



VALUE GOLD ETF

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

2017 SEMI-ANNUAL REPORT

For the six months ended 30 September 2017

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 shares 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
9th Floor, Nexus Building
41 Connaught Road Central
Hong Kong

Sub-investment Manager

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

Directors of the Investment Manager

Mr So Chun Ki Louis
Dr Au King Lun
Mr Roger Anthony Hepper

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
13th Floor, One Pacific Place
88 Queensway
Hong Kong

Auditor

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

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GENERAL INFORMATION (Continued)

Recent awards and achievements

Corporate awards (ETF)	
2016	<ul style="list-style-type: none"> • Value Partners ETF and Indexing Awards 2016 – Best ETF Launch – <i>Asia Asset Management & ETFI Asia</i> • Value Partners ETF and Indexing Awards 2016 – Best Commodity ETF – <i>Asia Asset Management & ETFI Asia</i> • Value Partners ETF and Indexing Awards 2016 – Best Smart Beta ETF – <i>Asia Asset Management & ETFI Asia</i>
Value Gold ETF	
2016	<ul style="list-style-type: none"> • Fund of the Year Awards 2016 Top ETF (Commodities) – Precious Metals (Best-in-class) – <i>Benchmark Magazine</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>
2012	<ul style="list-style-type: none"> • Best of the Best Awards 2011 Best Performing Small ETF – <i>Asia Asset Management</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.

As at 29 September 2017, the Net Asset Value ("NAV") per unit of the Fund was HKD31.3312, and 24,300,000 units were outstanding. The total size of the Fund was approximately HKD761.3 million.

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

	From 1 April 2017 to 29 September 2017	2017 YTD (as at 29 September)	Since inception
LBMA Gold Price	+4.2%	+11.8%	-2.3%
Value Gold ETF	+4.0%	+11.5%	-5.3%

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

24 November 2017

All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in HKD, NAV to NAV with dividends reinvested, as at 29 September 2017. 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 2017

	30.9.2017	31.3.2017
	<i>HK\$</i>	<i>HK\$</i>
ASSETS		
Commodity	761,210,911	723,038,353
Cash and cash equivalents	903,966	865,472
Prepayments and other receivables	8,328	13,834
	<u>762,123,205</u>	<u>723,917,659</u>
TOTAL ASSETS		
LIABILITIES		
Audit fees payable	150,785	302,400
Management fees payable	62,671	13,441
Trustee and registrar fees payable	–	60,896
Custodian fees payable	133,373	35,075
Other payables	428,667	252,381
	<u>775,496</u>	<u>664,193</u>
TOTAL LIABILITIES		
TOTAL EQUITY	<u><u>761,347,709</u></u>	<u><u>723,253,466</u></u>
Represented by:		
Net assets attributable to unitholders	<u><u>761,347,709</u></u>	<u><u>723,253,466</u></u>
Net asset value per unit based on 24,300,000		
(31.3.2017: 24,000,000) units outstanding	<u><u>31.3312</u></u>	<u><u>30.1356</u></u>

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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2017

	Holdings <i>Fine weight gram</i>	Fair value <i>HK\$</i>	% of net assets
COMMODITY			
Gold bullion	2,355,764	<u>761,210,911</u>	<u>99.98</u>
Total commodity		761,210,911	99.98
Cash and cash equivalents		903,966	0.12
Other net liabilities		<u>(767,168)</u>	<u>(0.10)</u>
Total net assets		<u>761,347,709</u>	<u>100.00</u>
Total investments, at cost		<u>826,468,933</u>	

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	% of net assets	
	30.9.2017	31.3.2017
COMMODITY		
Gold bullion	99.98	99.97
Total commodity	99.98	99.97
Cash and cash equivalents	0.12	0.12
Other net liabilities	(0.10)	(0.09)
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 2017

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 2017 to 30 September 2017	From 1 April 2016 to 30 September 2016
LBMA Gold Price	+4.2%	+7.6%
Value Gold ETF	+4.0%	+7.4%