



Morningstar Rating™¹
As at 30-09-2017

29 September 2017

- 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	-4.9%	-4.6%
Three months	-3.1%	-2.4%
Year-to-date	+17.5%	+20.6%
One year	+12.1%	+16.2%
Since launch (cumulative)	+29.7%	+56.0%

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%
2017 (YTD)	+17.5%	+20.6%

Fund information

Fund price (NAV)	HK\$31.8668
Fund size	HK\$43.0 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 29-9-2017	2017 ⁴
Price/earnings ratio	7.0 times
Price/book ratio	0.7 times
Dividend yield	2.5%

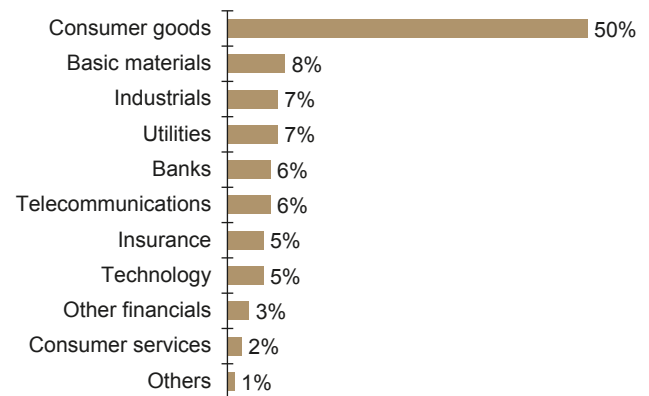


29 September 2017

Portfolio composition		
Name	Sector	%
Hyundai Motor Co.	Automobiles & parts	10.9
Hyundai Mobis Co. Ltd.	Automobiles & parts	10.5
Samsung Electronics Co. Ltd.	Leisure goods	10.3
Korea Electric Power Corp.	Electricity	6.8
Woori Bank	Banks	6.2
LG Electronics Inc.	Leisure goods	6.1
Kia Motors Corp.	Automobiles & parts	5.6
LG Corp.	General industrials	5.0
LG Display Co. Ltd.	Technology, hardware & equipment	4.7
SK Telecom Co. Ltd.	Mobile telecommunications	4.0
Lotte Chemical Corp.	Chemicals	3.8
Hankook Tire Co. Ltd.	Automobiles & parts	3.1
Hyundai Steel Co.	Industrial metals & mining	2.7
Hyundai Motor Co.	Automobiles & parts	2.6
Dongbu Insurance Co. Ltd.	Nonlife insurance	2.4
Hyundai Marine & Fire Insurance Co. Ltd.	Nonlife insurance	1.9
LG Uplus Corp.	Mobile telecommunications	1.8
Korea Investment Holdings Co. Ltd.	Financial services	1.6
Hyundai Development Co-Engineering & Construction	Construction & materials	1.4
Hyundai Department Store Co. Ltd.	General retailers	0.9
Meritz Fire & Marine Insurance Co. Ltd.	Financial services	0.9
Meritz Securities Co. Ltd.	Financial services	0.9
Shinsegae Inc.	General retailers	0.9
Korean Reinsurance Co.	Nonlife insurance	0.7
Youngone Corp.	Personal goods	0.7
Korea Petrochemical Ind Co. Ltd.	Chemicals	0.5
SKC Co. Ltd.	Chemicals	0.5
Korea Real Estate Investment & Trust Co. Ltd.	Real estate investment trusts	0.4

(Continued from left column)		
Name	Sector	%
LG Hausys Ltd.	Construction & materials	0.4
Halla Holdings Corp.	Automobiles & parts	0.3
Hanil Cement Co. Ltd.	Construction & materials	0.3
Hanwha General Insurance Co. Ltd.	Nonlife insurance	0.3
Huchems Fine Chemical Corp.	Chemicals	0.3
Hyundai Elevator Co. Ltd.	Industrial engineering	0.3
IS Dongseo Co. Ltd.	Construction & materials	0.3

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 September 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. 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 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%.

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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