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Morningstar Rating™¹
As at 31-12-2016

- Value Korea 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 Korea 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 (before fees and expenses) of the FTSE Value-Stocks Korea Index, an index of 35 value stocks amongst the companies listed on Korea Stock Exchange.

Fund performance update ²

| | The Fund | FTSE Value-Stocks Korea Index |
|---------------------------|----------|-------------------------------|
| One month | +3.0% | +3.6% |
| Three months | -4.6% | -3.6% |
| Year-to-date | -1.1% | +2.6% |
| One year | -1.1% | +2.6% |
| Since launch (cumulative) | +10.3% | +29.3% |

Annual return since launch ²

| | The Fund | FTSE Value-Stocks Korea Index |
|---------------------|----------|-------------------------------|
| 2012 (Since launch) | +19.5% | +22.5% |
| 2013 | +11.0% | +15.4% |
| 2014 | -10.5% | -6.6% |
| 2015 | -6.1% | -4.5% |
| 2016 | -1.1% | +2.6% |

Fund information

| | |
|---|--|
| Fund price (NAV) | HK\$27.1151 |
| Fund size | HK\$52.9 million |
| Underlying index | FTSE Value-Stocks Korea Index |
| Inception date | 23 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 | <ul style="list-style-type: none"> – 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 | <ul style="list-style-type: none"> – 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 | 100 units |
| Bloomberg Index ticker | GPVP07TR <Index> |
| Bloomberg ETF ticker | 3041 HK <Equity> |
| Dividend policy ³ | Aim at semi-annual distribution, subject to the Manager's discretion |
| Base currency | South Korean Won |
| Trading currency | HK dollar |
| Application unit size (only by or through Participating Dealers) | Minimum 150,000 units (or multiples thereof) |
| Management fee | 0.70% per annum |
| Investment strategy | Full replication strategy |

Portfolio characteristic

| As at 29-12-2016 | 2017 ⁴ |
|----------------------|-------------------|
| Price/earnings ratio | 8.3 times |
| Price/book ratio | 0.8 times |
| Dividend yield | 2.2% |

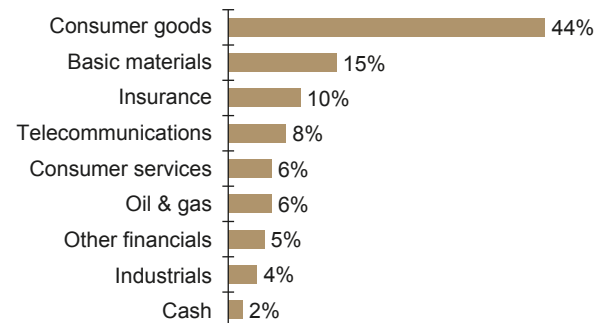


29 December 2016

| Portfolio composition | | |
|---|-----------------------------------|------|
| Name | Sector | % |
| Samsung Electronics Co. Ltd. | Leisure goods | 10.4 |
| Hyundai Motor Co. | Automobiles & parts | 9.7 |
| Samsung Life Insurance Co. Ltd. | Life insurance | 8.6 |
| Kia Motors Corp. | Automobiles & parts | 8.2 |
| LG Electronics Inc. | Leisure goods | 5.8 |
| Lotte Chemical Corp. | Chemicals | 5.5 |
| SK Telecom Co. Ltd. | Mobile telecommunications | 5.3 |
| Hankook Tire Co. Ltd. | Automobiles & parts | 4.5 |
| Hyundai Steel Co. | Industrial metals & mining | 4.4 |
| E-MART Inc. | General retailers | 4.0 |
| S-Oil Corp. | Oil & gas producers | 3.7 |
| GS Holdings Corp. | Oil & gas producers | 2.9 |
| Daewoo Securities Co. Ltd. | Financial services | 2.8 |
| LG Telecom Ltd. | Mobile telecommunications | 2.5 |
| Daelim Industrial Co. | Construction & materials | 2.4 |
| Hanwha Chemical Corp. | Chemicals | 2.1 |
| Kolon Industries Inc. | Chemicals | 1.3 |
| Shinsegae Co. Ltd. | General retailers | 1.3 |
| Hyundai Wia Corp. | Automobiles & parts | 1.2 |
| Korean Reinsurance Co. | Nonlife insurance | 1.1 |
| Meritz Securities Co. Ltd. | Financial services | 1.1 |
| Nong Shim Co. Ltd. | Food producers | 1.1 |
| Youngone Corp. | Personal goods | 1.0 |
| Meritz Fire & Marine Insurance Co. Ltd. | Financial services | 0.9 |
| Korea Petrochemical Ind Co. Ltd. | Chemicals | 0.8 |
| SKC Co. Ltd. | Chemicals | 0.7 |
| Korea Electric Terminal Co. Ltd. | Electronic & electrical equipment | 0.6 |
| LG Hausys Ltd. | Construction & materials | 0.6 |

| (Continued from left column) | | |
|---|-----------------------------------|-----|
| Name | Sector | % |
| LS Industrial Systems Co. Ltd. | Electronic & electrical equipment | 0.6 |
| Dongwon Industries Co. Ltd. | Food producers | 0.5 |
| Halla Holdings Corp. | Automobiles & parts | 0.5 |
| Korea Real Estate Investment & Trust Co. Ltd. | Real estate investment trusts | 0.5 |
| LOTTE Himart Co. Ltd. | General retailers | 0.5 |
| Nexen Tire Corp. | Automobiles & parts | 0.5 |
| LG Fashion Corp. | Personal goods | 0.4 |

Sector exposure ⁵



Awards

Value Partners
Best ETF Launch
Best Commodity ETF
Best Smart Beta ETF

~ Asia Asset Management, ETFI Asia



Fund information as of 29 December 2016. Source: HSBC Institutional Trust Services (Asia) Limited 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. South Korean Won). 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. 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%.

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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