

Important notes

- 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.
- As the Funds above are 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.
- 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 Funds mentioned above.
- You should not make investment decision on the basis of this material alone. Please read the prospectus of the Funds above for details and risk factors.



Invest wisely |



Management fee
0.1% p.a.



Value China A-Share ETF

HKD counter	RMB counter
3095	83095

Value China A-Share ETF is the world's first-ever value-based RQFII A-share ETF¹ that tracks a customized index – FTSE Value-Stocks China A-Share Index – and aims to deliver potential excess returns through Value Partners' proprietary stock screening process.

About FTSE Value-Stocks China A-Share Index (the "Index")

Created by Value Partners and FTSE, the Index combines Value Partners' proven track record in disciplined value investing, as well as FTSE's world-renowned expertise in index management. The Index consists of 50 quality value stocks amongst liquid and tradable A-Share companies listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

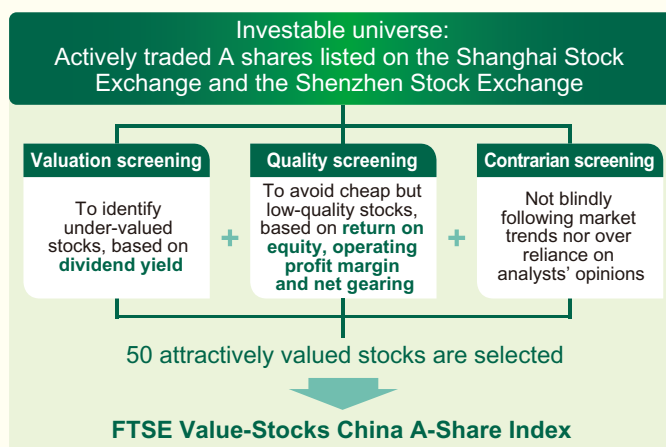
Why invest in Value China A-Share ETF?

1 Managed by the value-investing specialist in Asia

- Value Partners is highly recognized in the industry² with 24 years of seasoned investment experience in Asia
- One of the pioneering fund managers in Asia that has applied value-investing principle in China's A-share market since the early 90s
- Experienced in A-share investment with A-share assets under management amounted to about US\$1,253 million³

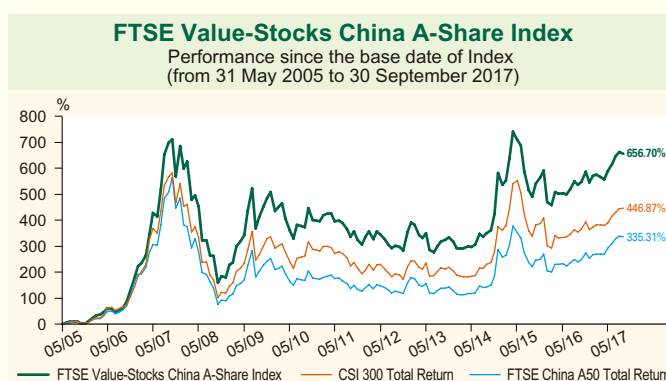
2 Integrating the advantages of both value investing and ETF investment

- While most of the A-share ETFs passively track mainstream indices, the Fund is a value-based RQFII ETF that tracks a customized index
- The customized index aims to identify 50 value stocks through Value Partners' unique stock screening process – valuation, quality and contrarian screenings⁴
- The Fund aims to deliver excess return over the market
- Semi-annual rebalancing (May and September)



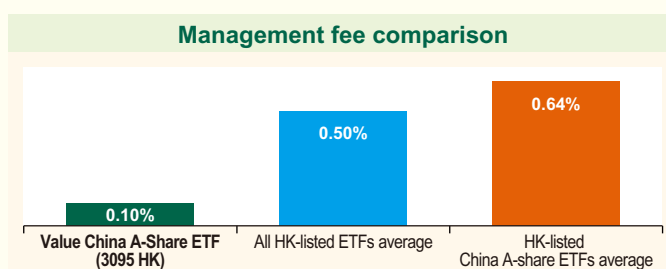
3 Outperform major market indices

- The Index has delivered a solid cumulative return of +656.7%⁵ since its base date in May 2005, outperforming major market indices over the same period
- The Index recorded excess returns in 8 out of 12 years⁶



4 Low investment costs

- The management fee of Value China A-share ETF is 0.1% per annum, while the average management fee of all Hong Kong-listed China A-share ETFs is 0.64%
- A low cost investment option for investors to optimize potential return



Source: Value Partners, HKEx and Bloomberg, as at 31 October 2017

Investment objective

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

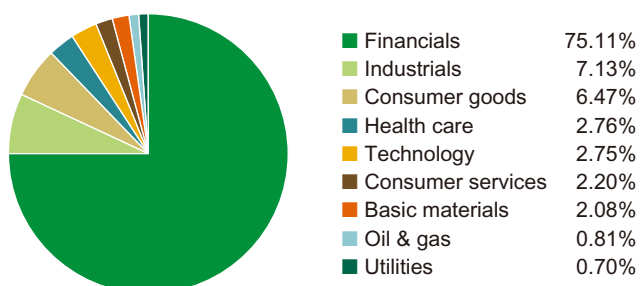
Product features

- The world's first-ever value-based RQFII A-share ETF¹
- Physical ETF — invest directly in China A shares through RQFII quotas
- Proprietary stock screening process — on the basis of valuation, quality and contrarian screenings
- Dual counter trading — provide more flexibility
- Active rebalancing twice a year — seize opportunities in a timely manner

Product key facts

Stock code	3095 (HKD counter)	83095 (RMB counter)
Launch date	20 March 2015	
Listing date	24 March 2015	
Underlying index	FTSE Value-Stocks China A-Share Index	
Exchange listing	Stock Exchange of Hong Kong – Main Board	
Base currency	RMB	
Trading currency	HKD	RMB
Trading lot size	500 units	
Application unit size (only by or through Participating Dealers)	Minimum 500,000 Units (or multiples thereof)	
Management fee	0.10% p.a.	
Ongoing charges ⁷	Estimated to be 0.97% p.a. ⁸	
Dividend policy	Targeted to pay semi-annually ^{Important note VII}	
Investment strategy	Full replication strategy	
Manager and RQFII holder	Value Partners Hong Kong Limited	
Investment adviser	Sensible Asset Management Hong Kong Limited	
Trustee and registrar	HSBC Institutional Trust Services (Asia) Limited	
Custodian	The Hongkong and Shanghai Banking Corporation Limited	
PRC custodian	HSBC Bank (China) Company Limited	

Sector allocation of the Index⁹



Constituents of the Index⁹

	Constituents (A shares)	Industry	Weightings
1	China Merchants Bank	Banks	9.70%
2	Industrial Bank	Banks	8.06%
3	China Minsheng Banking	Banks	6.22%
4	Shanghai Pudong Development Bank	Banks	5.97%
5	Citic Securities	Financial Services	4.76%
6	Agricultural Bank of China	Banks	4.54%
7	Bank of Communications	Banks	4.26%
8	Bank of Beijing	Banks	3.25%
9	Haitong Securities	Financial Services	2.98%
10	Bank of China	Banks	2.92%
11	Ping An Bank	Banks	2.70%
12	Guotai Junan Securities	Financial Services	2.41%
13	SAIC Motor	Automobiles & Parts	2.40%
14	China Construction Bank	Banks	2.11%
15	Huatai Securities	Financial Services	1.99%
16	China Everbright Bank	Banks	1.90%
17	Focus Media Information Technology	Technology Hardware & Equipment	1.90%
18	GF Securities	Financial Services	1.61%
19	Daqin Railway	Industrial Transportation	1.58%
20	Hua Xia Bank	Banks	1.48%
21	Anhui Conch Cement	Construction & Materials	1.45%
22	China Shenhua Energy	Mining	1.39%
23	China Merchants Securities	Financial Services	1.28%
24	Bank Of Nanjing	Banks	1.22%
25	Shanghai Fosun Pharmaceutical Group	Pharmaceuticals & Biotechnology	1.16%
26	Industrial Securities	Financial Services	1.15%
27	Fuyao Glass Group Industries	Automobiles & Parts	1.13%
28	Shenwan Hongyuan Group	Financial Services	1.10%
29	Shandong Dong-E E-Jiao	Pharmaceuticals & Biotechnology	1.07%
30	Weichai Power	Industrial Engineering	1.07%
31	Zhengzhou Yutong Bus	Automobiles & Parts	1.03%
32	Tbea	Electronic & Electrical Equipment	0.98%
33	Huayu Automotive Systems	Automobiles & Parts	0.98%
34	Chongqing Changan Automobile	Automobiles & Parts	0.93%
35	Jiangsu Zhongtian Technologies	Technology Hardware & Equipment	0.85%
36	Everbright Securities	Financial Services	0.84%
37	AVIC Investment Holdings	Financial Services	0.83%
38	Shenzhen Overseas Chinese Town Holdings	Travel & Leisure	0.81%
39	Xinjiang Goldwind Science & Technology	Alternative Energy	0.81%
40	Oriental Pearl Media	Media	0.76%
41	Metallurgical Corp of China	Construction & Materials	0.73%
42	Sichuan Chuantou Energy	Electricity	0.70%
43	Anxin Trust	Financial Services	0.70%
44	Lomon Billions	Chemicals	0.69%
45	Shanghai International Port	Industrial Transportation	0.68%
46	Aisino Corporation	Electronic & Electrical Equipment	0.64%
47	Hainan Airlines Holding	Travel & Leisure	0.63%
48	China Citic Bank	Banks	0.58%
49	Guosen Securities	Financial Services	0.57%
50	Humanwell Healthcare Group	Pharmaceuticals & Biotechnology	0.53%
			100.00%

Awards and recognition



ETF and Indexing Awards 2016

- Best ETF Launch
- Best Commodity ETF
- Best Smart Beta ETF

~ ETFI Asia



Fund of the Year Awards 2014

**Outstanding Achiever:
Investor Education – ETF**

~ Benchmark



The Asset Triple A Investment Awards 2012

**Highly Commended ETF House
for Hong Kong**

~ The Asset

Value ETF



1. Source: Bloomberg, as of 30 September 2017. RQFII ETF stands for RMB Qualified Foreign Institutional Investor (RQFII) A-share exchange traded fund (ETF).
2. Since its inception in 1993, Value Partners has won over 150 performance awards and prizes.
3. Data as of end of 30 September 2017, including funds that are specialized in A shares and other A-share investments in funds of Value Partners (include direct A-share investments and indirect exposure through other instruments, e.g. China A share Access Products).
4. The Fund seeks to provide investment results (before fees and expenses) that closely correspond to the performance of the Index. Dividend yield is one of the stock screening criteria for the Index constituents, the Manager/ Investment adviser may base on other criteria for stock screening. Investors should not interpret it to mean or imply that the Fund aims to invest in high-dividend securities, or guarantee any payout.
5. Source: Value Partners, data from 31 May 2005 to 30 September 2017. Total return performance, i.e. the performance of the Index is calculated on the basis that dividends are reinvested.
6. FTSE Value-Stocks China A-Share Index generated excess returns over FTSE China A50 Index: 2005 (since base date): +4.43%; 2006: +3.98%; 2007: +59.79%; 2008: +3.14%; 2009: +31.99%; 2010: +4.05%; 2011: -0.90%; 2012: -2.88%; 2013: +3.61%; 2014: -5.41%; 2015: +6.29%; 2016: -2.76%; 2017 (as of 30 September): -5.80%.
7. The ongoing charges figure is expressed as a percentage of the sum of expenses over the average net asset value of the Sub Fund for the corresponding period as described below. This figure may vary from year to year.
8. As the management fee for the Sub-Fund will be reduced from 0.70% to 0.10% with effect from 1 May 2017, this is a best estimate of the Sub-Fund's ongoing charges figure for the period from 1 April 2017 to 31 March 2018, based on the actual ongoing expenses reported in the interim financial statements of the Sub-Fund for the period ended 30 September 2016 and taking into account the management fee up to 30 April 2017 and the reduced management fee effective 1 May 2017. The actual figure may be different from the estimate. As a point of reference, the actual annualised ongoing charges figure of the Sub-Fund based on the expenses for the interim period ended 30 September 2016 was 1.52%.
9. Source: FTSE. Data as of 30 September 2017. Classification is based on Industry Classification Benchmark (ICB).

The units of the Fund is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), the London Stock Exchange Plc (the "Exchange"), The Financial Times Limited ("FT") or Value Partners Index Services Limited ("VPISL") and neither FTSE nor the Exchange nor the FT nor VPISL make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Index and/or the figure at which the Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE and designed by VPISL. However, neither FTSE nor Exchange nor FT nor VPISL shall be liable (whether in negligence or otherwise) to any person for any error in the Index and neither FTSE nor the Exchange nor the FT nor VPISL shall be under any obligation to advise any person of any error therein.

Investors should note investment involves risk and past performance is not indicative of future results. The price of units may go down as well as up. Investors should refer to 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. Fund prospectus can be obtained at www.valueetf.com.hk. Investors should also note that the Fund is different from typical retail investment funds, in particular, units in the Funds may only be created and redeemed directly by a participating dealer in large unit sizes. This document has not been reviewed by the SFC. Issuer: Sensible Asset Management Hong Kong Limited.



Please contact your stockbroker
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