

VALUE GOLD ETF

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

2021 SEMI-ANNUAL REPORT

For the six months ended 30 September 2021

Sensible Asset Management Hong Kong Limited

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VALUE GOLD ETF

(A Hong Kong Unit Trust)

GENERAL INFORMATION

Manager

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

Sub-Manager

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

Directors of the Manager

Mr. So Chun Ki Louis
Mr. Cheung Kin Yan
(resigned on 9 April 2021)

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 Counsel to the Manager

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

Auditors

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

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GENERAL INFORMATION (Continued)

Recent awards and achievements

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 – Best ETF Launch – Best Commodity ETF – Best Smart Beta ETF – <i>Asia Asset Management & ETFI Asia</i>
Value Gold ETF	
2019	<ul style="list-style-type: none"> • Benchmark Fund of the Year Awards 2019, Hong Kong Quantitative Top Fund – Precious Metals Commodity Category (Best-in-Class) – <i>Benchmark</i>
2018	<ul style="list-style-type: none"> • Best ETF – Commodities and Specialty Category (Outstanding Performer), based on NAV tracking error – <i>Bloomberg Businessweek</i>
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"> • Benchmark Fund of the Year Awards 2016, Hong Kong 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>Benchmark</i> • Best ETF – Commodities and Specialty Category (Outstanding Performer), based on NAV total return – <i>Benchmark</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 listed class 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") GoldPrice ("Benchmark").

As at 30 September 2021, the Net Asset Value ("NAV") per unit of the listed class was HK\$41.3483, and 40,800,000 units were outstanding. The NAV per unit of the unlisted Class A USD Unhedged Acc and Class A HKD Unhedged Acc was US\$9.9643 and HK\$9.9929, respectively, and 2,924,591 units were outstanding. The total size of the Fund was approximately HKD1,745 million.

A summary of the performance of the Benchmark and the listed class is given below.

	From 1 April 2021 to 30 September 2021	2021 YTD (as at 30 September)	Since inception
LBMA Gold Price	+2.9%	-8.0%	+31.0%
Value Gold ETF	+2.7%	-8.3%	+25.0%

A summary of the performance of the unlisted classes is given below.

	From 1 April 2021 to 30 September 2021	2021 YTD (as at 30 September)	Since inception
Value Gold ETF– Class A USD Unhedged Acc	+2.5%	-0.4%	-0.4%
Value Gold ETF– Class A HKD Unhedged Acc	+2.7%	-0.1%	-0.1%

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 annualised basis since its inception on 29 October 2010.

Sensible Asset Management Hong Kong Limited

23 November 2021

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 2021. 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 2021

	30.9.2021 HK\$	31.3.2021 HK\$
ASSETS		
Commodities	1,745,565,436	1,673,751,181
Due from the Manager	–	23,401
Prepayments and other receivables	–	4
Cash and cash equivalents	<u>275,710</u>	<u>1,837,540</u>
TOTAL ASSETS	<u>1,745,841,146</u>	<u>1,675,612,126</u>
LIABILITIES		
Audit fees payable	–	16,696
Management fees payable	1,155,876	562,410
Other payables	–	<u>33,213</u>
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)	<u>1,155,876</u>	<u>612,319</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>1,744,685,270</u>	<u>1,674,999,807</u>
	30.9.2021	31.3.2021
Listed Class of Units:		
Net asset value per unit based on 40,800,000 (31.3.2021: 40,200,000) units outstanding	<u>HK\$41.3483</u>	<u>HK\$40.2694</u>
Unlisted Class of Units:		
Net asset value per unit based on		
Class A HKD Unhedged Acc Units 2,503,761 (31.3.2021: 2,503,761) units outstanding	<u>HK\$9.9929</u>	<u>HK\$9.7322</u>
Class A USD Unhedged Acc Units 420,830 (31.3.2021: 420,830) units outstanding	<u>US\$9.9643</u>	<u>US\$9.7219</u>

Note: Semi-annual reports have applied the same accounting policies and methods of computation as are applied in the annual reports of the Fund.

VALUE GOLD ETF

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	30.9.2021	30.9.2020
	HK\$	HK\$
Interest income	99	878
Net gains from commodities	47,664,471	208,407,825
Other income	61,178	214,698
	<hr/>	<hr/>
Net investment income	47,725,748	208,623,401
	<hr/>	<hr/>
Management fees* ^{Note 2}	3,620,860	2,605,974
Trustee and registrar fees* ^{Note 1}	–	99,084
Transaction fees	23,467	272,965
Custodian fees*	–	40,753
Auditor's remuneration*	–	25,635
Legal and professional fees* ^{Note 1}	–	7,183
Service agent fees*	–	4,835
Bank charges ^{Note 1}	–	200
Listing fees*	–	1,187
Information service fee*	–	18,507
Net foreign exchange losses	3,058	18,259
Other operating expenses*	–	28,128
	<hr/>	<hr/>
Operating expenses	3,647,385	3,122,710
	<hr/>	<hr/>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FROM OPERATIONS	44,078,363	205,500,691
	<hr/>	<hr/>

* *The Fund has adopted a single management fee structure with effect from 30 April 2020 as stated in prospectus dated 30 April 2020.*

Note 1 During the period ended 30 September 2020, other than trustee and registrar fees, bank charges that paid to the Trustee or their connected persons, other respective amounts paid to the Trustee or their connected persons were as follows:

	30.9.2020
	HK\$
Legal and professional fees	921

Note 2 During the period ended 30 September 2021 and 2020, other than management fees that paid to Manager, no other amounts paid to the Manager or their connected persons.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	30.9.2021 <i>HK\$</i>
AT 1 APRIL 2021	1,674,999,807
Issue of redeemable units	<u>25,607,100</u>
Net increase from unit transactions	----- 25,607,100
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	<u>44,078,363</u>
AT 30 SEPTEMBER 2021 ^(Note)	<u><u>1,744,685,270</u></u>

The movement of number of units in issue during the period was as follows:

	Number of units 30.9.2021
Listed Class of Units:	
At the beginning of the period	40,200,000
Issue of redeemable units	<u>600,000</u>
At the end of the period	<u><u>40,800,000</u></u>
Unlisted Class of Units:	
<i>Class A HKD Unhedged Acc Units</i>	
At the beginning of the period	<u>2,503,761</u>
At the end of the period	<u><u>2,503,761</u></u>
<i>Class A USD Unhedged Acc Units</i>	
At the beginning of the period	<u>420,830</u>
At the end of the period	<u><u>420,830</u></u>

Note: As at 30 September 2021, the redeemable units were recognised as financial liabilities (30 September 2020: equity).

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STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	30.9.2020 HK\$
AT 1 APRIL 2020	1,186,225,435
Issue of redeemable units	253,533,210
Net increase from unit transactions	253,533,210
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FROM OPERATIONS	205,500,691
AT 30 SEPTEMBER 2020	<u>1,645,259,336</u>

The movement of number of units in issue during the period was as follows:

	Number of units 30.9.2020
Listed Class of Units:	
At the beginning of the period	30,900,000
Issue of redeemable units	5,700,000
At the end of the period	<u>36,600,000</u>
Unlisted Class of Units:	
<i>Class A HKD Unhedged Acc Units</i>	
At the beginning of the period	—
At the end of the period	<u>—</u>
<i>Class A USD Unhedged Acc Units</i>	
At the beginning of the period	—
At the end of the period	<u>—</u>

STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	30.9.2021 <i>HK\$</i>	30.9.2020 <i>HK\$</i>
OPERATING ACTIVITIES		
Interest income received	103	950
Proceeds from sales of commodities	–	2,780,882
Purchase of commodities	(24,149,784)	(251,415,127)
Operating expenses paid	(3,019,249)	(2,989,833)
	<u> </u>	<u> </u>
CASH FLOWS USED IN OPERATING ACTIVITIES	<u> </u> -----	<u> </u> -----
	(27,168,930)	(251,623,128)
FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	<u>25,607,100</u>	<u>253,533,210</u>
	<u> </u>	<u> </u>
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	<u> </u> -----	<u> </u> -----
	25,607,100	253,533,210
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,561,830)	1,910,082
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,837,540</u>	<u>651,644</u>
	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u> </u> =====	<u> </u> =====
	275,710	2,561,726
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at banks	<u>275,710</u>	<u>2,561,726</u>

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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2021

	Holdings <i>Fine weight of grams</i>	Fair value <i>HK\$</i>	% of net assets
COMMODITIES			
Gold bullion	4,027,597	<u>1,745,565,436</u>	<u>100.05</u>
Total commodities		1,745,565,436	100.05
Cash and cash equivalents		275,710	0.02
Other net liabilities		<u>(1,155,876)</u>	<u>(0.07)</u>
Total net assets		<u>1,744,685,270</u>	<u>100.00</u>
Total investments, at cost		<u>1,537,031,043</u>	

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	% of net assets	
	30.9.2021	31.3.2021
COMMODITIES		
Gold bullion	100.05	99.93
Total commodities	100.05	99.93
Cash and cash equivalents	0.02	0.11
Other net liabilities	(0.07)	(0.04)
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 2021

Comparison of the scheme performance and the Benchmark performance

The table below illustrates the comparison between the performance of the Benchmark and the listed class and unlisted classes during the following period:

	From 1 April 2021 to 30 September 2021	From 1 April 2020 to 30 September 2020
LBMA Gold Price	+2.9%	+17.3%
Value Gold ETF - Listed Class	+2.7%	+17.1%
Value Gold ETF - Unlisted Class A HKD Unhedged Acc	+2.7%	–
Value Gold ETF - Unlisted Class A USD Unhedged Acc	+2.5%	–