Value China A-Share ETF

Distinction • Value • Experience

03095 HKD | **83095 RMB**

Value ETF
Value Partners

29 July 2016

- 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	+2.9%	+3.2%
Three months	-1.2%	+0.2%
Since launch (cumulative)	-19.0%	-17.8%

Portfolio characteristic

As at 29-7-2016	2016 [2]
Price/earnings ratio	8.3 times
Price/book ratio	1.2 times
Dividend yield	3.3%

Recent distribution

Ex-dividend date	Payable date	Dividend (RMB per unit)	Yield (%) [3]
4-12-2015	29-12-2015	0.13	1.9

Fund information

Fund price (NAV)	HK$6.9572
Fund size	HK$160.0 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	– BNP Paribas Securities Services – China International Capital Corporation Hong Kong Securities Limited – China Merchants Securities (HK) Co., Ltd. – Credit Suisse Securities (Hong Kong) Limited – Goldman Sachs (Asia) Securities Limited – Guotai Junan Securities (Hong Kong) Limited – 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 – Guotai Junan 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 [4]	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

Best ETF Launch

Best Commodity ETF

Best Smart Beta ETF

~ Asia Asset Management, ETFI Asia

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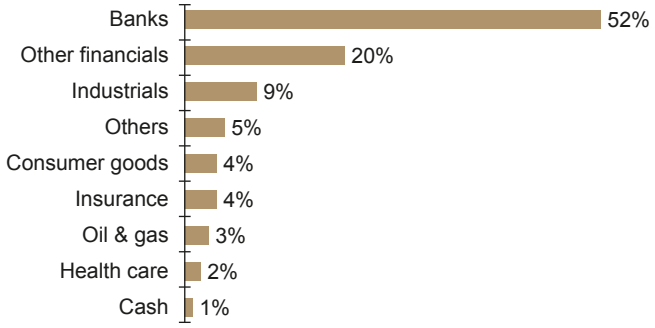
Portfolio composition

Name	Sector	%
China Minsheng Banking Co. Ltd.	Banks	8.5
Industrial Bank Co. Ltd.	Banks	7.9
China Merchants Bank Co. Ltd.	Banks	7.6
Shanghai Pudong Development Bank Co. Ltd.	Banks	6.2
CITIC Securities Co. Ltd.	Financial services	4.7
Bank of Communications Co. Ltd.	Banks	4.2
Agricultural Bank of China Ltd.	Banks	4.1
Industrial & Commercial Bank of China Ltd.	Banks	3.5
Haitong Securities Co. Ltd.	Financial services	3.4
Bank of China Ltd.	Banks	2.6
China Pacific Insurance (Group) Co. Ltd.	Life insurance	2.5
China State Construction Engineering Corp. Ltd.	Construction & materials	2.5
Ping An Bank Co. Ltd.	Banks	2.5
China Everbright Bank Co. Ltd.	Banks	2.0
SAIC Motor Corp. Ltd.	Automobiles & parts	2.0
Huatai Securities Co. Ltd.	Financial services	1.8
China Construction Bank Co. Ltd.	Banks	1.7
China Petroleum & Chemical Corp.	Oil & gas producers	1.7
Kangmei Pharmaceutical Co. Ltd.	Pharmaceuticals & biotechnology	1.7
China Railway Group Ltd.	Construction & materials	1.4
Gemdale Corp.	Real estate investment & services	1.4
GF Securities Co. Ltd.	Financial services	1.4
Huaxia Bank Co. Ltd.	Banks	1.3
Orient Securities Co. Ltd.	Financial services	1.3
Daqin Railway Co. Ltd.	Industrial transportation	1.2
Industrial Securities Co. Ltd.	Financial services	1.2
Qingdao Haier Co. Ltd.	Household goods & home construction	1.2
China Life Insurance Co. Ltd.	Life insurance	1.1
Anhui Conch Cement Co. Ltd.	Construction & materials	1.0
Guotai Junan Securities Co. Ltd.	Financial services	1.0
AVIC Capital Co. Ltd.	Financial services	0.9
China Merchants Securities Co. Ltd.	Financial services	0.9
China Railway Construction Corp. Ltd.	Construction & materials	0.9
Soochow Securities Co. Ltd.	Financial services	0.9

(Continued from left column)

Name	Sector	%
Tebian Electric Apparatus Stock Co. Ltd.	Electronic & electrical equipment	0.9
Dongxu Optoelectronic Technology Co. Ltd.	Electronic & electrical equipment	0.8
Luzhou Laojiao Co. Ltd.	Beverages	0.8
New China Life Insurance Co. Ltd.	Life insurance	0.8
Xinjiang Goldwind Science & Technology Co. Ltd.	Alternative energy	0.8
Zhejiang Longsheng Group Co. Ltd.	Chemicals	0.8
Everbright Securities Co. Ltd.	Financial services	0.7
Guosen Securities Co. Ltd.	Financial services	0.7
Jiangsu Zhongtian Technology Co. Ltd.	Technology, hardware & equipment	0.7
Shenzhen Overseas Chinese Town Co. Ltd.	Travel & leisure	0.7
Sichuan Chuantou Energy Co. Ltd.	Electricity	0.7
Guoyuan Securities Co. Ltd.	Financial services	0.6
The Pacific Securities Co. Ltd.	Financial services	0.6
Shanghai International Port (Group) Co. Ltd.	Industrial transportation	0.6
Sealand Securities Co. Ltd.	Pharmaceuticals & biotechnology	0.5
Zhejiang Zheneng Electric Power Co. Ltd.	Electricity	0.5

Sector exposure [5]



Fund information as of 29 July 2016. 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. Harmonic mean methodology is applied to calculate the forecast P/E ratio. Note that the manager's internal estimates may differ significantly from S&P Capital IQ and Bloomberg estimates. __3.__ Yield is calculated based on the dividend per Unit divided by the ex-date NAV per Unit. It is estimated and for reference only and does not represent the performance of the Fund. All dollar amounts are in RMB unless otherwise stated. __4.__ There is no guarantee that such dividends will be made nor will there be a target level of dividend payout. __5.__ 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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