Value China A-Share ETF

Distinction • Value • Experience

03095 HKD | **83095 RMB**

Value ETF
Value Partners

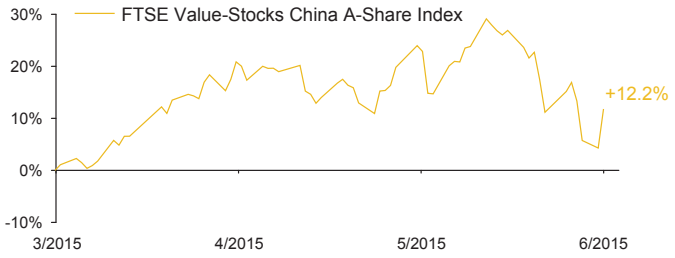
30 June 2015

- Value China A-Share ETF (the "Fund") is a physical index-tracking fund which aims to provide investment results, before fees and expenses, that closely correspond to the performance of the FTSE Value-Stocks China A-Share Index ("Index").
- The Fund invests directly in A-Shares included in the Index through the Renminbi Qualified Foreign Institutional Investors (RQFII) investment quota granted to the Manager and the Shanghai-Hong Kong Stock Connect. Investors will be subject to certain risks including repatriation risk, custodial risk, broker risk, regulatory risk and risks associated with the Manager's RQFII status. In addition, the RQFII policy and rules are relatively new and there may be uncertainty in implementation and such policy and rules are subject to change. All these may adversely impact the Fund.
- The Fund and its primary investments are denominated in RMB. RMB is currently not a freely convertible currency and is subject to foreign exchange control policies, as well as repatriation restrictions imposed by the PRC government. Investors whose base currencies of investments are not in RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and the RMB.
- The Fund is subject to emerging market risks. Generally, investments in emerging markets are subject to a greater risk of loss than investments in a developed market due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity etc.
- The Fund is also subject to concentration risk as a result of investing only in a single geographical region. Adverse developments in such region may affect the value of the underlying securities in which the Fund invests.
- The Fund has dual counter traded units which are traded and settled in both RMB and HKD. The nature of the dual counter may make investment in the units riskier than in single counter units or shares of an SEHK listed issuer. Investors without RMB accounts may buy and sell HKD traded units only.
- There is no assurance that Fund will pay dividends. The Manager may at its discretion pay dividends out of the capital of the Fund or pay dividend out of gross income while all or part of the fees and expenses of the Fund are charged to/paid out of the capital of the Fund. Dividends effectively paid out of capital amount to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Such distribution involving payment of dividends out of the capital may result in an immediate reduction of the Fund's net asset value per Unit.
- The Index may experience periods of volatility and decline and the price of units of the Fund is likely to vary or decline accordingly. As the Fund is not "actively managed", the Manager will not adopt a temporary defensive position against any market downturn. Investors may lose part or all of their investment.
- The units are traded on the Stock Exchange of Hong Kong Limited ("SEHK"). Trading prices of units on the SEHK are subject to market forces and the units may trade at a substantial premium/discount to the net asset value of the Fund.
- An affiliated company of the Manager and the Investment Adviser of the Fund assists with the compilation of the Index and accordingly potential conflicts of interests may arise.
- You should not make investment decision on the basis of this website alone. Please read the prospectus for details and risk factors.

Investment objective

To provide investment results (before fees and expenses) that closely correspond to the performance of the FTSE Value-Stocks China A-Share Index.

Performance since launch [1]



Fund performance update [1]

	The Fund [1]	FTSE Value-Stocks China A-Share Index
One month	N/A	-2.6%
Three months	N/A	+6.8%
Since launch (cumulative)	N/A	+12.2%

Portfolio characteristic

As at 30-6-2015	2015 [2]
Price/earnings ratio	12.7 times
Price/book ratio	1.9 times
Dividend yield	2.5%

Fund information

Fund price (NAV)	HK$9.7748
Fund size	HK$219.9 million
Underlying index	FTSE Value-Stocks China A-Share Index
Inception date	19 March 2015
Investment adviser	Sensible Asset Management Hong Kong Limited
Manager and RQFII holder	Value Partners Hong Kong Limited
Trustee and registrar	HSBC Institutional Trust Services (Asia) Limited
Custodian	The Hong Kong and Shanghai Banking Corporation Limited
PRC custodian	HSBC Bank (China) Company Limited
Auditor	Ernst & Young
Participating dealers	– China Merchants Securities (HK) Co., Ltd. – Merrill Lynch Far East Limited – The Hong Kong and Shanghai Banking Corporation Limited
Market makers	– China Merchants Securities (HK) Co., Ltd. – Commerz Securities Hong Kong Limited – Haitong International Securities Company Limited – HSBC Securities Brokers (Asia) Limited
Exchange listing	The Stock Exchange of Hong Kong Limited – Main Board
Trading board lot size	HKD counter – 500 units RMB counter – 500 units
Bloomberg Index ticker	GPVP009 <Index>
Bloomberg ETF ticker	HKD counter – 03095 HK <Equity> RMB counter – 83095 HK <Equity>
Dividend policy [3]	Aim at semi-annual distribution, subject to the Manager's discretion
Base currency	Renminbi
Trading currency	HKD counter – Hong Kong dollar RMB counter – Renminbi
Application unit size (only by or through Participating Dealers)	Minimum 500,000 units (or multiples thereof)
Management fee	0.70% per annum
Investment strategy	Full replication strategy

Awards

Value Partners

Fund of The Year Awards 2014

Outstanding Achiever - ETF Investor Education

~ Benchmark

BENCHMARK
FUND OF THE YEAR AWARDS
2014

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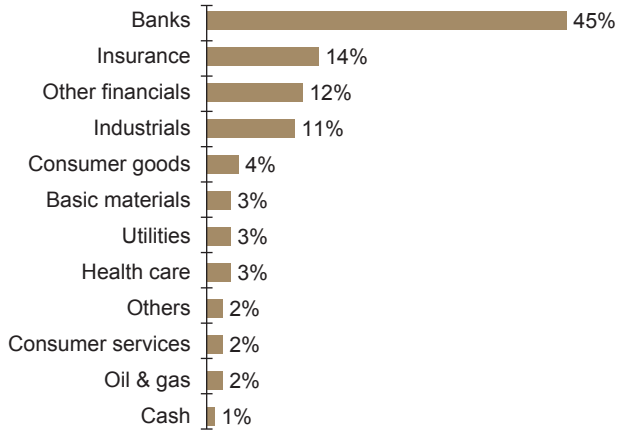
Portfolio composition

Name	Sector	%
Ping An Insurance Group Co. of China Ltd.	Life insurance	9.9
China Merchants Bank Co. Ltd.	Banks	7.4
China Minsheng Banking Corp. Ltd.	Banks	6.4
Citic Securities Co. Ltd.	Financial services	6.3
Industrial Bank Co. Ltd.	Banks	6.0
Shanghai Pudong Development Bank	Banks	5.1
Bank of Communications Co. Ltd.	Banks	4.2
Haitong Securities Co. Ltd.	Financial services	4.0
Bank of China Ltd.	Banks	3.4
Bank of Beijing Co. Ltd.	Banks	3.0
China State Construction Engineering Corp. Ltd.	Construction & materials	3.0
Agricultural Bank of China Ltd.	Banks	3.0
China Pacific Insurance Group Co. Ltd.	Life insurance	2.3
China Everbright Bank Co. Ltd.	Banks	2.3
China Construction Bank Corp.	Banks	2.0
China Life Insurance Co. Ltd.	Life insurance	1.6
GF Securities Co. Ltd.	Financial services	1.6
Gemdale Corp.	Real estate investment & services	1.5
China Yangtze Power Co. Ltd.	Electricity	1.5
China Shenhua Energy Co. Ltd.	Mining	1.2
Shenzhen Overseas Chinese Town Co. Ltd.	Travel & leisure	1.2
Sanan Optoelectronics Co. Ltd.	Electronic & electrical equipment	1.2
China Railway Construction Corp.	Construction & materials	1.2
Bank of Nanjing Co. Ltd.	Banks	1.2
TBEA Co. Ltd.	Electronic & electrical equipment	1.2
Baoshan Iron & Steel Co. Ltd.	Industrial metals & mining	1.0
Zhejiang Longsheng Group Co. Ltd.	Chemicals	1.0
Sichuan Chuantou Energy Co. Ltd.	Electricity	0.8
Xinjiang Goldwind Science & Technology Co. Ltd.	Alternative energy	0.8
Shanghai Fosun Pharmaceutical Group Co. Ltd.	Pharmaceuticals & biotechnology	0.8
Offshore Oil Engineering Co. Ltd.	Oil equipment, services & distribution	0.8
Weichai Power Co. Ltd.	Industrial engineering	0.8
China Fortune Land Development Co. Ltd.	Construction & materials	0.8

(Continued from left column)

Name	Sector	%
Youngor Group Co.	Personal goods	0.8
China Citic Bank	Banks	0.7
Xiamen C & D Inc.	Support services	0.7
Goertek Inc.	Technology hardware & equipment	0.7
Jilin Aodong Medicine Industry Groups Co. Ltd.	Pharmaceuticals & biotechnology	0.7
Suzhou Gold Mantis Construction Decoration Co. Ltd.	Construction & materials	0.7
Huayu Automotive Systems Co. Ltd.	Automobiles & parts	0.7
Shenergy Co. Ltd.	Electricity	0.6
Shanghai Tunnel Engineering Co. Ltd.	Construction & materials	0.6
Guangxi Wuzhou Zhongheng Group Co. Ltd.	Pharmaceuticals & biotechnology	0.6
Fuyao Group Glass Industries Co. Ltd.	Automobiles & parts	0.6
Hisense Electric Co. Ltd.	Leisure goods	0.5
New Hope Liuhe Co. Ltd.	Food producers	0.5
Shanghai Pharmaceuticals Holding Co. Ltd.	Pharmaceuticals & biotechnology	0.5
Weifu High-Technology Group Co. Ltd.	Automobiles & parts	0.5
China National Chemical Engineering Co. Ltd.	Construction & materials	0.4
Shanghai Yuyuan Tourist Mart Co. Ltd.	General retailers	0.4

Sector exposure [4]



Fund information as of 30 June 2015. Source: HSBC Institutional Trust Services (Asia) Limited and FTSE.

1. Performance will only be available 6 months after launch. Performance data is net of all fees. 2. The above profile is based on market consensus forecast as derived from S&P Capital IQ and Bloomberg. Note that the manager's internal estimates may differ significantly from S&P Capital IQ and Bloomberg estimates. 3. There is no guarantee that such dividends will be made nor will there be a target level of dividend payout. 4. Classification is based on Industry Classification Benchmark (ICB). Due to rounding, percentage may not add up to 100%.

Investors should note 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 delisted. The Fund's prospectus is available and may be obtained from website. 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.

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