



VALUE GOLD ETF

Stock code: 03081 (HKD) | 83081 (RMB) | 09081 (USD)

2019 SEMI-ANNUAL REPORT

For the six months ended 30 September 2019

Sensible Asset Management Hong Kong Limited

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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 units 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.

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VALUE GOLD ETF

(A Hong Kong Unit Trust)

GENERAL INFORMATION

Investment Manager

Sensible Asset Management Hong Kong Limited
43rd Floor, The Center
99 Queen's Road Central
Hong Kong

Sub-investment Manager

Value Partners Hong Kong Limited
43rd Floor, The Center
99 Queen's Road Central
Hong Kong

Directors of the Investment Manager

Mr. So Chun Ki Louis
Dr. Au King Lun
Mr. Quah Kung Beng David
Mr. Cheung Kin Yan

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Custodian

HKIA Precious Metals Depository Limited
HKIA Tower
1 Sky Plaza Road
Hong Kong International Airport
Lantau
Hong Kong

Legal Advisor

Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

Auditor

Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

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GENERAL INFORMATION (Continued)

Key awards

| Corporate awards (ETF) | |
|-------------------------------|---|
| 2018 | <ul style="list-style-type: none">• Benchmark Fund of the Year Awards 2018, Hong Kong Commodity ETF House: Best-In-Class – <i>Benchmark</i> |
| 2017 | <ul style="list-style-type: none">• Benchmark Fund of the Year Awards 2017, Hong Kong House Award (ETF) – Commodity ETF (Outstanding Achiever) – <i>Benchmark</i> |
| 2016 | <ul style="list-style-type: none">• ETF and Indexing Awards 2016<ul style="list-style-type: none">– Best ETF Launch– Best Commodity ETF– Best Smart Beta ETF– <i>Asia Asset Management & ETFI Asia</i> |
| Value Gold ETF | |
| 2017 | <ul style="list-style-type: none">• Best ETF – Commodities and Specialty Category (Outstanding Performer), based on NAV tracking error – <i>Bloomberg Businessweek</i> |
| 2016 | <ul style="list-style-type: none">• Fund of the Year Awards 2016<ul style="list-style-type: none">– Top ETF (Commodities) – Precious Metals (Best-in-Class) – <i>Benchmark</i>• Best ETF – Commodities and Specialty Category (Best Performer), based on NAV tracking error – <i>Bloomberg Businessweek</i>• Best ETF – Commodities and Specialty Category (Outstanding Performer), based on NAV total return – <i>Bloomberg Businessweek</i> |

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MANAGER'S REPORT

Value Gold ETF ("the Fund") is a fund constituted in the form of a unit trust established under Hong Kong law. The Fund is a "physical" ETF, meaning it will hold actual gold. Units in the Fund are listed on The Stock Exchange of Hong Kong Limited (SEHK). The Fund seeks to provide investment results, before fees and expenses, that closely correspond to the performance of the London Bullion Markets Association ("LBMA") Gold Price ("the index").

As at 30 September 2019, the Net Asset Value ("NAV") per unit of the Fund was HKD36.0687, and 30,000,000 units were outstanding. The total size of the Fund was approximately HKD1,082 million.

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

| | From 1 April 2019 to 30 September 2019 | 2019 YTD (as at 30 September) | Since inception |
|-----------------|---|--|----------------------------|
| LBMA Gold Price | +15.1% | +16.2% | +13.3% |
| Value Gold ETF | +14.8% | +15.9% | +9.0% |

The difference in performance between the LBMA Gold Price and the Value Gold ETF is mainly attributed to fees and expenses. The historical tracking error for the NAV of the Fund against the LBMA Gold Price was at 3 basis points on an annualized basis since its inception on 29 October 2010.

Sensible Asset Management Hong Kong Limited

20 November 2019

All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in HKD, NAV to NAV with dividends reinvested, as at 30 September 2019. Performance data is net of all fees.

Investors should note that investment 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 2019

| | 30.9.2019 <i>HK\$</i> | 31.3.2019 <i>HK\$</i> |
|---|---|---|
| ASSETS | | |
| Commodity | 1,082,151,790 | 763,083,737 |
| Due from the Manager | 27,300 | 3,900 |
| Cash and cash equivalents | 894,689 | 1,130,112 |
| Prepayments and other receivables | 11,842 | 12,145 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | 1,083,085,621 | 764,229,894 |
| | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| LIABILITIES | | |
| Audit fees payable | 143,771 | 313,672 |
| Management fees payable | 314,596 | 257,470 |
| Trustee and registrar fees payable | 92,051 | 63,194 |
| Custodian fees payable | 33,019 | 75,179 |
| Other payables | 441,062 | 332,703 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | 1,024,499 | 1,042,218 |
| | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| TOTAL EQUITY | 1,082,061,122 | 763,187,676 |
| | <hr style="border-top: 3px double black;"/> | <hr style="border-top: 3px double black;"/> |
| Net asset value per unit based on 30,000,000 (31.3.2019: 24,300,000) units outstanding | 36.0687 | 31.4069 |
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VALUE GOLD ETF

(A Hong Kong Unit Trust)

INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2019

| | Holdings <i>Fine weight of grams</i> | Fair value <i>HK\$</i> | % of net assets |
|---|--|--------------------------------------|----------------------------|
| COMMODITY | | | |
| Gold bullion | 2,885,711 | <u>1,082,151,790</u> | <u>100.01</u> |
| Total commodity | | 1,082,151,790 | 100.01 |
| Cash and cash equivalents | | 894,689 | 0.08 |
| Other net liabilities | | <u>(985,357)</u> | <u>(0.09)</u> |
| Total net assets | | <u><u>1,082,061,122</u></u> | <u><u>100.00</u></u> |
| Total investments, at cost (inclusive of transaction cost) | | <u><u>1,018,979,618</u></u> | |

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

| | % of net assets | |
|---------------------------|-----------------|---------------|
| | 30.9.2019 | 31.3.2019 |
| COMMODITY | | |
| Gold bullion | 100.01 | 99.99 |
| Total commodity | 100.01 | 99.99 |
| Cash and cash equivalents | 0.08 | 0.14 |
| Other net liabilities | (0.09) | (0.13) |
| Total net assets | <u>100.00</u> | <u>100.00</u> |

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PERFORMANCE RECORD (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

Comparison of the scheme performance and the actual index performance

The table below illustrates the comparison between the performance of the Index and the Fund during the following period:

| | From 1 April 2019 to 30 September 2019 | From 1 April 2018 to 30 September 2018 |
|-----------------|---|---|
| LBMA Gold Price | +15.1% | -10.9% |
| Value Gold ETF | +14.8% | -11.1% |