



Morningstar Rating™¹
As at 30-06-2017

- Value Japan 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 Japan Index (“Index”).
- The Fund is subject to concentration risk as a result of investing only in a single geographical region. Adverse developments in such regions may affect the value of the underlying securities in which the Fund invests.
- 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 | | | Fund information | |
|--|--|--|---|--|
| To track the performance (before fees and expenses) of the FTSE Value-Stocks Japan Index, an index of 35 value stocks amongst the companies listed on Tokyo Stock Exchange or Osaka Securities Exchange. | | | Fund price (NAV) | HK\$13.8119 |
| | | | Fund size | HK\$58.0 million |
| | | | Underlying index | FTSE Value-Stocks Japan Index |
| | | | Inception date | 22 May 2012 |
| | | | Manager | Sensible Asset Management Hong Kong Limited |
| | | | Sub-Manager | Value Partners Hong Kong Limited |
| | | | Trustee and registrar | HSBC Institutional Trust Services (Asia) Limited |
| | | | Auditor | Ernst & Young |
| | | | Participating dealers | – ABN AMRO Clearing Hong Kong Limited – Chief Securities Limited – Credit Suisse Securities (Hong Kong) Limited – Goldman Sachs (Asia) Securities Limited – Macquarie Bank Limited – Nomura International (Hong Kong) Limited – The Hong Kong and Shanghai Banking Corporation Limited |
| | | | Market makers | – Commerz Securities Hong Kong Ltd – HSBC Securities Brokers (Asia) Limited |
| | | | Exchange listing | The Stock Exchange of Hong Kong Limited – Main Board |
| | | | Trading board lot size | 300 units |
| | | | Bloomberg Index ticker | GPVPJPTR <Index> |
| | | | Bloomberg ETF ticker | 3084 HK <Equity> |
| | | | Dividend policy ³ | Aim at semi-annual distribution, subject to the Manager’s discretion |
| | | | Base currency | Japanese Yen |
| | | | Trading currency | HK dollar |
| | | | Application unit size (only by or through Participating Dealers) | Minimum 350,000 units (or multiples thereof) |
| | | | Management fee | 0.70% per annum |
| | | | Investment strategy | Full replication strategy |

| Fund performance update ² | | |
|--------------------------------------|----------|-------------------------------|
| | The Fund | FTSE Value-Stocks Japan Index |
| One month | +4.1% | +4.3% |
| Three months | +4.7% | +5.2% |
| Year-to-date | +7.0% | +8.5% |
| One year | +33.1% | +37.3% |
| Since launch (cumulative) | +34.9% | +53.7% |

| Annual return since launch ² | | |
|---|----------|-------------------------------|
| | The Fund | FTSE Value-Stocks Japan Index |
| 2012 (Since launch) | +3.1% | +5.2% |
| 2013 | +18.0% | +20.7% |
| 2014 | -3.5% | -1.4% |
| 2015 | +3.0% | +5.5% |
| 2016 | +4.3% | +7.3% |
| 2017 (YTD) | +7.0% | +8.5% |



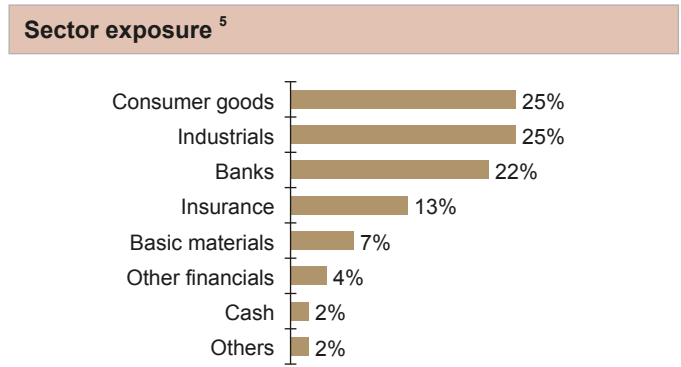
30 June 2017

| Portfolio composition | | |
|--------------------------------------|-----------------------------------|-----|
| Name | Sector | % |
| Bridgestone Corp. | Automobiles & parts | 5.6 |
| Hitachi Ltd. | Electronic & electrical equipment | 5.1 |
| Mitsubishi UFJ Financial Group Inc. | Banks | 4.9 |
| Sumitomo Mitsui Financial Group Inc. | Banks | 4.9 |
| Mitsui & Co. Ltd. | Support services | 4.8 |
| Mizuho Financial Group Inc. | Banks | 4.7 |
| Honda Motor Co. Ltd. | Automobiles & parts | 4.4 |
| ITOCHU Corp. | Support services | 4.4 |
| Dai-ichi Life Holdings Inc. | Life insurance | 4.3 |
| ORIX Corp. | Financial services | 4.2 |
| Nissan Motor Co. Ltd. | Automobiles & parts | 4.1 |
| Toyota Motor Corp. | Automobiles & parts | 4.0 |
| Subaru Corp. | Automobiles & parts | 3.8 |
| MS&AD Insurance Group Holdings Inc. | Nonlife insurance | 3.5 |
| Sumitomo Corp. | Support services | 3.1 |
| Sompo Holdings Inc. | Nonlife insurance | 3.0 |
| Sumitomo Mitsui Trust Holdings Inc. | Banks | 2.8 |
| Resona Holdings Inc. | Banks | 2.5 |
| Mitsubishi Chemical Holdings Corp. | Chemicals | 2.3 |
| T&D Holdings Inc. | Life insurance | 2.0 |
| Taisei Corp. | Construction & materials | 2.0 |
| Sumitomo Chemical Co. Ltd. | Chemicals | 1.8 |
| Mazda Motor Corp. | Automobiles & parts | 1.7 |
| Obayashi Corp. | Construction & materials | 1.7 |
| Kajima Corp. | Construction & materials | 1.6 |
| Yamaha Motor Co. Ltd. | Automobiles & parts | 1.5 |
| Isuzu Motors Ltd. | Industrial engineering | 1.4 |
| Shimizu Corp. | Construction & materials | 1.3 |
| Tosoh Corp. | Chemicals | 1.2 |
| Chiba Bank Ltd | Banks | 1.0 |
| Mitsui Chemicals Inc. | Chemicals | 1.0 |

(Continued from left column)

| Name | Sector | % |
|-------------------------------------|-------------------|-----|
| Aozora Bank Ltd. | Banks | 0.9 |
| Electric Power Development Co. Ltd. | Electricity | 0.9 |
| Teijin Ltd. | Chemicals | 0.7 |
| Yamada Denki Co. Ltd. | General retailers | 0.7 |

| Portfolio characteristic | |
|--------------------------|-------------------|
| As at 30-6-2017 | 2017 ⁴ |
| Price/earnings ratio | 9.5 times |
| Price/book ratio | 0.9 times |
| Dividend yield | 3.1% |



| Recent distribution | | | |
|---------------------|--------------|--------------------------|------------------------|
| Ex-dividend date | Payable date | Dividend (HK\$ per unit) | Yield (%) ⁶ |
| 4-12-2012 | 28-12-2012 | 0.14 | 1.3 |
| 22-7-2014 | 13-8-2014 | 0.39 | 3.0 |

Awards

Value Partners
Fund of the Year Awards 2015⁷
Japan Equity (ETF), Best-in-class
~ Benchmark Magazine

Value Japan ETF
Top Fund Awards 2014 Hong Kong
Japan Large-Cap Equity - Best in Class (ETF)
~ Bloomberg Businessweek, Chinese edition

Fund information as of 30 June 2017. Source: HSBC Institutional Trust Services (Asia) Limited, Bloomberg and FTSE.

1. ©2017 Morningstar, Inc. All Rights Reserved. 2. Fund performance, in HKD, NAV to NAV, with dividends reinvested and performance data is net of all fees. Starting 1 December 2014, all performance data reported is calculated based on fund's trading currency, which is in HK dollars. In prior issues of this factsheet, performance data is calculated based on fund's base currency (i.e. Japanese Yen). 3. There is no guarantee that such dividends will be made nor will there be a target level of dividend payout. 4. 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 and P/B ratio. Note that the manager's internal estimates may differ significantly from S&P Capital IQ and Bloomberg estimates. 5. Classification is based on Industry Classification Benchmark (ICB). Due to rounding, percentages shown may not add up to 100%. 6. 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. 7. Reflecting performance as at September 2015.

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 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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