



VALUE JAPAN ETF (Stock code: 3084)
A Sub-fund of Value ETFs Trust

2016 SEMI-ANNUAL REPORT

For the six months ended 30 September 2016

Sensible Asset Management 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

Website: 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.

CONTENTS

	<i>Pages</i>
General information	2-3
Manager's report	4
Statement of financial position (unaudited)	5
Investment portfolio (unaudited)	6-7
Statement of movements in portfolio holdings (unaudited)	8

VALUE JAPAN ETF

A Sub-fund of Value ETFs Trust
(A Hong Kong Umbrella Unit Trust)

GENERAL INFORMATION

Investment Manager

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

Sub-investment Manager

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

Directors of the Investment Manager

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

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:

Sensible Asset Management 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
Website : www.valueETF.com.hk

GENERAL INFORMATION (Continued)

Recent awards and achievements

Corporate awards (ETF)	
2016	<ul style="list-style-type: none">• Value Partners ETF and Indexing Awards 2016 – Best ETF Launch <i>– Asia Asset Management & ETFI Asia</i>• Value Partners ETF and Indexing Awards 2016 – Best Commodity ETF <i>– Asia Asset Management & ETFI Asia</i>• Value Partners ETF and Indexing Awards 2016 – Best Smart Beta ETF <i>– Asia Asset Management & ETFI Asia</i>
Value Japan ETF	
2015	<ul style="list-style-type: none">• Fund of the Year Awards 2015 Best in class – Japan Equity (ETF) <i>– Benchmark Magazine</i>
2014	<ul style="list-style-type: none">• Top Fund Awards 2014 (Hong Kong) Japan Large-Cap Equity – Best in Class (ETF) <i>– Bloomberg Businessweek, Chinese edition</i>

VALUE JAPAN ETF

A Sub-fund of Value ETFs Trust
(A Hong Kong Umbrella Unit Trust)

MANAGER'S REPORT

Value Japan 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 Japan Index ("the Index") by holding a portfolio of the constituent stocks of the Index. The Index comprises 35 value stocks amongst Japanese companies' shares listed on The Tokyo Stock Exchange and The Osaka Securities Exchange.

As at 30 September 2016, the Net Asset Value ("NAV") per unit of the Fund was JPY154.43, and 4,900,000 units were outstanding. The total size of the Fund was approximately JPY757 million.

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

Total Return in JPY	From 1 April 2016 to 30 September 2016	2016 YTD (as at 30 September)	Since inception
FTSE Value-Stocks Japan Index	-2.2%	-18.0%	64.6%
Value Japan ETF	-3.5%	-19.7%	47.6%

The difference in performance between the FTSE Value-Stocks Japan Index and the Value Japan 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 Japan Index was at 48 basis points on an annualized basis since its inception on 22 May 2012.

Sensible Asset Management Hong Kong Limited

25 November 2016

All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in JPY, 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

	30.9.2016	31.3.2016
	<i>JPY</i>	<i>JPY</i>
Assets		
Financial assets at fair value through profit or loss	738,612,656	772,404,121
Dividends receivable	9,176,878	10,135,286
Prepayments and other receivables	1,598,197	269,069
Cash and cash equivalents	<u>11,276,947</u>	<u>4,062,206</u>
Total assets	<u>760,664,678</u>	<u>786,870,682</u>
Liabilities		
Audit fees payable	2,358,952	2,039,368
Management fees payable	1,318,852	470,908
Trustee and registrar fees payable	63,373	129,329
Other payables	<u>199,596</u>	<u>356,740</u>
Total liabilities	<u>3,940,773</u>	<u>2,996,345</u>
Total equity	<u>756,723,905</u>	<u>783,874,337</u>
Represented by:		
Net assets attributable to unitholders	<u>756,723,905</u>	<u>783,874,337</u>
Net asset value per unit based on 4,900,000 (31.3.2016: 4,900,000) units outstanding	<u>154.4335</u>	<u>159.9744</u>

VALUE JAPAN ETF

A Sub-fund of Value ETFs Trust
(A Hong Kong Umbrella Unit Trust)

INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2016

	Holdings	Fair value JPY	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed Equity Securities			
<i>Japan</i>			
Aozora Bank Ltd	20,006	6,942,082	0.92
Bridgestone Corp	10,136	37,564,016	4.97
Chubu Electric Power Co Inc	12,166	17,835,356	2.36
Dai-ichi Life Insurance Company Ltd	19,376	26,574,184	3.51
Daiwa Securities Group Inc	29,022	16,380,017	2.17
Fuji Heavy Industries Ltd	9,478	35,589,890	4.70
Fujitsu Ltd	30,534	16,488,360	2.18
Honda Motor Co Ltd	12,852	37,110,150	4.90
Isuzu Motors Ltd	9,324	10,997,658	1.45
Itochu Corp	24,668	31,131,016	4.11
Mazda Motor Corp	9,730	14,901,495	1.97
Mitsubishi Chemical Holdings Corp	22,610	14,203,602	1.88
Mitsubishi UFJ Financial Group Inc	73,402	37,075,350	4.90
Mitsui Chemicals Inc	15,610	7,445,970	0.98
Mizuho Financial Group Inc	224,182	37,797,085	5.00
MS&AD Insurance Group Holdings Inc	8,848	24,681,496	3.26
NEC Corp	44,674	11,570,566	1.53
Nissan Motor Co Ltd	27,762	27,281,717	3.61
Nomura Holdings Inc	58,576	26,130,754	3.45
NSK Ltd	7,980	8,187,480	1.08
OJI Holdings Corp	15,078	6,001,044	0.79
Orix Corp	22,484	33,220,110	4.39
Resona Holdings Inc	37,450	15,815,135	2.09

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 SEPTEMBER 2016

	Holdings	Fair value JPY	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed Equity Securities (Continued)			
<i>Japan (Continued)</i>			
Sekisui Chemical Co Ltd	6,356	9,184,420	1.21
The Shizuoka Bank Ltd	9,226	7,417,704	0.98
Sompo Japan Nipponkoa Holdings Inc	6,440	19,097,820	2.52
Sumitomo Chemical Co Ltd	26,068	11,600,260	1.53
Sumitomo Corp	19,306	21,680,638	2.87
Sumitomo Mitsui Financial Group Inc	11,466	38,755,080	5.13
Sumitomo Mitsui Trust Holdings Inc	6,490	21,222,300	2.80
T&D Holdings Inc	10,794	12,191,823	1.61
Tokio Marine Holdings Inc	9,786	37,519,524	4.96
Toyota Industries Corp	2,800	13,020,000	1.72
Toyota Motor Corp	6,286	36,326,794	4.80
Yamaha Motor Co Ltd	4,788	<u>9,671,760</u>	<u>1.28</u>
Total financial assets at fair value through profit or loss		738,612,656	97.61
Cash and cash equivalents		11,276,947	1.49
Other net assets		<u>6,834,302</u>	<u>0.90</u>
Total net assets		<u><u>756,723,905</u></u>	<u><u>100.00</u></u>
Total investments, at cost		<u><u>849,905,183</u></u>	

VALUE JAPAN ETF

A Sub-fund of Value ETFs Trust
(A Hong Kong Umbrella Unit Trust)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

AS AT 30 SEPTEMBER 2016

	% of net assets	
	30.9.2016	31.3.2016
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Listed equity securities		
Japan	<u>97.61</u>	<u>98.53</u>
Total financial assets at fair value through profit or loss	97.61	98.53
Cash and cash equivalents	1.49	0.52
Other net assets	<u>0.90</u>	<u>0.95</u>
Total net assets	<u><u>100.00</u></u>	<u><u>100.00</u></u>