



VALUE GOLD ETF (3081 HK)

SEMI-ANNUAL REPORT 2011

For the period from 29 October 2010 (date of inception) to 30 September 2011

Sensible Asset Management Hong Kong Limited

9th Floor, Nexus 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.

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GENERAL INFORMATION

Investment Manager

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

Sub-investment Manager

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

Directors of the Investment Manager

Mr Chow Wai Chiu William
(resigned on 10 June 2011)

Mr Martin Tornberg
(appointed on 11 August 2010
and resigned on 25 July 2011)

Mr So Chun Ki Louis

Mr Tam Raymond Hin Tat

Ms Yang Ledong
(resigned on 24 March 2011)

Ms Zhang Jianying
(appointed on 24 March 2011
and resigned on 25 July 2011)

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
35th Floor
Cheung Kong Center
2 Queen's Road Central
Hong Kong

Auditor

KPMG
8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

Information available from:

Sensible Asset Management Hong Kong Limited
9th Floor, Nexxus Building
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GENERAL INFORMATION (Continued)

Awards

Value Gold ETF	
2011	<ul style="list-style-type: none">Value Gold ETF (3081 HK) 2010 Best of the Best Awards Best of the Best Awards - Hong Kong - Best New ETF category – <i>Asia Asset Management, January 2011</i>

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 Gold Morning Fixing Price.

We are pleased to present the first semi-annual report of the Fund for the period from 29 October 2010 to 30 September 2011.

Fund performance

As at 30 September 2011, the Net Asset Value ("NAV") per unit of the Fund was HKD40.6327, and 23,400,000 units were outstanding. The total size of the Fund was approximately HKD951 million.

A summary of the performance of the Value Gold ETF is given below.

Total Return in HKD	2011 YTD (as at 30 Sep)	Since Inception
London Gold Morning Fixing	15.75%	23.29%
Value Gold ETF	15.40%	22.81%

The difference in performance between the London Gold Morning Fixing 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 London Gold Morning Fixing Price was at 2 basis points on an annualized basis since its inception on 29 October 2010.

Fund activities

The average daily trading volume for the Value Gold ETF during the period (from 29 October 2010 to 30 September 2011) was reported by Bloomberg to be approximately HKD5,132,309.

MANAGER'S REPORT (Continued)

Market commentary

During the period, there was a global panic sell-off in the equity markets triggered by the Euro sovereign debt crisis in the third quarter of 2011. As at 30 September 2011, Hang Seng Index and MSCI World Index have dropped 21.4% and 17.3% year-to-date, respectively. WTI Cushing Crude Oil spot price has also dropped 13.3% year-to-date. Amid current global turmoil, heightened currency risks and fear of inflation, gold was one of the few assets that had a low correlation with other assets (as shown below) and registered positive year-to-date return. This is because gold is often considered as a store of value, a wealth protection tool and an alternative monetary asset to currencies.

Among different investment vehicles, gold ETFs are considered one of the most cost-effective ways to give investors exposure to gold's price movements as ETF investors can be saved the security cost and other costs relating to the storage of physical gold bars (e.g. insurance premiums). Gold ETFs also offer liquidity as investors can buy and sell units or shares of gold ETFs like company shares on the relevant stock exchange – they can do so on an intraday basis during trading hours and trade in a cost-effective manner. Moreover, since each share or unit of a physical gold ETF is backed by a certain amount of gold bullion held and stored in a secured vault, holding shares or units of such ETFs is in effect similar to holding the physical gold.

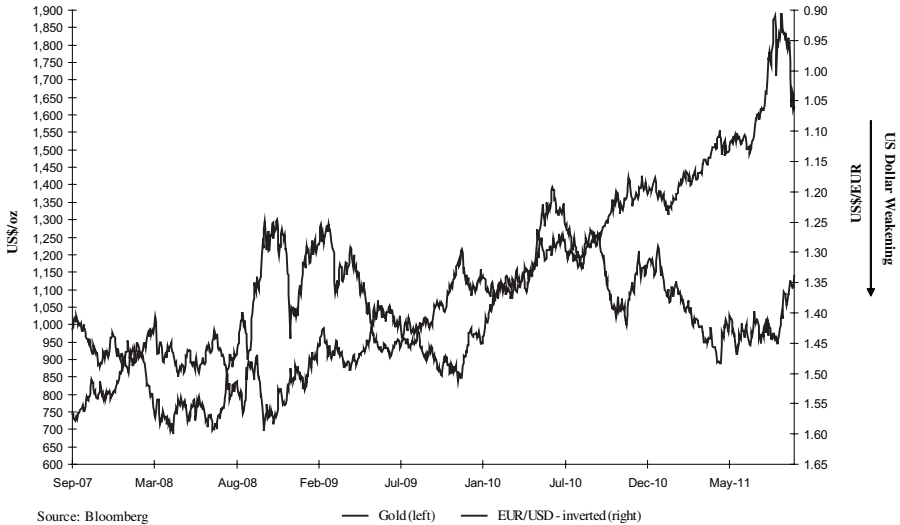
Correlation of Gold and Common Benchmarks

(2 year correlation as at 30 September 2011)

	Gold	Silver	WTI Cushing Crude Oil	S&P GSCI Index	MSCI World ex US	S&P 500 Index	Hang Seng Index	CSI 300 Index	US Long Bond Future	US Dollar Index
Gold	1									
Silver	0.683	1								
WTI Cushing Crude Oil	0.160	0.580	1							
S&P GSCI Index	0.274	0.595	0.945	1						
MSCI World ex US	0.015	0.441	0.727	0.796	1					
S&P 500 Index	0.073	0.421	0.731	0.784	0.924	1				
Hang Seng Index	0.195	0.443	0.760	0.781	0.766	0.726	1			
CSI 300 Index	0.077	0.234	0.471	0.548	0.635	0.599	0.558	1		
US Long Bond Future	0.368	-0.105	-0.578	-0.502	-0.566	-0.598	-0.466	-0.381	1	
US Dollar Index	-0.276	-0.476	-0.613	-0.740	-0.794	-0.677	-0.637	-0.586	0.190	1

MANAGER'S REPORT (Continued)

Appreciation of Gold Price Against EUR/USD



Sensible Asset Management Hong Kong Limited

18 November 2011

All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in HKD, NAV to NAV, with dividends reinvested, updated as at 30 September 2011. Performance data is net of all fees.

Investors should note that 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 and the arrangement in the event that the Fund is de-listed. 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.

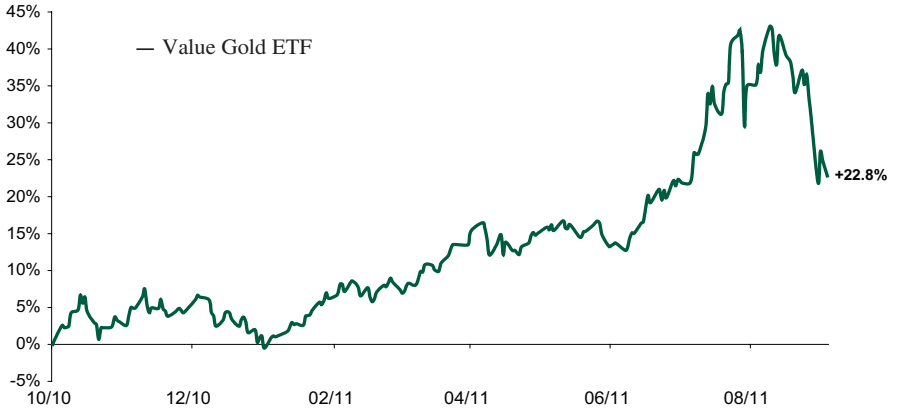
MANAGER'S REPORT (Continued)

Value Gold ETF

NAV per unit = HK\$40.6327 (as at 30 September 2011)

Since launch return

From 28 October 2010 to 30 September 2011



Source: HSBC Institutional Trust Services (Asia) Limited. Performance data is net of fees.

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2011 (UNAUDITED)

30.9.2011

HK\$

Assets

Commodity	950,783,904
Amount due from brokers	408,018
Cash and cash equivalents	31,245
Prepayment	60,793

Total assets 951,283,960

Liabilities

Manager's fees payable	127,425
Custodian fee payable	88,167
Audit fee payable	64,535
Trustee and registrar fees payable	125,180
Other payables	74,000

Total liabilities 479,307

Total equity 950,804,653

Net asset value per unit based on 23,400,000 units outstanding 40.6327

INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2011

	Holdings <i>fine weight gram</i>	Fair value <i>HK\$</i>	% of net assets
COMMODITY			
GOLD	2,330,766.9	<u>950,783,904</u>	<u>100.00</u>
Total commodity		950,783,904	100.00
Cash and cash equivalents		31,245	0.00
Other net liabilities		<u>(10,496)</u>	<u>(0.00)</u>
Total net liabilities		<u><u>950,804,653</u></u>	<u><u>100.00</u></u>
Total investments, at cost		<u><u>857,100,971</u></u>	

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

FOR THE PERIOD FROM 29 OCTOBER 2010 (DATE OF INCEPTION) TO 30 SEPTEMBER 2011

	% of net assets
	30.9.2011
COMMODITY	
GOLD	100.00
Total commodity	100.00
Cash and cash equivalents	0.00
Other net liabilities	(0.00)
Total net assets	100.00