

July 2018

- Value Taiwan 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 Taiwan 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 Taiwan Index, and index of 50 value stocks amongst the companies listed on Taiwan Stock Exchange Corporation or GreTai Securities Market.

## Fund performance update <sup>1</sup>

	The Fund	FTSE Value-Stocks Taiwan Index
One month	+3.9%	+5.0%
Three months	+3.4%	+5.4%
Year-to-date	+7.0%	+9.8%
One year	+9.4%	+13.9%
Since launch (Cumulative)	+63.5%	+107.8%

## Annual return since launch <sup>1</sup>

	The Fund	FTSE Value-Stocks Taiwan Index
2012 (Since launch)	+10.8%	+14.9%
2013	+8.2%	+12.4%
2014	+8.3%	+12.1%
2015	-17.6%	-14.8%
2016	+14.6%	+18.9%
2017	+24.7%	+29.2%
2018 (YTD)	+7.0%	+9.8%

## Portfolio characteristic

As at 31-7-2018	2018 <sup>2</sup>
Price/earnings ratio	12.4 times
Price/book ratio	1.4 times
Portfolio yield	4.6%

## Fund information

Fund price (NAV)	HK\$45.0325
Fund size	HK\$33.8 million
Underlying index	FTSE Value-Stocks Taiwan 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	– 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	100 units
Bloomberg Index ticker	GPVP05TR <Index>
Bloomberg ETF ticker	3060 HK <Equity>
Dividend policy <sup>3</sup>	Aim at semi-annual distribution, subject to the Manager's discretion
Base currency	New Taiwan dollar
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

## Awards - Value Taiwan ETF

Fund of the Year Awards 2015 <sup>4</sup>  
 Taiwan Equity (ETF), Best-in-class  
 ~ Benchmark Magazine



Top Fund Awards 2015 (Hong Kong) <sup>5</sup>  
 Taiwan Large-Cap Equity –  
 Outstanding Performer (ETF)  
 ~ Bloomberg Businessweek, Chinese edition

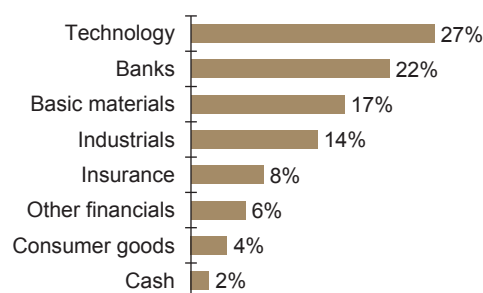


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Portfolio composition		
Name	Sector	%
Taiwan Semiconductor Manufacturing Co. Ltd.	Technology, hardware & equipment	10.1
Nan Ya Plastics Corp.	Chemicals	8.3
Formosa Chemicals & Fibre Corp.	Chemicals	7.2
Fubon Financial Holding Co. Ltd.	Life insurance	6.5
Mega Financial Holding Co. Ltd.	Banks	5.2
ASE Technology Holding Co. Ltd.	Technology, hardware & equipment	4.6
Delta Electronics Inc.	Electronic & electrical equipment	4.0
E.Sun Financial Holding Co. Ltd.	Banks	3.8
First Financial Holding Co. Ltd.	Banks	3.5
Yuanta Financial Holding Co. Ltd.	Financial services	2.8
China Development Financial Holding Corp.	Financial services	2.7
Taiwan Cement Corp.	Construction & materials	2.7
Hua Nan Financial Holdings Co. Ltd.	Banks	2.6
Taishin Financial Holding Co. Ltd.	Banks	2.5
SinoPac Financial Holdings Co. Ltd.	Banks	2.1
AU Optronics Corp.	Technology, hardware & equipment	2.0
Chang Hwa Commercial Bank Ltd.	Banks	1.9
Pou Chen Corp.	Personal goods	1.6
Foxconn Technology Co. Ltd.	Electronic & electrical equipment	1.5
Novatek Microelectronics Corp.	Technology, hardware & equipment	1.5
China Life Insurance Co Ltd	Life insurance	1.4
Micro-Star International Co. Ltd.	Technology, hardware & equipment	1.2
Powertech Technology Inc.	Technology, hardware & equipment	1.1
Walsin Lihwa Corp.	Electronic & electrical equipment	1.1
Realtek Semiconductor Corp.	Technology, hardware & equipment	1.0
Winbond Electronics Corp.	Technology, hardware & equipment	1.0
Accton Technology Corp.	Technology, hardware & equipment	0.9
Chicony Electronics Co. Ltd.	Technology, hardware & equipment	0.7
Chipbond Technology Corp.	Technology, hardware & equipment	0.7
General Interface Solution Holding Ltd.	Electronic & electrical equipment	0.7
Phison Electronics Corp.	Technology, hardware & equipment	0.7
Teco Electric and Machinery Co. Ltd.	Household goods & home construction	0.7
Tripod Technology Corp.	Electronic & electrical equipment	0.7
Compeq Manufacturing Co. Ltd.	Electronic & electrical equipment	0.6

(Continued from left column)		
Name	Sector	%
E Ink Holdings Inc.	Electronic & electrical equipment	0.6
Formosa Taffeta Co. Ltd.	Personal goods	0.6
LCY Chemical Corp.	Chemicals	0.6
Zhen Ding Technology Holding Ltd.	Electronic & electrical equipment	0.6
CTCI Corp.	Construction & materials	0.5
King Yuan Electronics Co. Ltd.	Technology, hardware & equipment	0.5
King's Town Bank Co. Ltd.	Banks	0.5
Lien Hwa Industrial Corp.	Food producers	0.5
Merry Electronics Co. Ltd.	Technology, hardware & equipment	0.5
Radiant Opto-Electronics Corp.	Electronic & electrical equipment	0.5
Simplo Technology Co. Ltd.	Electronic & electrical equipment	0.5
Feng Hsin Steel Co. Ltd.	Industrial metals & mining	0.4
Grand Pacific Petrochemical	Chemicals	0.4
Taiwan Secom Co. Ltd.	Support services	0.4
Tong Yang Industry Co. Ltd.	Automobiles & parts	0.4
Transcend Information Inc.	Technology, hardware & equipment	0.4

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



## Distribution record

Ex-dividend date	Payable date	Dividend (HK\$ per unit)	Yield (%) <sup>7</sup>
4-12-2012	28-12-2012	1.20	3.9
22-7-2014	13-8-2014	1.29	3.4

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. Performance is based in fund's trading currency, HKD, NAV to NAV, with dividend reinvested and net of fees.

1. Prior to December 2014, performance data is based on fund base currency (i.e. New Taiwan dollars). 2. 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. 3. There is no guarantee that such dividends will be made nor will there be a target level of dividend payout. 4. Reflecting performance as at September 2015. 5. Based on data provided by Morningstar Asia and Bloomberg Professional Services up to 30 Sep 2015. 6. Classification is based on Industry Classification Benchmark (ICB). Due to rounding, percentages shown may not add up to 100%. 7. 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.

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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