is an index-tracking exchange traded fund whose units are listed and traded on the Stock Exchange of Hong Kong Limited ("SEHK"). The Sub-Fund aims to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE Value-Stocks Taiwan Index ("the Index") by holding a portfolio of the constituent stocks of the Index. The Index comprises 50 value stocks amongst Taiwanese companies' shares listed on The Taiwan Stock Exchange Corporation and GreTai Securities Market, which is a market regulated and supervised by the Taiwan Financial Supervisory Commission.

As at 29 September 2017, the Net Asset Value ("NAV") per unit of the Sub-Fund was TWD154.16, and 1,350,000 units were outstanding. The total size of the Sub-Fund was approximately TWD208.1 million.

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

	<b>From 1 April 2017 to 29 September 2017</b>	<b>2017 YTD (as at 29 September)</b>	<b>Since Inception</b>
FTSE Value-Stocks Taiwan Index	+7.4%	+13.1%	+80.4%
Value Taiwan ETF	+5.0%	+9.8%	+46.6%

The difference in performance between the FTSE Value-Stocks Taiwan Index and the Value Taiwan ETF is mainly attributed to fees and expenses, and security misweightings. The historical tracking error for the NAV of the Sub-Fund against the FTSE Value-Stocks Taiwan Index was at 44 basis points on an annualized basis since its inception on 23 May 2012.

### Sensible Asset Management Hong Kong Limited

24 November 2017

*All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in TWD, NAV to NAV with dividends reinvested, as at 29 September 2017. Performance data is net of all fees.*

*Investors should note that investment involve risk. The price of units may go down as well as up and past performance is not indicative of future results.*

**VALUE TAIWAN ETF**A Sub-Fund of Value ETFs Trust  
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AS AT 30 SEPTEMBER 2017

	<b>30.9.2017</b>	<b>31.3.2017</b>
	<i>TWD</i>	<i>TWD</i>
<b>ASSETS</b>		
Financial assets at fair value through profit or loss	206,396,458	198,536,266
Dividends receivable	354,365	–
Prepayments and other receivables	30,628	54,003
Cash and cash equivalents	<u>2,495,842</u>	<u>772,946</u>
<b>TOTAL ASSETS</b>	<u>209,277,293</u>	<u>199,363,215</u>
<b>LIABILITIES</b>		
Audit fees payable	293,732	566,264
Management fees payable	118,579	492,077
Trustee and registrar fees payable	17,096	18,768
Other payables	<u>733,927</u>	<u>70,606</u>
<b>TOTAL LIABILITIES</b>	<u>1,163,334</u>	<u>1,147,715</u>
<b>TOTAL EQUITY</b>	<u>208,113,959</u>	<u>198,215,500</u>
<b>Represented by:</b>		
Net assets attributable to unitholders	<u>208,113,959</u>	<u>198,215,500</u>
<b>Net asset value per unit based on 1,350,000 (31.3.2017: 1,350,000) units outstanding</b>	<u>154.1585</u>	<u>146.8263</u>

## VALUE TAIWAN ETF

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### INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2017

	Holdings	Fair value TWD	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
<b>Listed equity securities</b>			
<i>Taiwan</i>			
Advanced Semiconductor Engineering Inc	216,126	8,018,275	3.85
Asustek Computer Inc	23,283	5,809,108	2.79
AU Optronics Corp.	290,547	3,530,146	1.70
Catcher Technology Co Ltd	24,372	6,885,090	3.31
Cathay Financial Holding Co Ltd	260,244	12,543,761	6.03
Chang Hwa Commercial Bank Ltd	194,400	3,188,160	1.53
Chicony Electronics Co Ltd	19,278	1,388,016	0.67
China Development Financial Holding Corp	458,640	4,173,624	2.01
China Life Insurance Co Ltd	89,586	2,557,680	1.23
Chipbond Technology Corp	20,043	1,014,176	0.49
CTCI Corp	22,734	1,107,146	0.53
E.Sun Financial Holding Co Ltd	319,041	5,774,642	2.77
Elite Material Co Ltd	9,306	1,340,064	0.64
Eternal Materials Co Ltd	30,942	954,561	0.46
Feng Hsin Steel Co Ltd	15,318	807,259	0.39
First Financial Holding Co Ltd	317,871	6,182,591	2.97
Flexium Interconnect Inc	9,468	1,098,288	0.53
Formosa Chemicals & Fibre Corp	113,022	10,420,628	5.01
Formosa Petrochemical Corp	45,054	4,708,143	2.26
Formosa Plastics Corp	160,758	14,757,584	7.09
Formosa Taffeta Co Ltd	33,669	1,026,904	0.49
Foxconn Technology Co Ltd	36,432	3,187,800	1.53
Fubon Financial Holding Co Ltd	242,514	11,470,912	5.51
Hon Hai Precision Industry Co Ltd	184,122	19,332,810	9.29
Hua Nan Financial Holdings Co Ltd	271,557	4,467,113	2.15
King Yuan Electronics Co Ltd	35,091	1,043,957	0.50
King's Town Bank	31,986	1,023,552	0.49
Lite-On Technology Corp	70,209	3,040,050	1.46
Mega Financial Holding Co Ltd	359,397	8,517,709	4.09
Micro-Star International Co Ltd	22,599	1,473,455	0.71
Nan Ya Plastics Corp	186,399	13,924,005	6.69



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

AS AT 30 SEPTEMBER 2017

	Holdings	Fair value TWD	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Listed equity securities (Continued)</b>			
<i>Taiwan (Continued)</i>			
Novatek Microelectronics Corp	18,891	2,153,574	1.04
Pegatron Corp	65,160	5,128,092	2.46
Phison Electronics Corp	5,274	1,898,640	0.91
Pou Chen Corp	87,606	3,333,408	1.60
Powertech Technology Inc	23,256	2,032,574	0.98
Qisda Corporation	44,865	960,111	0.46
Radiant Opto-Electronics Corp	14,589	1,035,819	0.50
Siliconware Precision Industries Co Ltd	72,747	3,528,229	1.70
Simplo Technology Co Ltd	5,540	891,940	0.43
SinoPac Financial Holdings Co Ltd	339,513	3,082,778	1.48
Taishin Financial Holding Co Ltd	312,831	4,082,445	1.96
Tong Yang Industry Co Ltd	15,615	966,569	0.46
Transcend Information Inc	9,270	794,439	0.38
Tripod Technology Corp	16,290	1,710,450	0.82
Walsin Technology Corp	15,479	1,164,021	0.56
Wistron NeWeb Corp	8,595	747,765	0.36
Yageo Corp	10,719	2,261,709	1.09
Yuanta Financial Holding Co Ltd	379,512	4,952,632	2.38
Zhen Ding Technology Holding Ltd	14,724	904,054	0.43
<b>Total financial assets at fair value through profit or loss</b>		206,396,458	99.17
Cash and cash equivalents		2,495,842	1.20
Other net liabilities		(778,341)	(0.37)
<b>Total net assets</b>		208,113,959	100.00
<b>Total investments, at cost</b>		185,408,507	

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### STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	% of net assets	
	30.9.2017	31.3.2017
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
<b>Listed equity securities</b>		
Taiwan	99.17	100.16
<b>Total financial assets at fair value through profit or loss</b>	99.17	100.16
Cash and cash equivalents	1.20	0.39
Other net liabilities	(0.37)	(0.55)
<b>Total net assets</b>	<b>100.00</b>	<b>100.00</b>

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### PERFORMANCE RECORD (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

#### Comparison of the scheme performance and the actual index performance

The table below illustrates the comparison between the performance of the Index and the Sub-Fund during the following period:

	From 1 April 2017 to 30 September 2017	From 1 April 2016 to 30 September 2016
FTSE Value-Stocks Taiwan Index	+7.4%	+9.1%
Value Taiwan ETF	+5.0%	+6.5%

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### INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (UNAUDITED)

AS AT 30 SEPTEMBER 2017

The Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code") allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net asset value provided that:

- a) the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the index; and
- b) the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the index, except where weightings are exceeded as a result of changes in the composition of the indices and the excess is only transitional and temporary in nature.

Constituent securities that account for more than 10% of the net asset value of the Sub-Fund are as follows:

	<b>Respective weighting in the tracked index</b>	<b>Respective weighting in the Sub-Fund's net asset value</b>
<b>As at 31 March 2017</b>		
Hon Hai Precision Industry Co Ltd	10.73%	10.75%

The Sub-Fund does not have any index securities that accounts for more than 10% of their respective net asset value of the Sub-Fund as at 30 September 2017