



## VALUE CHINA A-SHARE ETF

Stock code: 03095 (HKD) | 83095 (RMB)

A Sub-fund of Value Partners ETFs Trust

# 2016 SEMI-ANNUAL REPORT

For the six months ended 30 September 2016

**Value Partners Hong Kong Limited**

9th Floor, Nexxus Building

41 Connaught Road Central, Hong Kong

Tel: (852) 2880 9263 Fax: (852) 2564 8487

Email: [operations@valueetf.com.hk](mailto:operations@valueetf.com.hk)

Website: [www.valueETF.com.hk](http://www.valueETF.com.hk)

*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 CHINA A-SHARE ETF

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(A Hong Kong Umbrella Unit Trust)

### GENERAL INFORMATION

#### Manager and RQFII Holder

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

#### Investment Advisor

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

#### Directors of Manager and RQFII Holder

Dato' Seri Cheah Cheng Hye  
Mr. Ho Man Kei, Norman  
Mr. So Chun Ki Louis

#### Directors of the Investment Advisor

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

#### Custodian

The Hongkong and Shanghai Banking  
Corporation Limited  
1 Queen's Road Central  
Hong Kong

#### PRC Custodian

HSBC Bank (China) Company Limited  
33/F, HSBC Building  
Shanghai IFC  
8 Century Avenue  
Pudong  
Shanghai 200120  
China

#### 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

#### Information available from:

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

Telephone : (852) 2880 9263  
Fax : (852) 2564 8487  
Email : [operations@valueetf.com.hk](mailto:operations@valueetf.com.hk)  
Website : [www.valueETF.com.hk](http://www.valueETF.com.hk)

## GENERAL INFORMATION (Continued)

### Recent awards and achievements

#### Corporate awards (ETF)

- 2016**
- **Value Partners**  
**ETF and Indexing Awards 2016 – Best ETF Launch**  
*– Asia Asset Management & ETFI Asia*
  - **Value Partners**  
**ETF and Indexing Awards 2016 – Best Commodity ETF**  
*– Asia Asset Management & ETFI Asia*
  - **Value Partners**  
**ETF and Indexing Awards 2016 – Best Smart Beta ETF**  
*– Asia Asset Management & ETFI Asia*

# VALUE CHINA A-SHARE ETF

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## MANAGER'S REPORT

Value China A-Share 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 China A-Share Index ("the Index") by holding a portfolio of the constituent stocks of the Index. The Index comprises 50 value stocks amongst Chinese companies' shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange.

As at 30 September 2016, the Net Asset Value ("NAV") per unit of the Fund was RMB6.1157, and 22,000,000 units were outstanding. The total size of the Fund was approximately RMB135 million.

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

Total return in RMB	From 1 April 2016 to 30 September 2016	2016 YTD (as at 30 September)	Since inception
FTSE Value-Stocks China A-Share Index	4.5%	-8.2%	-9.4%
Value China A-Share ETF	2.6%	-9.4%	-11.1%

The difference in performance between the FTSE Value-Stocks China A-Share Index and the Value China A-Share 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 China A-Share Index was at 213 basis points on an annualized basis since its inception on 20 March 2015.

### Value Partners Hong Kong Limited

25 November 2016

*All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in RMB, NAV to NAV with dividends reinvested, as at 30 September 2016. Performance data is net of all fees.*

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

**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
AS AT 30 SEPTEMBER 2016

	<b>30.9.2016</b>	<b>31.3.2016</b>
	<i>RMB</i>	<i>RMB</i>
<b>Assets</b>		
Financial assets at fair value through profit or loss	133,641,829	124,923,676
Prepayments	3,248	9,408
Cash and cash equivalents	<u>1,589,511</u>	<u>580,707</u>
<b>Total assets</b>	<u><u>135,234,588</u></u>	<u><u>125,513,791</u></u>
<b>Liabilities</b>		
Audit fees payable	159,395	102,882
Management fees payable	242,307	74,797
Trustee and registrar fees payable	11,107	21,375
Other payables	<u>276,991</u>	<u>143,943</u>
<b>Total liabilities</b>	<u><u>689,800</u></u>	<u><u>342,997</u></u>
<b>Total equity</b>	<u><u>134,544,788</u></u>	<u><u>125,170,794</u></u>
<b>Represented by:</b>		
Net assets attributable to unitholders	<u><u>134,544,788</u></u>	<u><u>125,170,794</u></u>
<b>Net asset value per unit based on 22,000,000 (31.3.2016: 21,000,000) units outstanding</b>	<u><u>6.1157</u></u>	<u><u>5.9605</u></u>

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### INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2016

	Holdings	Fair value RMB	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
<b>Listed Equity Securities</b>			
<b>China</b>			
Agricultural Bank of China Ltd	1,726,900	5,405,197	4.02
Aisino Co Ltd	48,432	1,068,894	0.79
Anxin Trust Co Ltd	37,800	754,866	0.56
AVIC Capital Co Ltd	202,600	1,312,848	0.98
Bank of China Ltd	1,031,600	3,476,492	2.58
Bank of Communications Co Ltd	979,600	5,417,188	4.03
Bank of Nanjing Co Ltd	159,100	1,632,366	1.21
China CITIC Bank Corp Ltd	132,500	792,350	0.59
China Construction Bank Co Ltd	443,000	2,294,740	1.71
China Everbright Bank Co Ltd	681,900	2,584,401	1.92
China Life Insurance Co Ltd	70,000	1,498,700	1.11
China Merchants Bank Co Ltd	575,600	10,360,800	7.70
China Merchants Securities Co Ltd	73,000	1,254,870	0.93
China Minsheng Banking Co Ltd	1,207,236	11,179,005	8.30
China Pacific Insurance (Group) Co Ltd	123,300	3,544,875	2.63
China Railway Construction Corp Ltd	180,400	1,625,404	1.21
China Shenhua Energy Co Ltd	96,200	1,462,240	1.09
Chongqing Changan Automobile Co Ltd	91,400	1,450,518	1.08
CITIC Securities Co Ltd	380,500	6,133,660	4.56
CRRC Corp Ltd	379,100	3,396,736	2.52
Daqin Railway Co Ltd	260,700	1,652,838	1.23
Everbright Securities Co Ltd	56,300	914,312	0.68
Gemdale Corp	136,400	1,635,436	1.22
GF Securities Co Ltd	112,904	1,848,239	1.37
Guosen Securities Co Ltd	59,008	972,452	0.72
Guotai Junan Securities Co Ltd	162,800	2,888,072	2.15
Haitong Securities Co Ltd	293,500	4,669,585	3.47
Huatai Securities Co Ltd	128,300	2,302,985	1.71
Huaxia Bank Co Ltd	172,610	1,734,731	1.29
Industrial and Commercial Bank of China Ltd	1,055,600	4,676,308	3.48



**INVESTMENT PORTFOLIO (UNAUDITED) (Continued)**  
AS AT 30 SEPTEMBER 2016

	Holdings	Fair value RMB	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Listed Equity Securities (Continued)</b>			
<i>China (Continued)</i>			
Industrial Bank Co Ltd	667,086	10,653,363	7.92
Industrial Securities Co Ltd	198,517	1,500,789	1.12
Kangmei Pharmaceutical Co Ltd	129,880	2,106,654	1.57
Luzhou Laojiao Co Ltd	30,800	957,264	0.71
New China Life Insurance Co Ltd	27,000	1,112,670	0.83
Orient Securities Co Ltd	100,799	1,595,648	1.19
Ping An Bank Co Ltd	352,960	3,201,347	2.38
Qingdao Haier Co Ltd	144,200	1,462,188	1.09
SAIC Motor Corp Ltd	113,260	2,474,731	1.84
Shanghai International Port (Group) Co Ltd	144,700	740,864	0.55
Shanghai Pharmaceuticals Holding Co Ltd	36,500	720,145	0.54
Shanghai Pudong Development Bank Co Ltd	515,168	8,495,120	6.31
Shenwan Hongyuan Group Co Ltd	273,100	1,709,606	1.27
Shenzhen Overseas Chinese Town Co Ltd	141,800	992,600	0.74
Sichuan Chuantou Energy Co Ltd	105,642	915,916	0.68
Soochow Securities Co Ltd	80,600	1,046,994	0.78
Tebian Electric Apparatus Stock Co Ltd	124,800	1,075,776	0.80
Weichai Power Co Ltd	94,200	867,582	0.64
Xinjiang Goldwind Science & Technology Co Ltd	68,800	1,078,784	0.80
Zhejiang Longsheng Group Co Ltd	107,900	992,680	0.74
<b>Total financial assets at fair value through profit or loss</b>		133,641,829	99.34
Cash and cash equivalents		1,589,511	1.18
Other net liabilities		(686,552)	(0.52)
<b>Total net assets</b>		<u>134,544,788</u>	<u>100.00</u>
<b>Total investments, at cost</b>		<u>147,262,406</u>	

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**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)**  
*AS AT 30 SEPTEMBER 2016*

	% of net assets	
	30.9.2016	31.3.2016
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
<b>Listed equity securities</b>		
China	<u>99.34</u>	<u>99.80</u>
<b>Total financial assets at fair value through profit or loss</b>	99.34	99.80
Cash and cash equivalents	1.18	0.46
Other net liabilities	<u>(0.52)</u>	<u>(0.26)</u>
<b>Total net assets</b>	<u><u>100.00</u></u>	<u><u>100.00</u></u>