



VALUE JAPAN ETF (Stock code: 3084)

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

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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
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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
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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>
Value Japan ETF		
2014	•	Top Fund Awards 2014 (Hong Kong) Japan Large-Cap Equity – Best in Class (ETF) – <i>Bloomberg Businessweek, Chinese edition</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 2015, the Net Asset Value ("NAV") per unit of the Fund was JPY178.93, and 4,900,000 units were outstanding. The total size of the Fund was approximately JPY877 million.

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

Total Return in JPY	From 1 Apr 2015 to 30 Sep 2015	2015 YTD (as at 30 Sep)	Since inception
FTSE Value-Stocks Japan Index	-11.2%	-2.2%	86.0%
Value Japan ETF	-12.2%	-4.1%	71.0%

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 44 basis points on an annualized basis since its inception on 22 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 JPY, 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 JPY	31.3.2015 JPY
Assets		
Financial assets at fair value through profit or loss	864,626,514	1,116,290,839
Dividends receivable	6,876,525	11,328,547
Prepayments and other receivables	1,138,146	108,976
Cash and cash equivalents	7,520,642	18,772,320
Total assets	880,161,827	1,146,500,682
Liabilities		
Audit fees payable	2,835,431	2,218,881
Management fees payable	518,054	1,391,364
Trustee and registrar fees payable	73,992	705,620
Other payables	–	553,510
Total liabilities	3,427,477	4,869,375
Total equity	876,734,350	1,141,631,307
Represented by:		
Net assets attributable to unitholders	876,734,350	1,141,631,307
Net asset value per unit based on 4,900,000 (31.3.2015: 5,600,000) units outstanding	178.9254	203.8627

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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2015

	Holdings	Fair value JPY	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed equity securities			
<i>Japan</i>			
Aozora Bank Ltd	23,002	9,522,828	1.09
Asahi Kasei Corp	26,278	22,073,520	2.52
The Bank of Yokohama Ltd	22,652	16,402,313	1.87
Bridgestone Corp	11,116	45,864,616	5.23
Daiwa Securities Group Inc	34,510	26,562,347	3.03
Fuji Heavy Industries Ltd	11,522	49,348,726	5.63
Fujitsu Ltd	35,112	18,205,572	2.08
Honda Motor Co Ltd	13,272	46,969,608	5.36
Isuzu Motors Ltd	11,536	13,785,520	1.57
ITOCHU Corp	28,630	36,002,225	4.11
JFE Holdings Inc	10,136	15,837,500	1.81
Kobe Steel Ltd	57,918	7,471,422	0.85
Mitsubishi Materials Corp	24,640	8,919,680	1.02
Mitsubishi Motors Corp	12,222	11,146,464	1.27
Mitsui & Co Ltd	31,710	42,507,255	4.85
Mizuho Financial Group Inc	203,770	45,420,333	5.18
Nippon Steel & Sumitomo Metal Corp	16,172	35,068,982	4.00
Nippon Yusen KK	31,864	8,794,464	1.00
Nissan Motor Co Ltd	39,606	43,328,964	4.94
Nomura Holdings Inc	58,366	40,161,645	4.58
NSK Ltd	9,366	10,798,998	1.23
ORIX Corp	26,110	40,000,520	4.56
Osaka Gas Co Ltd	39,046	17,687,838	2.02
Resona Holdings Inc	45,822	27,781,879	3.17

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 SEPTEMBER 2015

	Holdings	Fair value JPY	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed equity securities (Continued)			
<i>Japan (Continued)</i>			
Ricoh Co Ltd	13,804	16,626,918	1.90
Santen Pharmaceutical Co Ltd	7,868	12,580,932	1.43
Seiko Epson Corp	5,516	9,305,492	1.06
Sompo Japan Nipponkoa Holdings Inc	7,476	25,837,056	2.95
Sumitomo Metal Mining Co Ltd	9,436	12,757,472	1.45
Sumitomo Mitsui Trust Holdings Inc	75,432	32,993,957	3.76
Tokyo Gas Co Ltd	46,690	26,977,482	3.08
Toshiba Corp	75,236	22,600,894	2.58
Tosoh Corp	12,908	7,396,284	0.84
Toyota Motor Corp	6,412	44,698,052	5.10
Yamaha Motor Co Ltd	5,516	13,188,756	1.50
Total financial assets at fair value through profit or loss		864,626,514	98.62
Cash and cash equivalents		7,520,642	0.86
Other net assets		4,587,194	0.52
Total net assets		<u>876,734,350</u>	<u>100.00</u>
Total investments, at cost		<u>941,449,806</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		
Japan	<u>98.62</u>	<u>96.09</u>
Total financial assets at fair value through profit or loss	98.62	96.09
Cash and cash equivalents	0.86	1.88
Other net assets	<u>0.52</u>	<u>2.03</u>
Total net assets	<u><u>100.00</u></u>	<u><u>100.00</u></u>