



CIES Eligible <sup>1</sup>

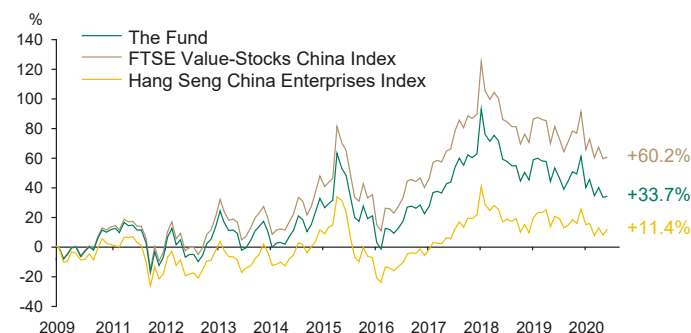
June 2020

- Value China ETF (the “Fund”) is an index-tracking fund listed on the Stock Exchange of Hong Kong Limited (“SEHK”) which aims to provide investment results that closely correspond to the performance of the FTSE Value-Stocks China Index (“Index”).
- The Fund invests in emerging market and is 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.
- 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.
- There is no assurance that the 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.
- 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 Sub-Manager 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 material alone. Please read the prospectus for details and risk factors.

### Investment objective

To track the performance of the FTSE Value-Stocks China Index, an index of 25 quality value stocks amongst liquid and tradable Chinese companies’ shares listed in Hong Kong including H-shares, Red chips and P chip (defined as Hong Kong Exchange listed companies which derive 50% or more of their sales revenue or operating assets from mainland China).

### Performance since launch



### Fund performance update

	The Fund	FTSE Value-Stocks China Index	Hang Seng China Enterprises Index
One month	+0.6%	+0.8%	+3.4%
Three months	-0.3%	+0.1%	+3.8%
Year-to-date	-16.9%	-16.1%	-10.9%
One year	-12.5%	-11.4%	-7.3%
Three years	-6.7%	-3.4%	+5.9%
Five years	-9.5%	-2.7%	-9.5%
Since launch	+33.7%	+60.2%	+11.4%
Since launch (Annualized return)	+2.8%	+4.6%	+1.0%

### Annual return since launch

	The Fund	FTSE Value-Stocks China Index	Hang Seng China Enterprises Index
2009 (Since launch)	-0.4%	-0.3%	-0.6%
2010	+11.7%	+13.5%	+1.7%
2011	-16.7%	-15.2%	-19.7%
2012	+22.5%	+25.8%	+19.8%
2013	-3.4%	-1.4%	-1.5%
2014	+20.7%	+23.8%	+15.5%
2015	-9.1%	-8.5%	-16.9%
2016	+1.3%	+3.7%	+1.5%
2017	+33.2%	+35.4%	+29.6%
2018	-10.8%	-10.1%	-9.9%
2019	+10.9%	+12.2%	+14.5%
2020 (YTD)	-16.9%	-16.1%	-10.9%

### Fund information

<b>Fund price (NAV)</b>	HK\$32.51
<b>Fund size</b>	HK\$104.0 million
<b>Underlying index</b>	FTSE Value-Stocks China Index
<b>Inception date</b>	10 December 2009
<b>Manager</b>	Sensible Asset Management Hong Kong Limited
<b>Sub-Manager</b>	Value Partners Hong Kong Limited
<b>Trustee and registrar</b>	HSBC Institutional Trust Services (Asia) Limited
<b>Auditor</b>	Ernst & Young
<b>Participating dealers</b>	<ul style="list-style-type: none"> <li>– BNP Paribas Securities Services</li> <li>– BOCI Securities Ltd.</li> <li>– Chief Securities Limited</li> <li>– Credit Suisse Securities (Hong Kong) Limited</li> <li>– Daiwa Capital Markets Hong Kong Limited</li> <li>– Goldman Sachs (Asia) Securities Limited</li> <li>– Haitong International Securities Company Limited</li> <li>– KGI Asia Limited</li> <li>– Macquarie Bank Limited</li> <li>– Merrill Lynch Far East Limited</li> <li>– Nomura International (Hong Kong) Limited</li> <li>– Philip Securities (Hong Kong) Limited</li> <li>– SG Securities (HK) Limited</li> <li>– Sinopac Securities (Asia) Limited</li> </ul>
<b>Market makers</b>	<ul style="list-style-type: none"> <li>– BNP Paribas Securities (Asia) Ltd.</li> <li>– BOCI Securities Ltd.</li> <li>– Merrill Lynch Far East Limited</li> <li>– SG Securities (HK) Limited</li> </ul>
<b>Exchange listing</b>	The Stock Exchange of Hong Kong Limited – Main Board
<b>Trading board lot size</b>	100 units
<b>Bloomberg Index ticker</b>	TGPVP002 <Index>
<b>Bloomberg ETF ticker</b>	3046 HK <Equity>
<b>Dividend policy <sup>2</sup></b>	Aim at semi-annual distribution, subject to the Manager’s discretion
<b>Base currency</b>	HK Dollar
<b>Application unit size (only by or through Participating Dealers)</b>	Minimum 200,000 units (or multiples thereof)
<b>Management fee <sup>3</sup></b>	0.10% per annum
<b>Investment strategy</b>	Full replication strategy

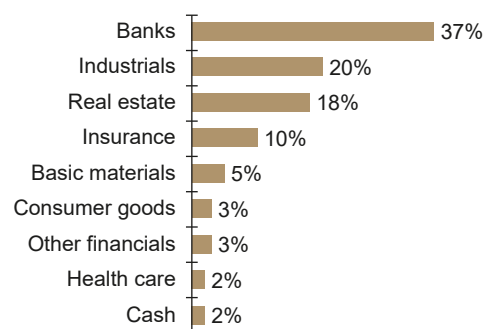


Portfolio composition		
Name	Sector	%
Industrial & Commercial Bank of China Ltd.	Banks	13.7
Agricultural Bank of China Ltd.	Banks	13.0
Country Garden Holdings Co. Ltd.	Real estate investment & services	9.5
China Pacific Insurance (Group) Co. Ltd.	Life insurance	7.2
China Vanke Co. Ltd.	Real estate investment & services	6.3
Postal Savings Bank of China Co. Ltd.	Banks	5.6
CITIC Ltd.	General industrials	4.8
Bank of Communications Co. Ltd.	Banks	4.7
China National Building Material Co. Ltd.	Construction & materials	4.3
New China Life Insurance Co. Ltd.	Life insurance	3.1
Fosun International Ltd.	General industrials	3.0
Brilliance China Automotive Holdings Ltd.	Automobiles & parts	2.6
Kingboard Holdings Ltd.	Chemicals	2.0
Beijing Enterprises Holdings Ltd.	General industrials	1.8
Sinotruk (Hong Kong) Ltd.	Industrial engineering	1.8
GF Securities Co. Ltd.	Financial services	1.7
China Merchants Port Holdings Co. Ltd.	Industrial transportation	1.6
China Medical System Holdings Ltd.	Pharmaceuticals & biotechnology	1.5
Nine Dragons Paper (Holdings) Ltd.	Forestry & paper	1.5
Shenzhen International Holdings Ltd.	Industrial transportation	1.5
Yanzhou Coal Mining Co. Ltd.	Mining	1.5
China Everbright Ltd.	Financial services	1.3
China Lesso Group Holdings Ltd.	Industrial engineering	1.3
Yuexiu Property Co. Ltd.	Real estate investment & services	1.2
Shenzhen Investment Ltd.	Real estate investment & services	1.1

Distribution record			
Ex-dividend date	Payable date	Dividend (HK\$ per unit)	Yield (%) <sup>4</sup>
3-12-2010	28-12-2010	1.33	3.3
2-12-2011	28-12-2011	1.13	3.4
4-12-2012	28-12-2012	1.45	4.2
4-12-2013	27-12-2013	1.41	3.8
4-12-2014	29-12-2014	2.17	5.6
4-12-2015	29-12-2015	1.59	4.6
6-12-2016	29-12-2016	1.38	3.9
6-12-2017	29-12-2017	1.48	3.5
5-12-2018	28-12-2018	2.01	5.2
5-12-2019	13-12-2019	1.99	5.5

Portfolio characteristic	
<b>As at 30-6-2020 <sup>5</sup></b>	
Price/earnings ratio	5.2 times
Price/book ratio	0.6 times
Portfolio yield	5.9%

### Sector exposure <sup>6</sup>



### Award - Value China ETF

2016 HKCAMA – Bloomberg Offshore

China Fund Awards<sup>7</sup>

Best Tracking Error (ETF) – First Runner-up

~ HKCAMA and Bloomberg



Source: HSBC Institutional Trust Services (Asia) Limited, FTSE and Bloomberg, data as at the last valuation date of the month as stated above, unless stated otherwise. NAV to NAV in base currency with dividend reinvested and net of fees. All indices are for reference only.

1. Value China ETF is one of the eligible collective investment schemes for the purpose of the Hong Kong Capital Investment Entrant Scheme (CIES). The CIES was suspended by the Hong Kong Government with effect from 15 January 2015 until further notice. 2. There is no guarantee that such dividends will be made nor will there be a target level of dividend payout. 3. The management fee was reduced from 0.7% to 0.1% per annum since 1 May 2017. 4. 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 HKD unless otherwise stated. 5. The profile is based on market consensus forecast as derived from FactSet and Bloomberg. Harmonic mean methodology is applied to calculate the forecast P/E ratio and P/B ratio. Portfolio yield is the weighted average of the total dividend yield of all securities in the portfolio. 6. Classification is based on Industry Classification Benchmark (ICB). Due to rounding, percentages shown may not add up to 100%. 7. The award recognizes ETFs issued by The Chinese Asset Managers Association of Hong Kong (HKCAMA) members and rank them based on one-year NAV tracking error with weekly periodicity from 1 October 2015 to 30 September 2016.

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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