



## VALUE GOLD ETF

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

# 2018 SEMI-ANNUAL REPORT

For the six months ended 30 September 2018

**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  
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. Roger Anthony Hepper  
Mr. Mak Ling Kai  
Mr. Quah Kung Beng David (appointed on 2  
May 2018)

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

## VALUE GOLD ETF

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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 28 September 2018, the Net Asset Value ("NAV") per unit of the Fund was HKD28.7475, and 25,200,000 units were outstanding. The total size of the Fund was approximately HKD724 million.

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

	<b>From 1 April 2018 to 28 September 2018</b>	<b>2018 YTD (as at 28 September)</b>	<b>Since inception</b>
LBMA Gold Price	-10.9%	-8.6%	-10.0%
Value Gold ETF	-11.1%	-8.9%	-13.1%

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

27 November 2018

*All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in HKD, NAV to NAV with dividends reinvested, as at 28 September 2018. 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 2018

	<b>30.9.2018</b>	<b>31.3.2018</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>ASSETS</b>		
Commodity	724,456,769	824,378,396
Amounts due from Manager	3,900	7,800
Cash and cash equivalents	1,096,137	978,819
Prepayments and other receivable	4,475	11,968
	<u>725,561,281</u>	<u>825,376,983</u>
<b>TOTAL ASSETS</b>		
	<u>725,561,281</u>	<u>825,376,983</u>
<b>LIABILITIES</b>		
Audit fees payable	156,404	313,672
Management fees payable	322,805	257,231
Trustee and registrar fees payable	297,804	–
Custodian fees payable	75,254	26,076
Other payables	271,126	375,670
	<u>1,123,393</u>	<u>972,649</u>
<b>TOTAL LIABILITIES</b>		
	<u>1,123,393</u>	<u>972,649</u>
<b>TOTAL EQUITY</b>		
	<u>724,437,888</u>	<u>824,404,334</u>
<b>Net asset value per unit based on 25,200,000</b>		
<b>(31.3.2018: 25,500,000) units outstanding</b>	<u>28.7475</u>	<u>32.3296</u>

## VALUE GOLD ETF

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### INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2018

	<b>Holdings</b> <i>Fine weight of grams</i>	<b>Fair value</b>  <i>HK\$</i>	<b>% of net assets</b>
<b>COMMODITY</b>			
Gold bullion	2,433,757	<u>724,456,769</u>	<u>100.00</u>
<b>Total commodity</b>		724,456,769	100.00
Cash and cash equivalents		1,096,137	0.15
Other net liabilities		<u>(1,115,018)</u>	<u>(0.15)</u>
<b>Total net assets</b>		<u><u>724,437,888</u></u>	<u><u>100.00</u></u>
<b>Total investments, at cost (inclusive of transaction cost)</b>		<u><u>849,775,464</u></u>	



**STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)**  
*FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018*

	% of net assets	
	30.9.2018	31.3.2018
<b>COMMODITY</b>		
Gold bullion	<u>100.00</u>	<u>100.00</u>
<b>Total commodity</b>	100.00	100.00
Cash and cash equivalents	0.15	0.12
Other net liabilities	<u>(0.15)</u>	<u>(0.12)</u>
<b>Total net assets</b>	<u><u>100.00</u></u>	<u><u>100.00</u></u>

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### PERFORMANCE RECORD (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

#### 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 2018 to 30 September 2018	From 1 April 2017 to 30 September 2017
LBMA Gold Price	-10.9%	+4.2%
Value Gold ETF	-11.1%	+4.0%