



VALUE JAPAN ETF (3084 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

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

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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

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GENERAL INFORMATION (Continued)

Recent awards and achievements

Corporate award		
2012	•	2012 The Asset Triple A Investment Awards Highly Commended ETF House for Hong Kong <i>– The Asset</i>

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MANAGER'S REPORT

Value Japan 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 Japan Index ("the Index") by holding a portfolio of the constituent stocks of the Index. The Index comprises 35 value stocks amongst Japanese companies' shares listed on The Tokyo Stock Exchange and The Osaka Securities Exchange.

As at 30 September 2013, the Net Asset Value ("NAV") per unit of the Fund was JPY165,3446, and 9,800,000 units were outstanding. The total size of the Fund was approximately JPY1,619 million.

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

Total Return in JPY	From 1 Apr 2013 to 30 Sep 2013	2013 YTD (as at 30 Sep)	Since inception from 22 May 2012 to 30 Sep 2013
FTSE Value-Stocks Japan Index	11.9%	39.0%	59.6%
Value Japan ETF	10.8%	36.4%	53.5%

The difference in performance between the FTSE Value-Stocks Japan Index and the Value Japan 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 Japan Index was at 35 basis points on an annualized basis since its inception on 22 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 JPY, 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)

	30.9.2013 JPY	31.3.2013 JPY
Assets		
Financial assets at fair value through profit or loss	1,602,241,436	1,543,981,880
Cash and cash equivalents	4,592,357	18,610,154
Dividend receivable	14,035,968	15,475,399
Prepayment	1,182,020	86,335
Other assets	293,174	85,927
	<hr/>	<hr/>
Total assets	1,622,344,955	1,578,239,695
	<hr/>	<hr/>
Current liabilities		
Manager's fees payable	996,914	911,163
Trustee's fees payable	833,883	382,327
Audit fees payable	791,063	2,069,944
Accrued expenses and other payables	848,696	10,829,927
	<hr/>	<hr/>
Total liabilities	3,470,556	14,193,361
	<hr/>	<hr/>
Total equity	1,618,874,399	1,564,046,334
	<hr/>	<hr/>
Represented by:		
Net assets attributable to unitholders		
(at last traded prices)	1,620,376,899	1,566,567,284
Adjustment from last traded prices to bid prices	(1,502,500)	(2,520,950)
	<hr/>	<hr/>
Net asset value per unit based on		
9,800,000 (31.3.2013: 10,500,000)		
units outstanding	165.3446	149.1969
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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2013

	Holdings	Fair value JPY	% of net asset
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed equity securities			
<i>Japan</i>			
Aisin Seiki Co Ltd	6,860	28,709,100	1.77
Aozora Bank Ltd	40,544	11,798,304	0.73
Asahi Kasei Corp	46,340	34,198,920	2.11
Bank of Yokohama Ltd	43,568	24,398,080	1.51
Bridgestone Corp	21,504	76,769,280	4.74
Canon Inc	24,136	75,545,680	4.67
Daihatsu Motor Co Ltd	7,280	13,832,000	0.85
Daiwa Securities Group Inc	60,844	53,481,876	3.31
Fukuoka Financial Group Inc	29,904	13,187,664	0.81
Hino Motors Ltd	9,380	13,535,340	0.84
Honda Motor Co Ltd	21,364	79,687,720	4.92
Inpex Corp	33,200	38,412,400	2.37
Isuzu Motors Ltd	44,268	28,597,128	1.77
ITOCHU Corp	53,956	64,747,200	4.00
Komatsu Ltd	33,124	80,789,436	4.99
Marubeni Corp	57,932	44,607,640	2.76
Mitsubishi Gas Chemical Co Inc	14,672	12,089,728	0.75
Mitsubishi Materials Corp	43,428	17,544,912	1.08
Mitsubishi UFJ Financial Group Inc	124,208	77,754,208	4.80
Mitsubishi Corp	44,464	88,261,040	5.45
Mitsui & Co Ltd	60,172	85,684,928	5.29
Mizuho Financial Group Inc	374,920	79,857,960	4.94
Nippon Telegraph And Telephone Corp	13,860	70,270,200	4.35
Namco Bandai Holdings Inc	6,776	12,433,960	0.77
Nissan Motor Co Ltd	74,284	73,095,456	4.52
Nitori Holdings Co Ltd	1,316	11,830,840	0.73
NTT DOCOMO Inc	49,000	77,910,000	4.81
Otsuka Holdings Co Ltd	13,384	38,077,480	2.35

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 SEPTEMBER 2013

	Holdings	Fair value JPY	% of net asset
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed equity securities (Continued)			
<i>Japan (Continued)</i>			
Resona Holdings Inc	65,604	32,867,604	2.03
Ricoh Co Ltd	24,332	27,519,492	1.70
Sumitomo Electric Industries Ltd	26,628	37,811,760	2.34
Sumitomo Corp	39,144	51,670,080	3.19
Sumitomo Metal Mining Co Ltd	18,508	25,633,580	1.58
Toyota Motor Corp	12,684	79,528,680	4.91
Toyota Tsusho Corp	7,840	20,101,760	1.24
Total financial assets at fair value through profit or loss		1,602,241,436	98.98
Cash and cash equivalents		4,592,357	0.28
Other net assets		12,040,606	0.74
Total net assets		<u>1,618,874,399</u>	<u>100.00</u>
Total investments, at cost		<u>1,534,273,800</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
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Listed equity securities		
Japan	<u>98.98</u>	<u>99.06</u>
Total financial assets at fair value through profit or loss		
Cash and cash equivalents	0.28	1.03
Other net liabilities	<u>0.74</u>	<u>(0.09)</u>
Total net assets	<u><u>100.00</u></u>	<u><u>100.00</u></u>