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Sensible Asset Management Hong Kong Limited (the “**Manager**”) accepts full responsibility for the accuracy of the information contained in this Announcement as at the date of publication, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as at the date of publication, there are no other facts the omission of which would make any statement misleading.

SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Investment involves risks, including the loss of principal. You are advised to consider your investment objectives and circumstances in determining the suitability of an investment in the Value Gold ETF. An investment in the Value Gold ETF may not be suitable for everyone.

If you are in doubt about the contents of this Announcement, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

Value Gold ETF

*(A Hong Kong unit trust,
authorised under Section 104 of the Securities and Futures Ordinance
(Cap. 571) of Hong Kong)*

HKD Counter Stock Code: 03081

RMB Counter Stock Code: 83081

Announcement -

Change to the London Gold Fixing Price with effect from 20 March 2015 and Amendments to the Trust Deed

Unless otherwise defined, capital terms used in this Announcement shall have the same meanings ascribed to them under the Prospectus of the Value Gold ETF (the “**Trust**”).

Introduction

Reference is made to the announcements dated 28 November 2014 and 10 February 2015.

The Manager wishes to inform Unitholders that, following the announcements made by the Manager on 28 November 2014 and 10 February 2015 in which the Manager undertook to keep Unitholders informed of any further developments in relation to the London Gold Fixing Price, the London Bullion Market Association (the “**LBMA**”) and ICE Benchmark Administration (“**IBA**”) announced on 19 February 2015 that the LBMA Gold Price (as defined below) is expected to replace the London Gold Fixing Price with effect from 20 March 2015 (the “**Effective Date**”).

The London Gold Fixing Price is the benchmark currently tracked by the Trust and is defined in the Trust's prospectus as the morning fixing price of gold per troy ounce quoted in US dollars by The London Gold Market Fixing Limited (published by the LBMA usually before 11:00 a.m. (London time)).

The investment objective of the Trust and the valuation of the Trust's gold for the purpose of determining the Net Asset Value of the Trust utilises the London Gold Fixing Price. The attention of investors is drawn to the Manager's earlier announcements of 28 November 2014 and 10 February 2015 on this subject for more detail.

The underlying reference asset for both the London Gold Fixing Price and the LBMA Gold Price is the price of spot transactions in physical gold vaulted in London. For this reason, the Manager believes that the change in benchmark of the Trust is purely administrative in nature and does not constitute a material change to the Trust or the calculation of the Net Asset Value. Unitholders will continue to be exposed to movements in the spot price of physical gold vaulted in London by virtue of the physical gold holdings of the Trust and the mechanism used in the creation and redemption of Units.

Replacement benchmark and change to Investment Objective of the Trust

The Manager has determined, following a review of the LBMA Gold Price process and acting in the best interest of investors, that the new benchmark – the LBMA Gold Price being:

“the morning fixing price of gold per troy ounce calculated by IBA (published by the LBMA usually before 11:00 a.m. (London time)), or any benchmark as acceptable and approved under the requirements of the Code.”

be adopted as the new benchmark of the Trust with effect from the Effective Date to replace the London Gold Fixing Price. This will result in corresponding changes to the investment objective of the Trust and the method by which the Net Asset Value of the Trust is determined.

Accordingly, from the Effective Date, the investment objective of the Trust will be to provide investment results that, before fees and expenses, closely correspond to the performance of the LBMA Gold Price. As the LBMA Gold Price is designed, as is the London Gold Fixing Price, to provide a benchmark for the spot price for physical gold vaulted and traded in London, the Manager does not believe that these changes will have a material impact on Unitholders and the value of the Units.

For the purposes of calculating the Net Asset Value of the Trust, this means that the Trustee will evaluate the Trust's physical gold holdings using the LBMA Gold Price in place of the London Gold Fixing Price with effect from the Effective Date.

The LBMA Gold Price is expected to be available to the Trust as the new benchmark for a physical gold spot price on the Effective Date. It is therefore not expected that there will be a break in the availability of a benchmark price for spot transactions in physical gold vaulted in London.

The Manager believes that the proposed new benchmark complies with the requirements of Chapter 8.6(e) of the SFC's Code on Unit Trusts and Mutual Funds (the “**Code**”) as it applies to the Trust and that the change is in accordance with the trust deed constituting the Trust dated 13 October 2010, as amended (the “**Trust Deed**”).

The Trustee has confirmed that it has no objection to the changes detailed in this Announcement. No Unitholders' approval is required to give effect to the change of investment objective and benchmark pursuant to the Trust Deed and the applicable laws and regulations.

Save as the above, the Manager does not foresee that the change to the investment objective of the Trust and the method by which the Net Asset Value of the Trust is determined will have any impact to investors in the Trust in terms of the operation, fee, custody arrangement and creation / redemption process and trading of the Trust on the SEHK.

Description of the new benchmark and impact on the Trust

With effect from the Effective Date, the Trust will value its gold on the basis of the LBMA Gold Price.

The LBMA Gold Price will be calculated by IBA and published by the LBMA or their successors from time to time. The IBA and the LBMA are independent of the Manager and its connected parties. None of the Manager or any entity within the Manager's group of companies will participate in the calculation or determination of the LBMA Gold Price.

IBA's electronic price fixing processes used to determine the fixing for gold will, like the current process for the fixing, establish and publish fixed prices for troy ounces of gold twice each London trading day at electronic auctions starting at 10:30 a.m. (London time) (the "**LBMA Gold Price**") and 3:00 p.m. (London time) (together with the LBMA Gold Price, the "**Gold Prices**"). At these times, participants in the auction process will place buy and sell orders via the IBA's electronic platform. Within the auction process, aggregated gold bids and offers will be updated in real-time with the imbalance calculated and the price updated every 30 seconds until the buy and sell orders are matched and the Gold Prices will be set at the price at which the orders matched. In this way the Gold Prices will be set in a fully transparent and auditable process. Additionally, it is expected that the IBA will require participants in the Gold Prices to sign up to codes of conduct in relation to participation of the Gold Prices to ensure further governance over the process and ensure that it will be administered in a way consistent with applicable regulation such as the International Organization of Securities Commissions' "Principles for Financial Benchmarks".

During London trading hours on a daily basis the Gold Prices each provide reference gold prices for that day's trading. Many long-term contracts will be priced on the basis of either of the Gold Prices, and market participants will usually refer to one or the other of these prices when looking for a basis for valuations. The Gold Prices are expected by the Manager to be widely viewed as a full and fair representation of all market interest at the conclusion of the electronic price fixing process.

Further information relating to the LBMA Gold Price can be found on the LBMA website at www.lbma.org.uk¹.

Key differences between the London Gold Fixing Price and the LBMA Gold Price

Based on all information received to date including the previously announced changes to the London Gold Fixing Price, the Manager believes that the key differences between the London Gold Fixing Price and the LBMA Gold Price are that:

¹ This website has not been reviewed by the SFC.

- (i) the administrator of the LBMA Gold Price will be IBA, whereas the administrator for the London Gold Fixing Price was the LBMA;
- (ii) the LBMA Gold Price will be determined in an electronic auction process, whereas the London Gold Fixing Price was determined through a telephonic auction;
- (iii) the inputs into the LBMA Gold Price will be publically available, whereas the inputs into the London Gold Fixing Price are not; and
- (iv) the LBMA Gold Price auction process will potentially be open to a larger number of participants than the London Gold Fixing Price process which is only open to 4 fixing members.

Risk Factors

Investors should note the following potential risks associated with the adoption of the LBMA Gold Price as the replacement benchmark of the Trust:

No guarantee of publication – As at the date of this Announcement it is expected that the LBMA Gold Price will be in operation and published on 20 March 2015. However, such operation and publication cannot be guaranteed by the Manager and should the LBMA Gold Price not be published as expected, the Manager may be required to suspend the calculation of the Net Asset Value of the Trust, dealing in the Units and trading of the Units on the SEHK. On this occurrence, a further announcement would be made by the Manager.

Impact on the Net Asset Value of the Trust – Whilst it is expected that the LBMA Gold Price will be an accurate benchmark for the spot price for physical gold vaulted in London and that such spot price will not vary greatly as a result of the change from the London Gold Fixing Price to the LBMA Gold Price, it cannot be guaranteed that this will be the case. In the event that the LBMA Gold Price is not an accurate benchmark for the spot price for physical gold vaulted in London and to the extent that the resulting price varies greatly from the price determined under the London Gold Fixing Price, this may have an adverse impact on the Net Asset Value of the Trust.

Future changes to the LBMA Gold Price – As the LBMA Gold Price is a new benchmark, it is expected that it will develop further over time for example to include additional auction participants or by way of a change to the tolerance within which orders will be matched to set the LBMA Gold Price. Any such future changes, to the extent they have a material impact on the LBMA Gold Price could adversely impact the Net Asset Value of the Trust.

Other risks relating to the LBMA Gold Price – The calculation of the LBMA Gold Price by which the Trust's holdings of gold is valued, is not an exact process. Rather it is based upon a procedure of matching orders from participants in the auction process and their customers to sell the gold with orders from participants in the auction process and their customers to buy gold at particular prices. The LBMA Gold Price does not therefore purport to represent every single buyer or seller of gold in the market, nor does it purport to set a definitive price for gold at which all orders for sale or purchase will take place on that particular day or time. All orders placed into the auction process by the participants will be executed on the basis of the LBMA Gold Price determined (provided that orders may be cancelled, increased or decreased whilst the auction is in progress).

Further, if the LBMA Gold Price is discontinued, the Manager may, in consultation with the Trustee, seek the SFC's prior approval to replace the LBMA Gold Price with another benchmark that has similar objectives to the LBMA Gold Price. If the Manager and the Trustee do not agree within a reasonable period on a suitable replacement benchmark acceptable to the SFC, the Manager may, in its discretion, terminate the Trust.

Auction process for LBMA Gold Price - While the auction process used to establish the LBMA Gold Price is expected to be a transparent and auditable process in accordance with applicable benchmark regulations, there is no guarantee that the participants in the auction may not be

biased or influenced for their own purposes when participating in the auction or the auction may not be manipulated and therefore the price fixed may not reflect the fair value. Additionally, the operation of the auction process to determine the LBMA Gold Price is dependent on the continued operation of the LBMA and IBA and their applicable systems. Neither the Manager nor the Trustee has any control or supervision over the auction process of the LBMA Gold Price so determined or the operation and systems of the LBMA and IBA.

The costs associated with the changes described in this document will be borne by the Manager.

Trust Deed

The change of the benchmark of the Trust from the London Gold Fixing Price to the LBMA Gold Price will be incorporated into a revised Trust Deed together with any necessary modifications relating to the change of the benchmark. The Trust Deed will also be updated to incorporate changes that are necessary to make possible compliance with the SFC's circular titled "Circular to Management Companies and Trustees of SFC-authorized Hong Kong domiciled funds" dated 17 April 2014. The amendments to the Trust Deed do not require unitholders' prior approval pursuant to the Trust Deed and will take effect on the Effective Date.

The revised Trust Deed will be available for inspection on the Manager's website www.valueetf.com.hk/valueGoldETF/eng/index.php¹ after the Effective Date.

Prospectus

A revised Prospectus (including the Trust's Product Key Fact Statement) will be available on the Manager's website as soon as possible following the Effective Date. In the interim, a copy of this Announcement will be attached to the existing Prospectus and will be available on the Manager's website, as described above.

Further Enquiries

Investors should exercise caution and consult with their professional and financial advisers before dealing in the Units of the Trust or otherwise deciding on a course of action to be taken in relation to Units of the Trust.

Investors who have any enquiries regarding the above may contact the Manager at 9/F Nexxus Building, 41 Connaught Road Central, Hong Kong or our enquiry hotline at (852) 2143 0688 during office hours.

Sensible Asset Management Hong Kong Limited
as Manager of the Value Gold ETF

9 March 2015

¹ This website has not been reviewed by the SFC.



VALUE GOLD ETF

*(A Hong Kong unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong)
(the “Trust”)*

**HKD Counter Stock Code: 03081
RMB Counter Stock Code: 83081**

Addendum to the Prospectus

This Addendum forms an integral part of, and should be read in conjunction with, the Prospectus of the Trust dated 5 March 2014 (the “Prospectus”). All capitalised terms used in this Addendum have the same meaning as in the Prospectus, unless otherwise defined herein. If you are in any doubt about the contents of this Addendum, you should seek independent professional advice.

The Manager accepts responsibility for the information contained in this Addendum as being accurate as at the date hereof.

The Prospectus is hereby amended as follows:

1. The definition of “Metal Provider” on page 3 of the Prospectus is deleted in its entirety and replaced with the following:

“Metal Provider” means each metal provider to the Participating Dealers from time to time, presently being Standard Bank Plc and Standard Chartered Bank, which has entered into a Metal Provider Agreement. On 24 October 2014, Standard Bank Plc has served notice on the Manager to terminate its appointment as Metal Provider, with effect from 24 October 2015.”

2. In the section titled “SUMMARY”, the row entitled “Total Expense Ratio” in the table under the sub-section entitled “Key Information” and the corresponding footnote on page 5 of the Prospectus are deleted in their entirety.
3. In the section entitled “THE OFFERING” on page 17 of the Prospectus, the sentence “When investors open a RMB bank account for settling RMB payments, they should note that the daily maximum exchange limit for RMB is RMB20,000 per Hong Kong resident individual.” under the sub-section “Acquiring and Disposing of Units” is deleted in its entirety.
4. In the section entitled “THE OFFERING”, the fifth paragraph on page 18 of the Prospectus is deleted in its entirety and replaced by the following:

“When an individual investor opens an RMB bank account or settle RMB payments,

he or she will be subject to a number of restrictions, including the daily maximum remittance amount to the PRC is RMB80,000 and a remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC provided that the account name of the account in the PRC is identical with that of the RMB bank account with the bank in Hong Kong.”

5. In the section titled “FEES AND EXPENSES”, the table and footnotes under the sub-section entitled “(b)(ii) Fees payable by all investors in respect of dealings in the Units on SEHK” on page 37 of the Prospectus are deleted in their entirety and replaced with the following:

Brokerage	Market rates
Transaction levy	0.0027% ⁸
SEHK trading fee	0.005% ⁹
Stamp duty	Nil
Inter-counter transfer	HKD5 ¹⁰

⁸ Transaction levy of 0.0027% of the price of the Units, payable by each of the buyer and the seller.

⁹ Trading fee of 0.005% of the price of the Units, payable by each of the buyer and the seller.

¹⁰ HKSCC will charge each CCASS participant a fee of HKD5 per instruction for effecting an inter-counter transfer from one counter to another counter. Investors should check with their brokers regarding any additional fees.

6. In the section entitled “FEES AND EXPENSES”, the sub-section entitled “Estimated Total Expense Ratio” on page 38 of the Prospectus is deleted in its entirety.
7. In the section entitled “RISK FACTORS”, the sentence “and for individual customers of up to RMB20,000 per Hong Kong resident individual per day” under the second paragraph in the risk factor entitled “Offshore RMB (“CNH”) Market” on page 47 of the Prospectus is deleted in its entirety.
8. In the section entitled “RISK FACTORS”, the following new risk factor is added after the risk factor entitled “Valuation and Accounting” on page 51 of the Prospectus:

“FATCA Related Risks. The US Foreign Account Tax Compliance Act (“FATCA”) provides that a 30% withholding tax will be imposed on certain payments to foreign financial institutions, such as the Trust, including interests and dividends from securities of US issuers and gross proceeds from the sale of such securities, unless the Trust agrees to disclose to the US Internal Revenue Service (the “IRS”) the name, address and taxpayer identification number of certain US persons that own, directly or indirectly, an interest in the Trust, as well as certain other information relating to any such interest. The IRS has released regulations and other guidance that provide for the phased implementation of the foregoing withholding and reporting requirements. The United States and Hong Kong have entered into an intergovernmental agreement based on the “Model 2” format (“Model 2 IGA”). The Model 2 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. The Trust has completed its FATCA registration with the IRS. Although the Trust will attempt to satisfy any obligations imposed on it to avoid the imposition of FATCA withholding tax, no assurance can

be given that the Trust will be able to fully satisfy these obligations. If the Trust becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of the Trust may be adversely affected and the Trust and its Unitholders may suffer material loss.

The Trust's ability to comply with FATCA will depend on each Unitholder providing the Trust with information that the Trust requests concerning the Unitholder or its direct and indirect owners. If a Unitholder fails to provide the Trust with any information the Trust requests, the Trust may exercise its right to compulsorily redeem such Unitholder. Any such compulsory redemption will be done in accordance with applicable laws and regulations, and the discretion to do so will be exercised by the Manager acting in good faith and on reasonable grounds. As at the date of this Prospectus, all Units are registered in the name of HKSCC Nominees Limited. It is the Manager's understanding that HKSCC Nominees Limited has registered as a participating foreign financial institution under a Model 2 IGA.

Please also refer to the sub-section entitled "FATCA and compliance with US withholding requirements" under the section headed "STATUTORY AND GENERAL INFORMATION" in this Prospectus for further details on FATCA and related risks.

All prospective investors and Unitholders should consult with their own tax advisers regarding the possible implications of FATCA and the tax consequences on their investments in the Trust. Unitholders who hold their Units through intermediaries should also confirm the FATCA compliance status of those intermediaries."

9. In the section entitled "MANAGEMENT OF THE TRUST", the first paragraph under the sub-section entitled "The Metal Providers" on page 56 of the Prospectus is deleted in its entirety and replaced with the following:

"Standard Bank Plc and Standard Chartered Bank presently act as the sole providers of Bullion of minimum standard, acceptable to the Trust, to Participating Dealers for Creation Applications. The Trustee and the Manager have entered the Metal Provider Agreements with each Metal Provider in respect of its role. On 24 October 2014, Standard Bank Plc has served notice on the Manager to terminate its appointment as Metal Provider, with effect from 24 October 2015."

10. In the section entitled "STATUTORY AND GENERAL INFORMATION", the following new sub-section is added under the sub-section entitled "Hong Kong Taxation" on page 62 of the Prospectus:

"FATCA and Compliance with US Withholding Requirements"

The US Foreign Account Tax Compliance Act ("FATCA") imposes a new reporting and withholding regime with respect to certain payments to foreign financial institutions, such as the Trust. Under FATCA, investment income such as dividends and interest and gross proceeds from U.S. securities ("Withholdable Payments") may be subject to withholding at a rate of 30% (beginning on or after 1 July 2014 with respect to US source dividends and interest, and beginning on or after 1 January 2017 with respect to gross proceeds), unless the recipient of the payment satisfies

certain requirements intended to enable the IRS to identify United States persons (as defined under US tax law) ("US persons") with interests in such payments. To avoid such withholding on payments made to it, foreign financial institutions (an "FFI"), such as the Trust (and, generally, other investment funds organised outside the US) generally will be required to enter into an agreement (an "FFI Agreement") with the IRS to be treated as a participating FFI. Participating FFIs are required to identify all investors that are US persons and report certain information concerning such US persons to the IRS. The FFI Agreement will also generally require that a participating FFI deduct and withhold 30% from certain payments made by the participating FFI to investors who fail to cooperate with certain information requests made by the participating FFI. Moreover, participating FFIs are required to deduct and withhold such payments made to investors that are themselves FFIs but that have not entered into an FFI Agreement with the IRS or that are not otherwise deemed compliant with FATCA.

The United States and Hong Kong have entered into an intergovernmental agreement based on the "Model 2" format ("Model 2 IGA"). The Model 2 IGA modifies the foregoing requirements but generally requires Hong Kong FFIs register as Participating FFIs, enter into an FFI Agreement, and disclose similar information regarding certain Unitholders to the IRS. As a result of the Model 2 IGA, FFIs in Hong Kong (such as the Trust) complying with the FFI Agreement (i) will generally not be subject to the above described 30% withholding tax on Withholdable Payments they receive; and (ii) will not be required to withhold tax on Withholdable Payments made to recalcitrant accounts (i.e. accounts of which the holders do not consent to FATCA reporting and disclosure to the IRS) or close those recalcitrant accounts (provided that information regarding such recalcitrant account is reported to the IRS pursuant to the provisions of the Model 2 IGA). Such FFIs, however, may be required to withhold tax on payments made to non-compliant FFIs.

The Trust has been registered with the IRS as a participating FFI (including a reporting Model 2 FFI). In order to protect Unitholders and avoid being subject to withholding under FATCA, it is the Manager's intention to endeavour to satisfy the requirements imposed under FATCA. Hence it is possible that this may require the Trust (through its agents or service providers) as far as legally permitted, to report information on the holdings or investment returns of any Unitholder to the IRS or the local authorities pursuant to the terms of an applicable IGA (as the case may be) and to require the compulsory redemption of Unitholders who fail to provide the information and documents required to identify their status, or who are non-FATCA compliant financial institutions or who fall within other categories specified in the FATCA provisions and regulations. Any such compulsory redemption will be done in accordance with applicable laws and regulations, and the discretion to do so will be exercised by the Manager acting in good faith and on reasonable grounds. As at the date of this Prospectus, all Units are registered in the name of HKSCC Nominees Limited. It is the Manager's understanding that HKSCC Nominees Limited has registered as a participating foreign financial institution under the Model 2 IGA.

Although the Trust will attempt to satisfy any obligations imposed on it to avoid the imposition of FATCA withholding tax, no assurance can be given that the Trust will be able to fully satisfy these obligations. If the Trust becomes subject to a

withholding tax as a result of FATCA, the Net Asset Value of the Trust may be adversely affected and the Trust and its Unitholders may suffer material loss.

The FATCA provisions are complex and their application is uncertain at this time. As such, the effects which the FATCA provisions may have on the Trust are still uncertain. Withholding may apply to withholdable payments covered by FATCA if the Trust cannot satisfy the applicable requirements and is determined to be non-FATCA compliant or if the Hong Kong government is found in breach of the terms of the agreed IGA. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Nothing in this section constitutes or purports to constitute tax advice and Unitholders should not rely on any information set out in this section for the purposes of making any investment decision, tax decision or otherwise. All Unitholders should therefore consult their own tax and professional advisors regarding the FATCA requirements, possible implications and related tax consequences with respect to their own situation. In particular, Unitholders who hold their Units through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer the above mentioned withholding tax on their investment returns.”

Sensible Asset Management Hong Kong Limited
31 December 2014

PRODUCT KEY FACTS

Value Gold ETF

Sensible Asset Management Hong Kong Limited

31 December 2014

***This is an exchange traded fund (ETF) which directly holds physical gold.
This statement provides you with key information about this product.
This statement is a part of the offering document.
You should not invest in this product based on this statement alone.***

Quick facts

Stock code: 03081 – HKD Counter
83081 – RMB Counter

Trading lot size: 100 Units – HKD Counter
100 Units – RMB Counter

Fund Manager:

Sensible Asset Management Hong Kong Limited

Sub-Manager:

Value Partners Hong Kong Limited

Trustee and Registrar:

HSBC Institutional Trust Services (Asia) Limited

Custodian:

HKIA Precious Metals Depository Limited (a wholly owned subsidiary of the Airport Authority of Hong Kong)

Metal Providers:

Standard Bank Plc* (a bank incorporated in England which is authorised and prudentially supervised by the relevant United Kingdom authorities)

Standard Chartered Bank (a bank incorporated in England which is authorised and prudentially supervised by the relevant United Kingdom authorities)

Ongoing charges over a year[#]: 0.38%

Tracking difference of the last calendar year^{##}: -0.33%

Trading currency:

Hong Kong dollars (HKD) – HKD Counter
Renminbi (RMB) – RMB Counter

Underlying Benchmark:

The morning fixing price of gold per troy ounce quoted in USD by The London Gold Market Fixing Limited (published by the London Bullion Market Association (LBMA)) (London Gold Fixing Price)

Base currency: Hong Kong dollars (HKD)

Dividend policy: No dividends will be paid

Financial year end of this fund: 31 March

ETF website:

www.valueetf.com.hk/valueGoldETF/eng/index.php

* Standard Bank Plc has served notice on the Manager to terminate its appointment as Metal Provider, with effect from 24 October 2015.

The ongoing charges figure is an annualised figure based on expenses reported in the Trust's semi-annual report for the period from 1 April 2014 to 30 September 2014 expressed as a percentage of the Trust's average NAV over the same period. This figure may vary from year to year.

This is the actual tracking difference of the last calendar year. Investors should refer to the Trust's website for more up-to-date information on actual tracking difference.

What is this product?

Value Gold ETF (Trust) is a fund constituted in the form of a unit trust established under Hong Kong law. The Trust is a “physical” ETF, meaning it will hold actual gold. Units in the Trust are listed on The Stock Exchange of Hong Kong Limited (SEHK).

Objective and Investment Strategy

Objective

The investment objective is to provide investment results that, before fees and expenses, closely correspond to the performance of the London Gold Fixing Price.

Strategy

To achieve its investment objective, the Trust acquires and holds Bullion (Bullion is gold in the form of uniquely identifiable bars or ingots of minimum fineness of 99.5% gold from an approved refiner on the *LBMA Good Delivery List of Acceptable Refiners: Gold*). In addition, for the purpose of liquidity, up to 5% of the NAV of the Trust may be invested in other physical gold ETFs listed on International Stock Exchanges (as defined in the Prospectus) which have a similar risk profile to the Trust.

The Trust is not permitted to invest in other types of investments – including, but not limited to, derivatives futures contracts, options on futures contracts, options, swaps, warrants and other financial instruments, local currency and foreign currency exchange contracts, securities (other than for liquidity as mentioned above) and other financial instruments. The investment strategy of the Trust is also subject to the investment and borrowing restrictions as set out in the Schedule to the offering document.

In order to pay ongoing fees and expenses of the Trust, the Trust may need to sell Bullion and retain a small amount of cash in Hong Kong dollars to pay for such outgoings. The Trust will not lend its Bullion.

Benchmark

The London Gold Fixing Price is a price quoted in US dollars by The London Gold Market Fixing Limited in London and published by the LBMA usually before 11:00 a.m. (London time). The London Gold Fixing Price is a widely used international benchmark for daily gold prices. The NAV of the Trust will be valued by reference to the London Gold Fixing Price. You may view the London Gold Fixing Price published by the LBMA at any time on the LBMA’s website www.lbma.org.uk under “London Gold Fixing”.

You may also view the estimate NAV and the latest available closing NAV per unit at the following website www.valueetf.com.hk/valueGoldETF/eng/index.php.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

Concentration / Gold Market Risks:

- The Trust only invests in Bullion. There is no guarantee that the price of Bullion will appreciate. The Trust may experience greater volatility and may be adversely affected by the performance of industries and sectors or events related to gold and to its production and sale.
- The Trust is more susceptible to the effects of single economic, market or political occurrences resulting in higher price volatility compared to more diversified mutual funds or unit trusts investing in portfolios of securities.

Custody and Insurance Risks:

- The Trust’s Bullion is held by the Custodian at its vault on a fully “allocated” basis (which means the Bullion belonging to the Trust will be physically segregated from precious metals and gold belonging to others). Access to Bullion, however, may be restricted by external events, such as flooding or terrorist

attack, and other unforeseeable events beyond the control of the Trust.

- The Trust does not insure its Bullion. The Custodian may, at its discretion, maintain insurance which may not provide full coverage. As such, the Trust and therefore unitholders could suffer a loss if the Bullion held by the Custodian is lost or damaged and investors may suffer a loss as a result.

Reliance on the Metal Providers Risk:

- The two Metal Providers are the sole providers of Bullion. Participating Dealers and the Manager may only acquire Bullion from the Metal Providers, and accordingly, creations of Units depend on the Metal Providers. Although each Metal Provider must ordinarily give one year's prior notice to terminate its agreement with the Trust, if the metal provider agreements are terminated or for any other reason there is no Metal Provider, Units may not be created which may cause the trading price to deviate from the NAV per Unit, possibly leading to a suspension of trading of units on the SEHK

RMB Trading and Settlement of Units Risk:

- The trading and settlement of the RMB traded Units may not be capable of being implemented as envisaged.
- Not all stockbrokers or custodians may be ready and able to carry out trading and settlement of the RMB traded Units.
- The limited availability of RMB outside the PRC may also affect the liquidity and trading price of the RMB traded Units.
- The trading price of the Units on the SEHK will be subject to market forces and may trade at a substantial premium/discount to their NAV, and may deviate significantly from the NAV per Unit.

Dual Counter Risks:

- The SEHK's dual counter model in Hong Kong is relatively recent. It may bring additional risks to investing in the Trust.
- If there is a suspension of the inter-counter transfer of Units between the HKD counter and the RMB counter for any reason, Unitholders will only be able to trade their Units in the relevant counter on the SEHK.
- The market price on the SEHK of Units traded in HKD and of Units traded in RMB may deviate significantly due to different factors, such as market liquidity, supply and demand in each counter and the exchange rate between the RMB and the HKD (in both the onshore and the offshore markets). As such, investors may pay more or receive less when buying or selling Units traded in HKD on the SEHK than in respect of Units traded in RMB and *vice versa*.
- Investors without RMB accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell RMB traded Units.
- Not all brokers and CCASS participants may be familiar with and able to buy Units in one counter and to sell Units in the other or to carry out inter-counter transfers of Units or to trade both counters at the same time. This may inhibit or delay an investor dealing in both HKD traded Units and RMB traded Units and may mean an investor can only trade in one currency.

Passive Investments Risks:

- The Trust is not actively managed and invests in Bullion, regardless of its investment merits. Accordingly, the Trust will decline in value if there is a decline in the London Gold Fixing Price.
- The Manager will not take defensive positions in declining markets. Investors may lose a significant part of their respective investments if the London Gold Fixing Price falls.

RMB Currency and Foreign Exchange Risks:

- The Trust is denominated in HKD but has Units traded in RMB. RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- The base currency of the Trust is HKD. RMB based investors who create and redeem Units in cash (which is only possible in HKD) or who buy and sell Units traded in HKD are therefore exposed to foreign exchange risk as a result of fluctuations in the RMB exchange rate against the HKD.
- Non-RMB based investors who buy and sell RMB traded Units will be exposed to foreign exchange rate fluctuations between the RMB and other currencies, in particular, the relevant investor's base currency. There is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate.
- If investors wish or intend to convert redemption proceeds (in HKD) or sale proceeds (in RMB on RMB traded Units or in HKD on HKD traded Units) into a different currency, they are subject to the relevant foreign exchange risk and may incur loss from such conversion as well as associated fees and charges.

Trading Risk:

- Only participating dealers can create and redeem units in exchange for Bullion or cash directly with the Trust and retail investors in general can only buy or sell Units on the SEHK. The trading price of units on the SEHK is driven by secondary market factors such as supply and demand. Accordingly these prices may deviate significantly from the NAV of the Trust.

Tracking Error Risk:

- The return of the Trust may deviate from the London Gold Fixing Price due to fees and expenses and rounding of the Bullion price. It is estimated that the tracking error of the Trust may be up to 2% a year.

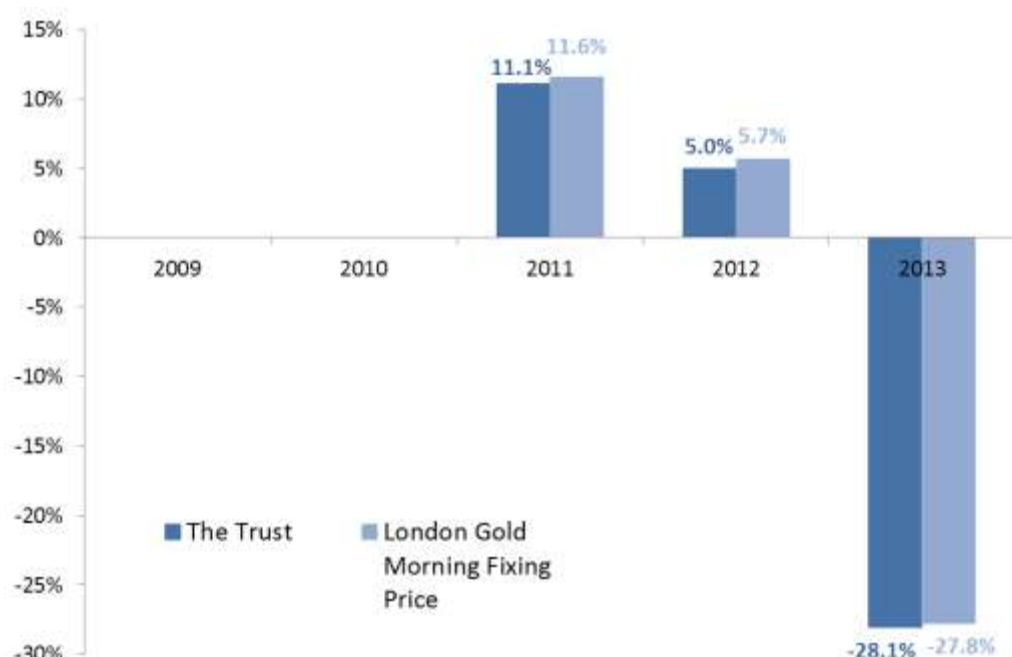
Reliance on Market Maker Risk:

- Although it is a requirement that the Manager ensures that at least one market maker will maintain a market for Units traded in each counter and that at least one market maker for each counter gives not less than 3 months prior notice before termination of market making under the relevant market maker arrangement, liquidity in the market for the Units may be adversely affected if there is no market maker for the RMB or HKD traded Units. It is possible that there may be only one market maker for each counter or the Manager may not be able to engage a substitute market maker within the termination notice period of a market maker, and there is also no guarantee that any market making activity will be effective.
- RMB traded Units are traded and settled in RMB. There may be less interest by potential market makers making a market in Units traded in RMB. Furthermore, any disruption to the availability of RMB may adversely affect the capability of market makers in providing liquidity for the Units.

Termination Risk:

- The Trust may be terminated early under certain circumstances, for example, where the Index is no longer available for benchmarking or if the size of the Trust falls below HKD150 million. Investors should refer to the section "Termination" in the Prospectus for further details.

How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the Trust increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding your trading costs on the SEHK.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Trust launch date: 13 October 2010.

Is there any guarantee?

The Trust does not have any guarantees. You may not get back the amount of money you invest.

What are the fees and charges?

Charges incurred when trading the Trust on SEHK

Fee

Brokerage fee
Transaction levy
Trading fee
Stamp duty
Inter-counter transfer

What you pay

At each broker's discretion
 0.0027% of the total consideration for the Units
 0.005% of the total consideration for the Units
 Nil
 HKD5[#]

[#]HKSCC will charge each CCASS participant a fee of HKD5 per instruction for effecting an inter-counter transfer between one counter and the other counter. Investors should check with their brokers regarding any additional fees.

Please refer to the section of the offering document entitled "Fees and Expenses", for details of other fees and expenses applicable to the creation and redemption of Units in the Trust.

Ongoing fees payable by the Trust

The following expenses will be paid by the Trust. They affect you because they reduce the NAV of the Trust which may affect the trading price.

	Annual rate (as a % NAV)
Management fee The Trust pays a management fee to the Manager.	0.15%*
Custodian fee The Trust pays a custody fee to the Custodian.	0.04% (subject to a minimum per month of HKD25,000)
Trustee and Registrar fees The Trust pays a trustee's and registrar's fee to the Trustee.	0.10% (subject to a minimum per month of HKD90,000)*
Trustee Service fee	HKD25,000
Performance fee	Nil
Administration fee	Nil

** Please note that these fees may be increased up to a permitted maximum on giving 1 month's notice to Unitholders. Please refer to the section of the offering document entitled "Fees and Expenses Payable by the Trust" for further details of the fees and charges payable and the permitted maximum of such fees allowed as well as other ongoing expenses that may be borne by the Trust.*

Other fees

You may have to pay other fees when dealing in the Units of the Trust.

Additional information

You can find the following information of the Trust at the following website www.valueetf.com.hk/valueGoldETF/eng/index.php (which has not been reviewed by the SFC):

- the Prospectus (including this Product Key Facts Statement), as revised from time to time
- the latest annual and semi-annual financial reports (in both English and Chinese)
- any notices and announcements
- the latest available closing NAV of the Trust in HKD only and the latest closing NAV per Unit in HKD and RMB
- the near real time estimated NAV per Unit (in respect of Bullion held by the Trust based upon the mid point of the bid/ask spread of gold prices) in HKD and RMB
- the list of Participating Dealers and Market Makers

The near real time estimated NAV per Unit in RMB and the last closing NAV per Unit in RMB are for reference only. The near real time estimated NAV per Unit in RMB is calculated by Interactive Data Hong Kong Limited using the near real time estimated NAV per Unit in HKD multiplied by a near real time HKD:RMB foreign exchange rate for offshore RMB (CNH) quoted by Interactive Data Hong Kong Limited. The near real time estimated NAV per Unit in RMB and in HKD as well as the exchange rate for offshore RMB (CNH) will only be updated during the trading hours on the SEHK. The last closing NAV per Unit in RMB is calculated using the last closing NAV per Unit in HKD multiplied by a HKD:RMB foreign exchange rate for offshore RMB (CNH) quoted by Thomson Reuters at 11:00 a.m. (London time) as of the same Dealing Day. The daily closing NAV per Unit in RMB and in HKD and the exchange rate will only be updated when both the SEHK is open for normal trading and London Gold Fixing Price is available. Please

refer to the Prospectus for details.

Important

If you are in doubt, you should seek professional advice.

The Securities and Futures Commission takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

IMPORTANT: Investments involve risks, including the loss of principal. You are advised to consider your investment objectives and circumstances in determining the suitability of an investment in the Trust described in this Prospectus. An investment in the Trust may not be suitable for everyone. If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for independent financial advice.



Value Partners

VALUE GOLD ETF

*(A Hong Kong unit trust authorised under
Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

HKD Counter Stock Code 03081

RMB Counter Stock Code 83081

PROSPECTUS

Manager

Sensible Asset Management Hong Kong Limited

Sub-Manager

Value Partners Hong Kong Limited

5 March 2014

The Stock Exchange of Hong Kong Limited, Hong Kong Exchanges and Clearing Limited, Hong Kong Securities Clearing Company Limited and the Hong Kong Securities and Futures Commission take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. The Trust has been authorised as a collective investment scheme by the Hong Kong Securities and Futures Commission. Authorisation does not imply official recommendation.

IMPORTANT INFORMATION

This Prospectus relates to the offer in Hong Kong of Hong Kong dollar denominated units (the “Units”) in the Value Gold ETF (the “Trust”), a single unit trust established under Hong Kong law by a trust deed dated 13 October 2010 as amended by supplemental deeds dated 8 March 2012 and 19 April 2013 (the “Trust Deed”) between Sensible Asset Management Hong Kong Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee”). The Trust is a physical exchange traded fund (an “ETF”) investing directly in gold.

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in the Trust. It contains important facts about the Trust whose Units are offered in accordance with this Prospectus. A product key fact statement which contains the key features and risk of the Trust is also issued by the Manager and such product key facts statement shall form part of this Prospectus, and shall be read in conjunction with this Prospectus.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and confirms that this Prospectus includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Code on Unit Trusts and Mutual Funds (the “Code”) and the “Overarching Principles” of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products for the purposes of giving information with regard to the Units of the Trust and that having made all reasonable enquiries, the Manager confirms that, to the best of its knowledge and belief, there are no other facts the omission of which would make any statement in this Prospectus misleading. The Trustee is not responsible for the preparation of this Prospectus and shall not be held liable to any person for any information disclosed in this Prospectus (other than information relating to itself).

The Trust is a collective investment scheme falling within Chapter 8.6 and Appendix I of the Code. The Trust is authorised by the Securities and Futures Commission (the “SFC”) in Hong Kong under Section 104 of the Securities and Futures Ordinance. The SFC takes no responsibility for the financial soundness of the Trust or for the correctness of any statements made or opinions expressed in this Prospectus. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

You should consult your financial adviser, consult your tax advisers and take legal advice as appropriate as to whether any governmental or other consents are required, or other formalities need to be observed, to enable you to acquire Units, as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable and to determine whether any investment in the Trust is appropriate for you.

The HKD traded Units are listed on The Stock Exchange of Hong Kong Limited (the “SEHK”). The HKD traded Units have been accepted as eligible securities by Hong Kong Securities Clearing Company Limited (“HKSCC”) for deposit, clearing and settlement in the Central Clearing and Settlement System (“CCASS”). The RMB traded Units have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No action has been taken to permit an offering of Units or the distribution of this Prospectus in any jurisdiction other than Hong Kong and, accordingly, the Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Furthermore, distribution of this Prospectus shall not be permitted unless it is accompanied by a copy of the latest annual report and accounts of the Trust (where existing) and, if later, its most recent interim report, which form a part of this Prospectus.

The Trust is not registered as an investment company with the United States Securities and Exchange Commission. Units have not been, and will not be, registered under the United States Securities Act of 1933 or any other United States Federal or State law and accordingly Units are not offered to, and may not be transferred to or acquired by, US persons (including without limitation US citizens and residents as well as business entities organised under United States’ law).

You should note that any amendment or addendum to this Prospectus will only be posted on the Manager’s website (www.valueetf.com.hk/valueGoldETF/eng/index.php). This Prospectus may refer to information and materials included in the Manager’s website. Such information and materials do not form part of the Prospectus and they have not been reviewed by the SFC or any regulatory body. Investors should note that the information provided in the Manager’s website may be updated and changed periodically without any notice to any person.

Questions and Complaints

Investors may raise any questions on or make any complaints about the Trust by contacting the Manager at its address as set out in the Directory of this Prospectus, or by phone at its telephone number: (852) 2880 9263.

DIRECTORY

Manager

**Sensible Asset Management
Hong Kong Limited**
9/F Nexxus Building
41 Connaught Road Central
Hong Kong

Sub-Manager

Value Partners Hong Kong Limited
9/F Nexxus Building
41 Connaught Road Central
Hong Kong

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
13/F One Pacific Place
88 Queensway
Hong Kong

Auditors

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

Service Agent

HK Conversion Agency Services Limited
2/F, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

*HKD Counter Market Makers**

Commerz Securities Hong Kong Limited
29/F, Two International Finance Center
8 Finance Street
Central
Hong Kong

*RMB Counter Market Makers**

Commerz Securities Hong Kong Limited
29/F, Two International Finance Center
8 Finance Street
Central
Hong Kong

**Credit Suisse Securities (Hong Kong)
Limited**

Level 88 International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

**Credit Suisse Securities (Hong Kong)
Limited**

Level 88 International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Merrill Lynch Far East Limited

15/F Citibank Tower
3 Garden Road
Hong Kong

* Please refer to the Manager's website for the latest list of HKD Counter Market Makers and RMB Counter Market Makers.

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DEFINITIONS

In this Prospectus, unless the context requires otherwise, the following expressions have the meanings set out below. Other capitalised terms used, but not defined, have the meaning given to those terms in the Trust Deed.

“Application Unit” means the number of Units or whole multiples thereof as specified in this Prospectus or such other multiple of Units from time to time determined by the Manager, approved by the Trustee and notified to Participating Dealers.

“assay” means a chemical test undertaken to determine the purity of a sample of gold.

“Basket” means an amount of Bullion for the purpose of a creation application or redemption application in an Application Unit size.

“Bullion” means gold in the form of uniquely identifiable bars or ingots of minimum fineness of 99.5% gold from an approved refiner on the LBMA Good Delivery List of Acceptable Refiners: Gold.

“Business Day” means a day (other than a Saturday): (i) which is not a public holiday in the United Kingdom, (ii) on which the SEHK is open for normal trading, and (iii) on which banks in Hong Kong are open for general business provided that, where, as a result of a Typhoon Number 8 Signal, Black Rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Manager with the consent of the Trustee otherwise determines and/or such other day or days as the Manager may from time to time determine with the approval of the Trustee.

“CCASS” means the Central Clearing and Settlement System established and operated by HKSCC or any successor system operated by HKSCC or its successors.

“CCASS Settlement Day” means the term “Settlement Day” as defined in the General Rules of CCASS.

“Code” means the Code on Unit Trusts and Mutual Funds dated June 2010 issued by the SFC (as amended, or replaced, from time to time).

“Connected Person” has the meaning as set out in the Code which at the date of this Prospectus means in relation to a company:

- (a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20% or more of the total votes in that company; or
- (b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or
- (c) any member of the group of which that company forms part; or
- (d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c).

“Creation Application” means an application by a Participating Dealer for the creation and issue of Units in an Application Unit size (or whole multiples thereof) in accordance with the Operating Guidelines and the Trust Deed.

“Custodian” means HKIA Precious Metals Depository Limited, a wholly owned subsidiary of the Airport Authority of Hong Kong.

“Custody Agreement” means the terms and conditions for the Trust’s precious metals account with the Custodian, as amended, constituting the agreement between the Trustee and the Custodian by which, inter alia, the Custodian agrees to provide safe custody of the Trust’s Bullion on a fully

allocated basis.

“Dealing Day” means each Business Day during the continuance of the Trust, and/or such other day or days as the Manager may determine with the approval of the Trustee.

“Dealing Deadline” in relation to any particular place and any particular Dealing Day, means the time on each Dealing Day specified in the “The Offering” section of this Prospectus.

“Dual Counter” means the facility by which the Units traded in RMB and traded in HKD are each assigned separate stock codes on the SEHK and are accepted for deposit, clearing and settlement in CCASS in more than one eligible currency (RMB or HKD) as described in this Prospectus.

“Duties and Charges” means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage, bank charges, transfer fees, registration fees, transaction levies, costs of assay, insurance and other duties and charges whether in connection with the constitution of the Trust’s deposited property (other than income and distributable amounts) or the increase or decrease of the Trust’s deposited property (other than income and distributable amounts) or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Bullion or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing and including but not limited to, in relation to an issue of Units or redemption of Units, a charge (if any) of such amount or at such rate as is determined by the Manager to be made for the purpose of compensating or reimbursing the Trust for the difference between (a) the prices used when valuing the Bullion in the Trust Fund for the purpose of such issue or redemption of Units and (b) (in the case of an issue of Units) the prices which would be used when acquiring the same Bullion if they were acquired by the Trust with the amount of cash received by the Trust upon such issue of Units and (in the case of a redemption of Units) the prices which would be used when selling the same Bullion if they were sold by the Trust in order to realise the amount of cash required to be paid out of the Trust Fund upon such redemption of Units.

“Extension Fee” means the fee payable for the account and benefit of the Trustee by the Participating Dealer in respect of extended settlement for a Creation Application or a Redemption Application.

“gold” means the metallic element gold, symbol Au on the periodic table of elements with atomic number 79.

“gram” means a thousandth of a kilo, equal to 0.0321507465 troy ounces.

“Group” means Value Partners Group Limited and its subsidiaries.

“HK dollars” or “HKD” means Hong Kong dollars, the lawful currency of Hong Kong.

“HKSCC” means the Hong Kong Securities Clearing Company Limited or its successors.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“in-gold” means the physical delivery of Bullion.

“International Stock Exchanges” means the SEHK, Osaka Securities Exchange, Tokyo Stock Exchange, Singapore Exchange Securities Trading Limited, Australian Stock Exchange, SIX Swiss Exchange, London Stock Exchange, NASDAQ and New York Stock Exchange.

“Issue Price” means the price at which a Unit may be issued, determined in accordance with the Trust Deed.

“kilo” means one kilogram or 1,000 grams (equal to 32.1507465 troy ounces).

“LBMA” means the London Bullion Market Association.

“London Gold Fixing Price” means the morning fixing price of gold per troy ounce quoted in US

dollars by The London Gold Market Fixing Limited (published by the LBMA usually before 11:00 a.m. (London time));

“London Good Delivery” means the specifications for good delivery of bullion as set out in The Good Delivery Rules for Gold and Silver Bars published by the LBMA, as amended from time to time.

“Manager” means Sensible Asset Management Hong Kong Limited.

“Market Maker” means a broker or dealer permitted by the SEHK to act as such by making a market for the Units in the secondary market on the SEHK.

“Metal Provider” means each metal provider to the Participating Dealers from time to time, presently being Standard Bank Plc and Standard Chartered Bank, which has entered into a Metal Provider Agreement.

“Metal Provider Agreement” means the agreement between the Trustee, the Manager and the relevant Metal Provider by which that Metal Provider, inter alia, agrees to provide Bullion to Participating Dealers.

“Net Asset Value” means the net asset value of the Trust or, as the context may require, the net asset value of a Unit calculated under the Trust Deed.

“Operating Guidelines” means the guidelines for the creation and redemption of Units as set out in the schedule to the Participation Agreement as amended from time to time by the Manager with the approval of the Trustee and the Registrar and following consultation, to the extent reasonably practicable, with the Participating Dealers and as notified in writing to the Participating Dealers. Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the Trust applicable at the time of the relevant Application.

“Participating Dealer” means any eligible dealer who has entered into a Participation Agreement.

“Participation Agreement” means an agreement entered into between the Trustee, the Manager and a Participating Dealer setting out, (amongst other things), the arrangements in respect of the issue of Units and the redemption and cancellation of Units.

“PRC” means the People’s Republic of China, excluding for the purposes of interpretation of this Prospectus only, Hong Kong, Macau and Taiwan.

“Redemption Application” means an application by a Participating Dealer for the redemption of Units in Application Unit size (or whole multiples thereof) in accordance with the Operating Guidelines and the Trust Deed.

“Redemption Value” means, in respect of a Unit of the Trust, the price per Unit at which such Unit is redeemed, calculated in accordance with the Trust Deed.

“Registrar” means the Trustee or such other person appointed under the Trust Deed as registrar of the Trust.

“RMB” or “Renminbi” means Renminbi Yuan, the lawful currency of the PRC.

“Securities and Futures Ordinance” means the Securities and Futures Ordinance (Cap. 571) of Hong Kong.

“SEHK” means The Stock Exchange of Hong Kong Limited or its successors.

“Service Agent” means HK Conversion Agency Services Limited or its successors.

“Settlement Day” means the Business Day which is 3 Business Days after the relevant Dealing Day (or such later Business Day or such later day as is permitted in relation to such Dealing Day pursuant to the Operating Guidelines) or such other number of Business Days or such number of days after the relevant Dealing Day as determined by the Manager, in consultation with the

Trustee, from time to time and as notified to the relevant Participating Dealers.

“SFC” means the Securities and Futures Commission of Hong Kong or its successors.

“Sub-Manager” means Value Partners Hong Kong Limited.

“Transaction Fee” means the fee which may be charged for the benefit of the Trustee and the Service Agent to each Participating Dealer on each Dealing Day upon which a Creation Application or Redemption Application has been made by the relevant Participating Dealer, the maximum level of which shall be as set out in this Prospectus.

“troy ounce” means the traditional weight used for precious metals, including gold, equal to 31.1034768 grams or 1.0971428 ounces avoirdupois.

“Trust” means the Value Gold ETF.

“Trust Deed” means the trust deed dated 13 October 2010 between the Manager and the Trustee constituting the Trust, as amended from time to time.

“Trustee” means HSBC Institutional Trust Services (Asia) Limited.

“Trust Fund” means all the property held by the Trust, including all deposited property and, if any, income property, except for amounts to be distributed, in each case in accordance with the Trust Deed.

“Units” means a unit representing an undivided share in the Trust Fund.

“United Kingdom” means the United Kingdom of Great Britain and Northern Ireland.

“Unitholder” means a person entered on the register of holders as the holder of Units including, where the context so admits, persons jointly registered and the beneficial owner of Units which are registered in the name of HKSCC Nominees Limited and held in CCASS.

“US” means the United States of America.

“US dollars” or “USD” means United States dollars.

“Valuation Point” means the time at which the London Gold Fixing Price is quoted by The London Gold Market Fixing Limited (published by the LBMA) on each Dealing Day or such other time or times as determined by the Manager in consultation with the Trustee provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Units.

SUMMARY

Key Information

Set out below is a summary of certain key information in respect of the Trust which should be read together with the full text of this Prospectus.

Benchmark (London Gold Fixing Price)	The morning fixing price for gold per troy ounce published by the LBMA usually before 11:00 a.m. (London time) quoted in US dollars.
Commencement of Dealing Date (SEHK)	3 November 2010 – HKD Counter 29 November 2013 – RMB Counter
Exchange Listing	SEHK – Main Board
Stock Code	03081 – HKD Counter 83081 – RMB Counter
Short Stock Name	VALUEGOLD ETF – HKD Counter VALUEGOLD ETF-R – RMB Counter
Trading Board Lot Size	100 Units – HKD Counter 100 Units – RMB Counter
Base Currency of Trust	HK dollars (HKD)
Trading Currency	HK dollars (HKD) – HKD Counter Renminbi (RMB) – RMB Counter
Dividend Policy	None
Creation Redemption Policy	Cash (HKD only) or in gold
Application Unit Size (only by or through Participating Dealers)	Minimum 300,000 Units (or multiples thereof)
Total Expense Ratio*	Estimated to be 0.35% per year of the Net Asset Value
Investment Strategy	Physical Bullion holding (Please refer to the section on “What is the Investment Strategy?” below)
Financial Year End	31 March
Website	www.valueetf.com.hk/valueGoldETF/eng/index.php

* The Total Expense Ratio does not represent tracking error

What is the Investment Objective?

The investment objective of the Trust is to provide investment results that, before fees and expenses, closely correspond to the performance of the London Gold Fixing Price. There can be no assurance that the Trust will achieve its investment objective.

What is the Investment Strategy?

To achieve its investment objective, the Trust acquires and holds Bullion. In addition, for the purpose of liquidity, up to 5% of the Net Asset Value of the Trust may be invested in other physical gold exchange traded funds listed on Internationally Stock Exchanges which have a similar risk profile to the Trust.

The Trust is not permitted to invest in other types of investments – including, but not limited to, derivatives futures contracts, options on futures contracts, options, swaps, warrants and other financial instruments, local currency and foreign currency exchange contracts, securities (other than for liquidity as mentioned above) and other financial instruments. The investment strategy of the Trust is also subject to the investment and borrowing restrictions as set out in the Schedule to this Prospectus.

Owing to the expenses of the Trust, mainly the fees and other expenses and costs associated with the Trust's ongoing operations (for example the Manager's, Trustee's, Custodian's, SFC's and SEHK's fees), the Manager anticipates that the Trust may also need to sell Bullion and retain a small amount of cash in HK dollars to pay for such outgoings. As a result the Manager anticipates that the Trust may suffer a tracking error to the movement of the London Gold Fixing Price of up to 2% a year, although the Manager estimates that the tracking error will generally be approximately 0.40% a year.

What is the London Gold Fixing Price?

The London Gold Fixing Price is a price quoted in US dollars by The London Gold Market Fixing Limited in London and published by the LBMA usually before 11:00 a.m. (London time). There is a second gold fixing price published by the LBMA in the afternoon (London time). The London Gold Fixing Price is a widely used international benchmark for daily gold prices. The Net Asset Value of the Trust will be valued by reference to the London Gold Fixing Price. Further information on the determination of Net Asset Value is set out in the section of this Prospectus entitled "Determination of Net Asset Value".

You may view the London Gold Fixing Price published by the LBMA at any time on the LBMA's website www.lbma.org.uk under "London Gold Fixing".

All references to the London Gold Market Fixing prices are used with the permission of The London Gold Market Fixing Limited, which for the avoidance of doubt has no responsibility whatsoever for the Trust and this Prospectus.

Where will the Trust's gold be held?

All Bullion deposited with the Trust will be safekept at the Custodian's secure vaults in Hong Kong.

Who is the Custodian of the Trust's gold?

The Custodian, a wholly owned subsidiary of the Airport Authority of Hong Kong (a Hong Kong Government entity), will provide safe custody of all the Trust's physical Bullion under delegated authority from the Trustee. The Custodian holds a Type 1 Security Company License under the Security and Guarding Services Ordinance of Hong Kong. The Manager selected the Custodian as the most suitable custodian to hold the Trust's Bullion in Hong Kong on the basis of its state-of-the-art security facilities and vault built to international standards. Under the Custody Agreement, the Custodian is responsible for the safe custody of all gold deposited with it.

Any replacement or substitute Custodian in respect of the Trust shall be as agreed by the Trustee and the Manager and shall be an entity or a financial institution acceptable to the SFC. Such Custodian shall only be appointed following approval by the SFC. As required by SFC, the Manager will seek to ensure that (i) the Custodian shall not cease to act as a custodian except upon the appointment of a new custodian acceptable to the SFC, and (ii) the cessation of the Custodian's appointment shall only take effect at the same time as the new custodian takes up

office.

Is the Trust's gold "allocated"?

All Bullion deposited with the Trust is safekept by the Custodian and is held on a fully "allocated" basis. This means that the Trust has an account with the Custodian in the Trust's name which will evidence that uniquely identifiable pieces of Bullion are "allocated" to the Trust and are physically segregated in the Custodian's secure vault from precious metals (including gold) belonging to other owners. All Bullion stored by the Custodian will be clearly identifiable through the refiner's brand and unique serial number. The Trust has full title to all Bullion held in its name with the Custodian.

All Participating Dealers which may create and redeem in-gold (or their agents), each Metal Provider and the Trust have accounts with the Custodian.

What is the role of a Metal Provider?

The Metal Providers at present are Standard Bank Plc and Standard Chartered Bank although there may be additional metal providers in future.

To ensure that all gold accepted by the Trust is Bullion of the requisite standard, Participating Dealers (which may create and redeem in-gold) and the Manager (on behalf of the Trust) may only purchase Bullion from the Metal Provider and may not acquire Bullion from any other source for the purpose of any Creation Application. All Bullion sold by a Metal Provider to Participating Dealers and the Manager (on behalf of the Trust) will be those manufactured by refiners which are included in the LBMA Good Delivery List of Acceptable Refiners: Gold in accordance with the rules of the LBMA and London Good Delivery. Such refiners manufacture gold and are included in such list on the basis of their compliance with the LBMA's requirements described in more detail below.

Units shall not be issued to Participating Dealers creating in-gold prior to the actual allocation of the requisite Bullion being delivered to the Trust's account at the Custodian's secure vault.

The Metal Providers will be responsible for ensuring that all such Bullion will meet the standards for London Good Delivery in respect of weight and conformity and be of a minimum fineness of 99.5% gold. If a Participating Dealer or the Manager has any dispute as to the quality of gold sold to it by a Metal Provider, the Participating Dealer or the Manager will be entitled to claim against the relevant Metal Provider. In addition, each Metal Provider has agreed with the Trustee and the Manager under the relevant Metal Provider Agreement to guarantee the fineness of the Bullion sold to any Participating Dealer and to the Manager (on behalf of the Trust). Each Metal Provider Agreement may only be terminated, without cause, on 12 months' prior notice.

Further information on the Metal Providers is set out in the section of this Prospectus entitled "Management of the Trust" under "The Metal Providers".

What sort of gold will the Trust accept?

The Trust will only hold Bullion (i.e. gold in the form of bars or ingots from approved refiners which are included in the LBMA Good Delivery List of Acceptable Refiners: Gold) of minimum fineness of 99.5% gold. Each piece of Bullion is uniquely identifiable as having been made by the relevant refiner. As a result, the Manager will only accept an in-gold Creation Application with Bullion in accordance with these requirements.

What are the LBMA, London Good Delivery and London Good Delivery Bars?

Although the market for physical gold is distributed globally, most over the counter market trades are cleared through London. Over the counter trades are typically on a principal to principal basis and are confidential. The LBMA co-ordinates these market activities and acts as the main point of contact between the market and its regulators. A primary function of the LBMA is its involvement in the promotion of refining standards by maintenance of the "London Good Delivery Lists", which are the lists of LBMA accredited melters and assayers of gold. The LBMA also

coordinates market clearing and vaulting, promotes good trading practices and develops standard documentation.

“London Good Delivery Bars” refers to bullion that meets the specifications of “London Good Delivery” made by the LBMA accredited melters and assayers of gold. These specifications include weight, dimensions, fineness, identifying marks (including the assay stamp of a LBMA acceptable refiner) and appearance for bullion as set forth in “The Good Delivery Rules for Gold and Silver Bars” published by the LBMA. The unit of trade in London is the troy ounce, whose conversion between grams is: 1,000 grams = 32.1507465 troy ounces and 1 troy ounce = 31.1034768 grams. A London Good Delivery Bar is acceptable for delivery in settlement of a transaction on the grams. A London Good Delivery Bar is acceptable for delivery in settlement of a transaction on the over the counter market. Typically referred to as 400 ounce bars, a London Good Delivery Bar must contain between 350 and 430 fine troy ounces of gold, with a minimum fineness of 99.5%, be of good appearance and be easy to handle and stack. The fine gold content of a gold bar is calculated by multiplying the gross weight of the bar (expressed in units of 0.025 troy ounces) by the fineness of the bar. A London Good Delivery Bar must also bear the stamp of one of the melters and assayers who are on the LBMA approved list.

Can I exchange my gold for Units or Units for gold?

No, only Participating Dealers can create and redeem Units directly with the Trust although they can do so on your behalf.

Although Participating Dealers will create and redeem on behalf of you as their clients, you cannot deliver gold to Participating Dealers. However, you may apply in cash to Participating Dealers to create Units on your behalf. If a Participating Dealer agrees to apply to create Units on your behalf, you will need to pay the relevant Participating Dealer a pre-agreed sum of money (HKD only). The Participating Dealer will then apply to the Trust for Units either in-gold, having acquired the relevant amount of Bullion, or in cash. Under the Participation Agreements, the relevant Participating Dealers (which have accounts or whose agents have accounts with the Custodian) may only purchase Bullion through the Metal Provider in respect of in-gold creation of Units.

If a Participating Dealer agrees to apply to redeem Units on your behalf then generally you will normally be entitled to receive cash (HKD only), not gold. However, whether or not you, as a client of the relevant Participating Dealer, may receive gold rather than cash (HKD only) for your redeemed Units from that Participating Dealer is subject to your agreement with the Participating Dealer. Such agreement will, where relevant, cover the procedures for delivery of any gold to you. Any dispute that may arise as to the quality of gold delivered to you by your Participating Dealer will be subject to the terms of your agreement with that Participating Dealer – including any right you may have to assay the gold and how such a dispute may be resolved. In other words your right to claim will be against the relevant Participating Dealer.

Can all Participating Dealers create and redeem in-gold?

No, only those Participating Dealers which have opened an account (or whose agents have an account) with the Custodian and which have a trading relationship with the Metal Provider can create and redeem in-gold. Other Participating Dealers may only create and redeem in cash. You should check with the relevant Participating Dealer whether or not it can create or redeem in-gold if you wish to ask a Participating Dealer to redeem in-gold and deliver Bullion to you. However, please note that even where a Participating Dealer may create and redeem in-gold, it is under no obligation to do so on your behalf or to deliver Bullion to you.

Is the Trust’s gold insured?

The Trustee and the Manager do not arrange insurance of the Bullion held by the Trust and, because the Trust acquires title to the Bullion only when they are delivered to the Trust’s account within the Custodian’s vault, the Trust accepts no responsibility or liability for Bullion in transit to the Custodian’s vault (which is at the risk of the Participating Dealer or the Metal Provider, as applicable). However the Custodian, which holds all the Bullion deposited with the Trust, generally maintains insurance at its own expense with regard to its business on such terms and

conditions as it considers reasonable and appropriate. The Custodian's insurance coverage with respect to the vault is regularly reviewed by the Custodian which considers the present insurance coverage sufficient and appropriate, given the exposure, security installations and risk management which the Custodian has in place. A copy of the certificates of insurance in respect of the present insurance policy has been provided to the Trustee and the Manager (although neither the Trustee nor the Manager warrant or represent as to its sufficiency or appropriateness generally). The present policy does not necessarily cover all Bullion which may be deposited at the Custodian's vault.

Bullion held by a Participating Dealer or by a Metal Provider is not part of the Trust Fund and is the sole responsibility of the relevant Participating Dealer or the relevant Metal Provider. Bullion in transit to the Custodian on behalf of a Participating Dealer is not the Trust's property and so is the sole responsibility of the relevant Participating Dealer (which may or may not have adequate insurance arrangements in place). Because ownership of the Bullion does not pass to the Trust until it is received in the Trust's account with the Custodian, the Trust will not suffer any loss if Bullion is lost, destroyed or stolen in transit by the Participating Dealer or a Metal Provider to the Custodian's vault. The Trust, the Trustee, the Manager, the Sub-Manager and the Custodian are not liable for the loss of any such Bullion in transit to the Custodian's vault.

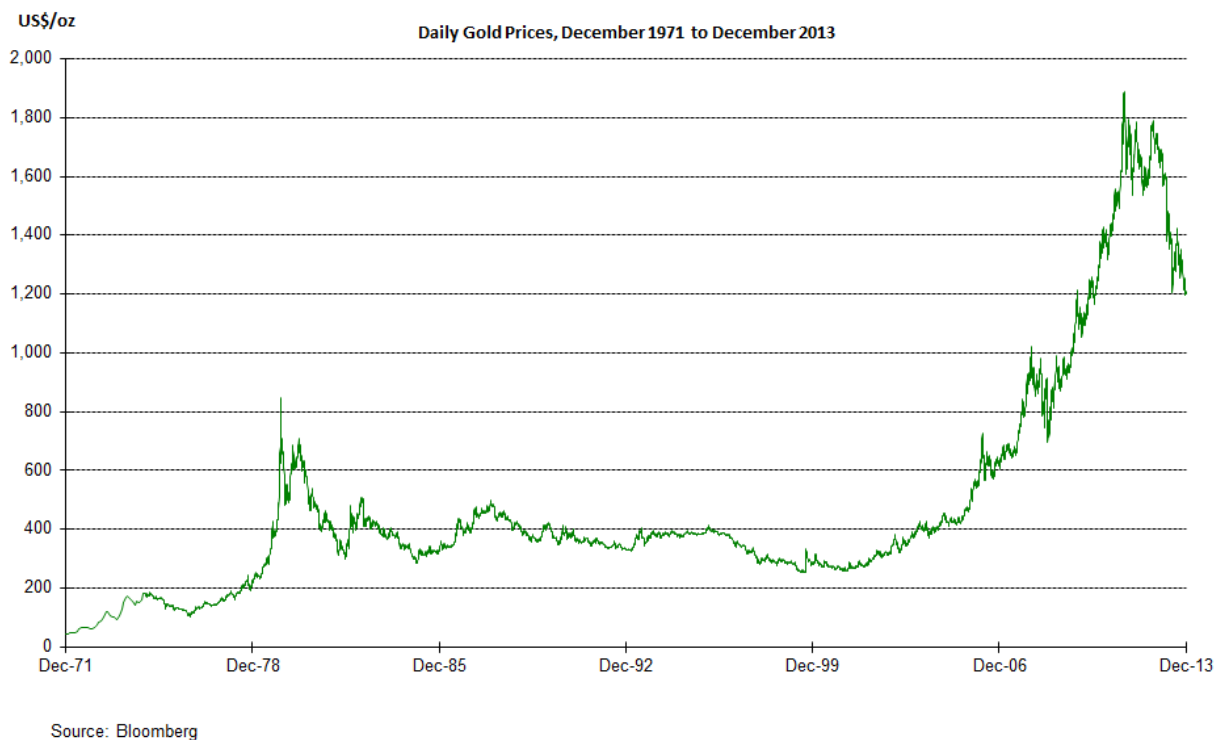
OVERVIEW OF THE GOLD MARKET

What is Gold?

Gold is a precious metal with good electrical and thermal conductivity, and high resistance to corrosion. Gold is dense, soft, lustrous and was used throughout the world as a currency for exchanging products and services, long before the issuance of paper-based notes and coins. Today, gold is mostly used in jewellery. From time to time, when there is a political or social crisis like war, gold can be an investment for hedging and storing value. Moreover, gold can be used for industrial, medical and other technological purposes.

Gold-Price Trend (1972 to 2013)

The price of gold generally remains resilient amid heightened systemic risk in the financial markets or economic turmoil. The main reason for this is investment demand, as described below.



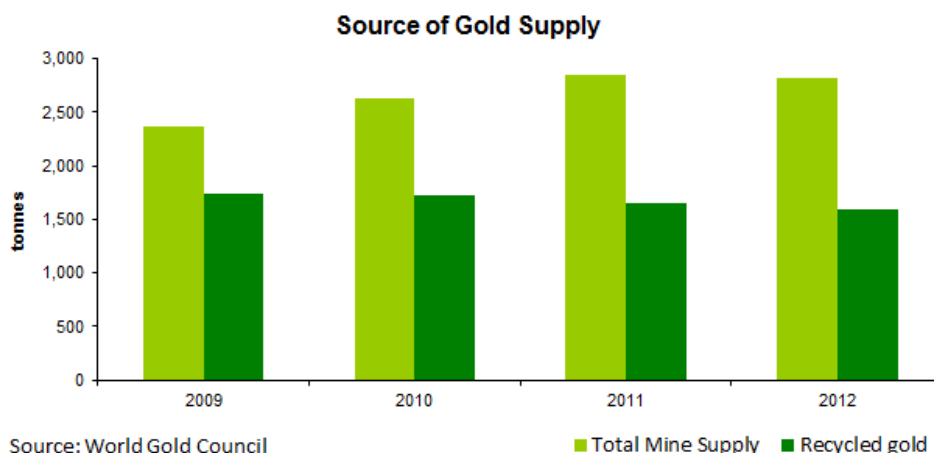
In the period from 1972 to 2013, gold prices experienced 3 dramatic bull markets. The first of these lasted from 1976 until 1980, when gold hit a then record price of USD850 per ounce. There were two factors which contributed to this bull market for gold. The first was US President Richard Nixon's decision, in 1971, to put an end to the convertibility of the US dollar to gold. In other words, for example, an amount of USD35 could no longer be directly converted to a troy ounce of gold. As a result, the US dollar has become a fiat currency system, giving the US government greater flexibility for controlling the amount of US dollars available in the markets. During that period, the US experienced a high inflation rate and gold was used as an inflation hedger. The second reason was a combination of the Soviet Union's invasion of Afghanistan and the Islamic Revolution in Iran which led to gold becoming a safe haven in 1979.

The second bull market lasted from 2001 until 2007. During this period, there was robust growth in the global economy, especially in emerging markets such as Brazil, Russia, India and China, and the demand for commodities and precious metals was strong, driving gold prices to new highs. Then, in 2008, as the credit crunch hit global markets the price of gold did not drop as drastically as that of equities and bonds because gold had become the safe haven and a store of value for investors.

Since the financial crisis, gold prices have recovered and gold once again entered into a bull market. It rose above USD1,000 per troy ounce, as the US Federal Reserve implemented a programme of quantitative easing, raising concerns over rising inflation. The European sovereign debt crisis in 2011 has further contributed to the continuation of the robust performance of the price of gold which reached a new high of above USD1,890 per troy ounce in September 2011. After more than a decade of positive return, gold price had a lower year-end close in 2013.

Gold Supply

The supply of gold can mainly be divided into 2 categories: mine supply and recycled gold. The following graph shows a summary of the supply:



Mine Supply

The largest portion of gold supplied to the market is from gold-mine production, which accounted for around two-thirds of the total gold supply in 2012. The remaining third comprised of scrap gold. Gold mines are operated around the globe. In 2012, China and Russia increased in production while South Africa and Indonesia had a decrease. The overall global supply in 2012 remained at level above 4,400 tonnes as the decrease in recycled gold counterbalanced the increase in mine production. Since 2004, the amount of new gold that is removed from the ground each year has been substantially lower than the level of demand. For example, during the 8 years from 2004 to 2012, newly mined production was only around 60% to 70% of the total demand for jewellery, industrial application and investment. The shortfall in the newly mined gold supply has been met by additional supplies, such as recycled gold.

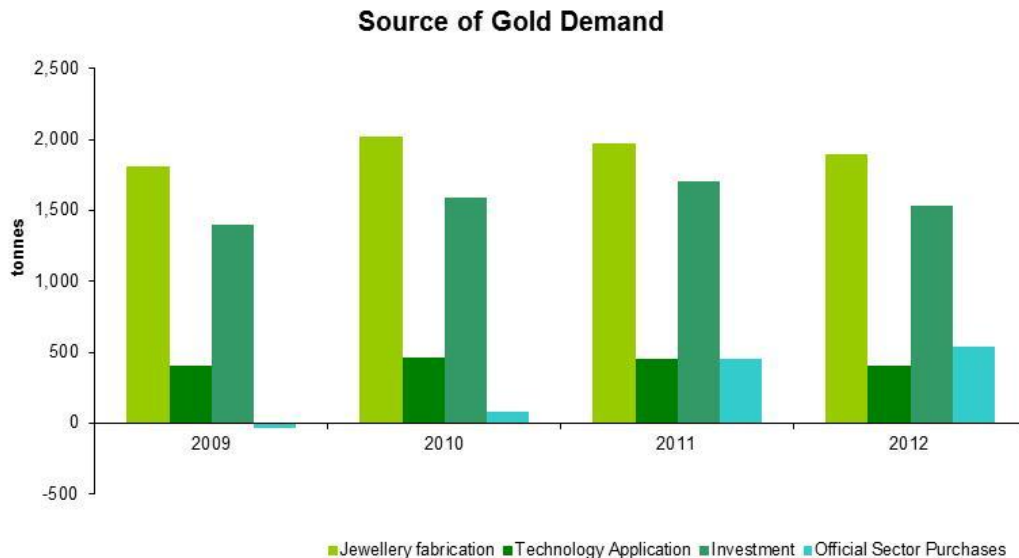
Recycled Gold

Since gold is virtually indestructible, it can be easily recovered from scrap. According to the World Gold Council, scrap is defined as “gold that has been sourced from old fabricated products that have been recovered and refined back into bars”. Hence, reselling jewellery, which has not been re-refined, and investment bars and coins are not counted as scrap.

The share of recycled gold has steadily increased in the past few years, from 28% of the total supply in 2007 to 37% in 2011, and has become the key growth area in gold supply. This is because gold prices have remained on an upward trend during that period, and people have had greater incentives to re-sell the scrap. However, in 2012, the supply from recycled gold has dropped from 1649.4 tonnes to 1590.7 tonnes. The reversal of the trend is due to lower gold price and increasing scarcity of old gold.

Gold Demand

The demand for gold is mainly driven by four categories: jewellery, technology application, investment and official sector purchases. The following graph shows a summary of the demand:



Source: Gold Demand Trends, Third Quarter 2012, World Gold Council

Jewellery

Jewellery demand is the biggest component, which is more than 50%, of total demand. Gold jewellery is universally popular, as many cultures have traditionally used gold to symbolize power and accomplishment. With its rapid economic growth and traditional affinity to gold, China is one of the fastest-growing gold jewellery markets. Due to the gradual deregulation of restrictions on importing, innovative products such as K-gold – 18 carat gold designed by foreign designers – have rapidly gained market share from the traditional, virtually pure, 24 carat gold.

Technology Application

At the end of 2012, technology demand accounted for around 10% of total demand and most of it was used in the electronics and medical industries. Because of its good thermal and electrical conductivity and high resistance to corrosion, gold plays an important part in the manufacture of components used in a wide range of electronic devices, including computers, smartphones, tablets and home appliances. Advanced technologies will likely create more growth opportunities in the industrial demand for gold.

Gold's medical use has a long history. Due to its longevity and malleability gold is commonly used in dentistry for fillings, crowns, bridges, caps, and gold castings. Due to its compatibility with the human body and immunity to bacterial infection gold can also be applied for other medical uses, such as in heart transplants, blood vessel support and cancer treatment.

Investment

Gold is often considered as a store of value, a wealth protection tool and an alternative monetary asset to currencies. The share of investment demand for gold as a percentage of total demand has been stable at the level of above 30% since 2009. Gold's primary appeal is that it is immune from the default or bankruptcy risks associated with other financial assets like currencies, equities and bonds issued by sovereign authorities and corporate entities. Hence, gold may serve as a safe haven for investors during volatile and uncertain periods.

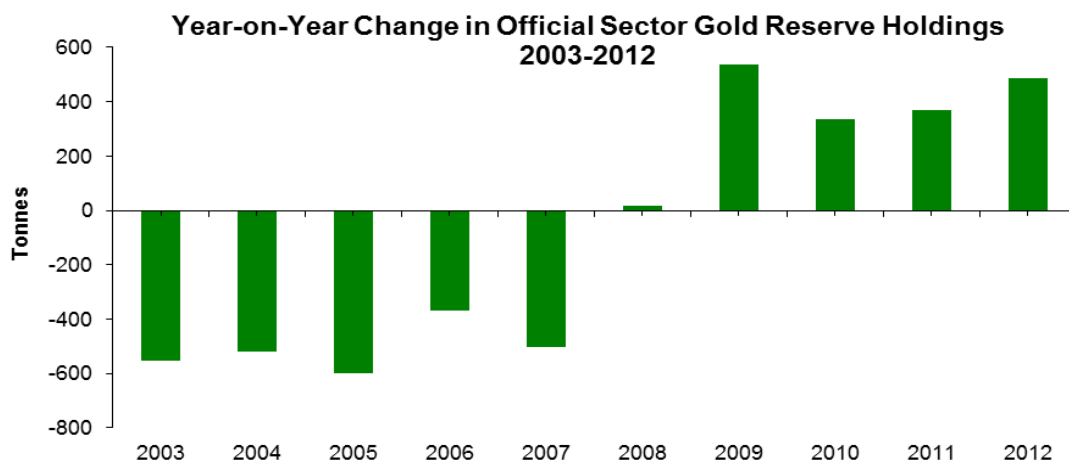
Gold may also be used for hedging inflation and currency risks, as its scarcity and non-reproducible nature allow it to maintain a relatively stable purchasing power over the long term. One example is the period from 1971 to 1980, as mentioned in the section Gold-Price Trend (1972 to 2013), above. When the US dollar was decoupled from gold, the supply of US dollars was no longer limited and investors went on a gold-buying spree to hedge against inflation risk and store value. Another example is the recent credit crisis and European sovereign debt crisis. The following graph shows that when the US dollar depreciated against the euro,

gold prices generally appreciated in US dollar terms.

Official Sector Purchases

Historically, gold has been used for strategic reserve assets for central banks and supranational organizations, such as the International Monetary Fund (the “IMF”). They have the biggest reserves of gold in the world, totaling over 31,000 tonnes at the end of 2012. Currently, the US is the nation with the largest gold holdings, with over 8,000 tons, roughly one-quarter of the official global gold holdings, followed by Germany, Italy, France, China, Switzerland, Russia, Japan, the Netherlands and India, respectively. These 10 countries, together with the IMF’s gold reserve, account for roughly 76% of the official gold reserves in the world.

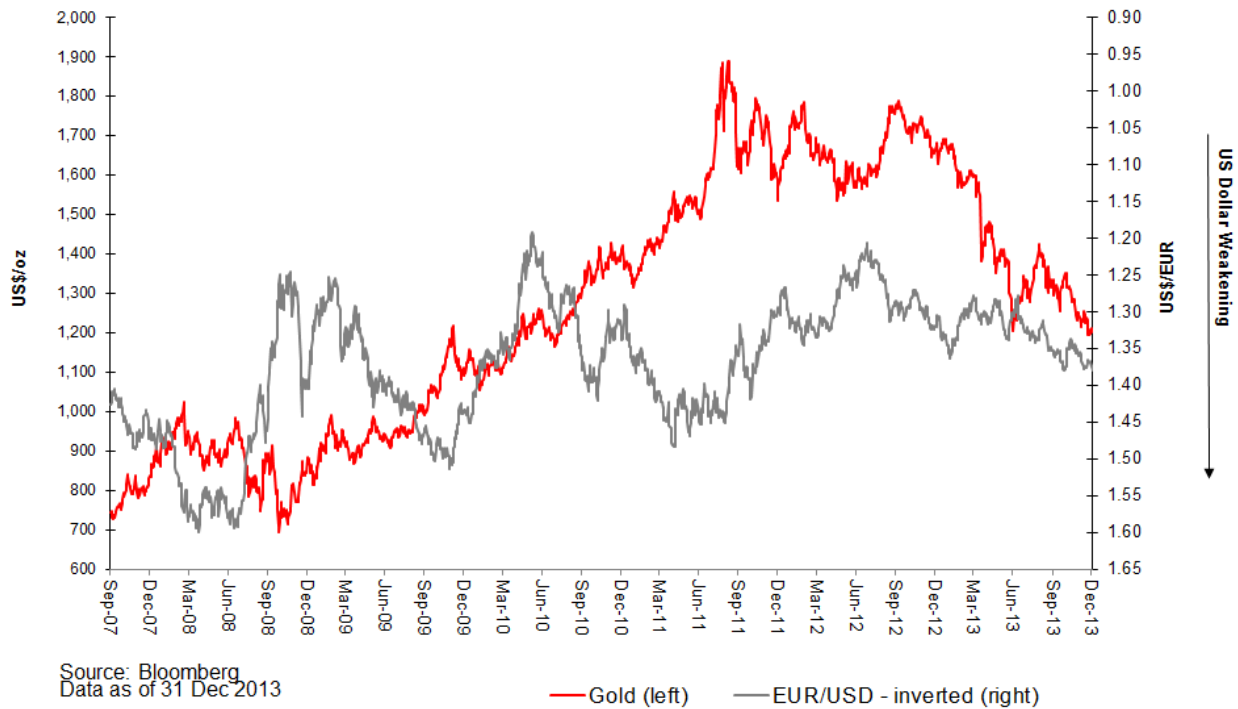
The sector as a whole has been a net seller of gold in the market until 2008 when the official sector sales recorded -18 tonnes. This indicated that the central banks have become a net buyer of gold in the market. In fact, the trend has begun between late 2008 and 2009, as some central banks such as Russia, China and India signaled their aim to restore the balance of gold for diversifying their reserve asset portfolios. In 2011, the panicked market boosted gold’s safe haven appeal, and central banks around the globe re-affirmed the importance of gold. South Korea embarked on a major gold acquisition campaign and purchased 15 tonnes of gold in November 2011, which was more than the Bank of Korea had accumulated historically before 2011. This has helped to re-establish the position of gold as a key asset for global monetary reserves, and has also provided increased recognition of gold’s unique properties as a monetary asset and protector of wealth. In 2013, countries, such as Russia, Brazil, Iraq, South Korea and the Philippines, continued to buy gold as part of their reserves despite the correction in gold price.



Source: Gold Demand Trends

Appreciation of Gold Price against EUR/USD

Last but not least, given its unique investment features, generally speaking, risk factors that may affect the gold price are quite different in nature from those that affect other assets. Therefore, gold's price movement often behaves differently from other traditional financial asset classes, such as bonds and equities. Low correlations with other investment instruments make gold an attractive tool for portfolio diversification. The following table shows the correlation between gold and some common benchmarks of different asset classes.



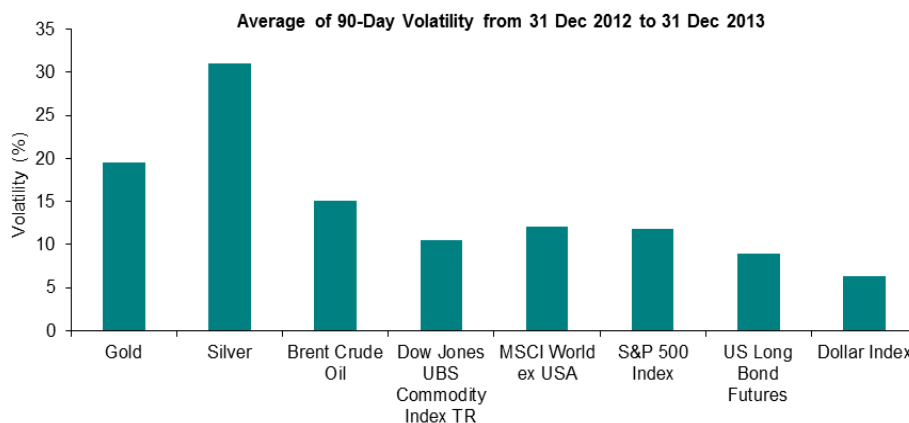
**Correlation of Gold and Common Benchmarks
(Daily Returns for 3 Years Ending 31 December 2013)**

	Gold	Silver	Brent Crude Oil	Dow Jones UBS Commodity Index	MSCI World ex USA	S&P 500 Index	US Long Bond Futures	Dollar Index
Gold	1							
Silver	0.795	1						
Brent Crude Oil	0.509	0.751	1					
Dow Jones UBS Commodity Index	0.673	0.753	0.744	1				
MSCI World ex USA	0.392	0.611	0.713	0.813	1			
S&P 500 Index	0.296	0.519	0.666	0.754	0.948	1		
US Long Bond Futures	0.106	-0.180	-0.484	-0.467	-0.707	-0.752	1	
Dollar Index	-0.606	-0.750	-0.744	-0.882	-0.845	-0.753	0.552	1

Source: Bloomberg

Data: from 31 December 2011 to 31 December 2013

The chart below shows the average 90-day volatility of gold and some common benchmarks from different asset classes. This 90-day volatility is a measure of risk of price moves for a security. We can see that gold has a lower volatility than other stock-market indices. Gold has a higher volatility than bond and currency, which is understandable, as bond and currency usually have steady cash flows from coupon and interest rates, respectively.



Source: Bloomberg

Recent Trends – India and China

India's demand for gold is weaker in Q3 2013 as import restrictions took effect and reduced supply has prevented the demand from being fully realized, according to World Gold Council. However, India still played a significant role in global gold market for its strong and diversified domestic demand which is independent of external drivers.

According to World Gold Council data, China was the world's second-largest gold-consuming nation, and its investment and jewellery demand have amounted to 776.1 tonnes for the year 2012, representing almost 90% of total gold demand from India. When the price of gold came back off its record high in September 2011, the gold demand in China sharply increased to take advantage of the lower price level. This appears to show that the gold price is well supported, and further Chinese buying power may be released. Another source of demand in China comes from China's Central Government. The gold reserves held by People's Bank of China have increased in recent years.

Gold ETFs

Physical gold bars are difficult to store and trade. Investors can also incur material costs in storing and trading. These factors reduce an investor's incentive to hold gold bars as part of its investment portfolio.

Gold ETFs offer liquidity as investors can buy and sell gold ETF units or shares like company shares on the relevant stock exchange, they can do so on an intraday basis during trading hours and they can trade in a cost-effective manner. Moreover, ETF investors avoid the security and other costs relating to the storage of physical gold bars (e.g. insurance premiums). Since each share or unit of a physical gold exchange traded fund is backed by a certain amount of actual gold held on behalf of the ETF, holding such an ETF's shares or units is in effect similar to holding the physical gold, and, hence, gives investors exposure to gold's price movements.

Gold ETFs have become an important vehicle through which institutional and retail investors obtain an exposure to the price of gold. According to Bloomberg, aggregate physical gold holdings have increased 13 fold in the past 7 years, from around 200 tonnes in 2005 to well above 1,700 tonnes in 2013. For 2012, the total demand for gold ETFs and similar products were 279 tonnes, which accounted for around 6.3% of total gold bullion demand throughout the year.

THE OFFERING

Acquiring and Disposing of Units

Units may be acquired or disposed in two ways:

- (a) a Participating Dealer (acting for itself or for you as its client) may apply for creation and redemption, in cash (HK dollars only) or (if the Participating Dealer has a trading relationship with a Metal Provider and has an account, or its agent has an account, with the Custodian) in-gold; and
- (b) all investors (Participating Dealers and you) may buy and sell Units in the secondary market on the SEHK either in HK dollars in respect of HKD traded Units or in RMB in respect of RMB traded Units under the Dual Counter.

Buying and selling of Units on the SEHK

All investors can buy and sell Units in board lots of 100 HKD traded Units or 100 RMB traded Units (or multiples thereof) like ordinary listed stocks through an intermediary such as a stockbroker or through any of the share dealing services offered by banks or other financial advisers at any time the SEHK is open.

However, please note that transactions in the secondary market on the SEHK occur at market prices which may vary throughout the day and may differ from the Net Asset Value per Unit due to market demand and supply, liquidity and scale of trading spread for the Units in the secondary market. As a result, the market price of the Units in the secondary market may be higher or lower than the Net Asset Value per Unit.

The Trust has adopted a Dual Counter and Units are traded in RMB as well as HKD. Investors should note that RMB is the only official currency of the PRC. While both onshore RMB ("CNY") and offshore RMB ("CNH") are the same currency, they are traded in different and separate markets. Since the two RMB markets operate independently where the flow between them is highly restricted, CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there is a significant amount of RMB held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. As such, whilst CNH and CNY are both the same currency, certain special restrictions do apply to RMB outside the PRC. The liquidity and trading price of the Units may be adversely affected by the limited availability of, and restrictions applicable to, RMB outside the PRC.

If any investors wish to buy or sell Units in RMB on the secondary market, they are reminded to confirm with their brokers that the brokers are ready and able to deal and/or clear transactions in RMB securities and to check other relevant information published by the SEHK regarding readiness of its participants for dealing in RMB securities from time to time. CCASS Investor Participants who wish to settle the payment in relation to their trades in the Units traded in RMB using their CCASS Investor Participant account should make sure that they have set up an RMB designated bank account with CCASS.

Investors intending to purchase Units traded in RMB from the secondary market should consult their stockbrokers as to the RMB funding requirement and settlement method for such purchase. Investors may need to open and maintain securities dealing accounts with the stockbroker first before any dealing in Units traded in RMB can be effected.

Investors should ensure they have sufficient RMB to settle trades of Units traded in RMB. When investors open a RMB bank account for settling RMB payments, they should note that the daily maximum exchange limit for RMB is RMB20,000 per Hong Kong resident individual. Investors should consult their respective banks for the account opening procedures as well as terms and conditions of the RMB bank account. Some banks may impose restrictions on their RMB cheque account and fund transfers to third party accounts. For non-bank financial institutions (e.g. brokers), however, such restriction may not be applicable and investors should consult their brokers as to the currency exchange service arrangement, if required.

The transaction costs of dealings in the Units on the SEHK include the SEHK trading fee and SFC transaction levy. All these secondary trading related fees and charges will be collected in HK dollars and, in respect of Units traded in RMB, calculated based on an exchange rate as determined by the Hong Kong Monetary Authority on the date of the trade which will be published on HKEx's website by 11:00 a.m. or earlier on each trading day.

Investors should consult their own brokers or custodians as to how and in what currency the trading related fees and charges and brokerage commission should be paid by the investors.

The Renminbi Equity Trading Support Facility (the "TSF") was launched on 24 October 2011 by the Hong Kong Exchanges and Clearing Limited ("HKEx") to provide a facility to enable investors who wish to buy RMB-traded shares (RMB shares) in the secondary market with HK dollars if they do not have sufficient RMB or have difficulty in obtaining RMB from other channels. With effect from 6 August 2012, the coverage of TSF was extended to ETFs with equities as the underlying investments and to REITS. Since the underlying investments of the Trust are not covered by the TSF, the Trust is presently not eligible for the TSF and the TSF is currently unavailable to investors who wish to invest in the Trust by purchasing Units trading in RMB on the SEHK. Investors should consult their financial advisers if they have any questions concerning the TSF. More information with regard to the TSF is available on HKEx's website http://www.hkex.com.hk/eng/market/sec_tradinfra/TSF/TSF.htm.

Where payment in RMB is to be made by cheque, investors are advised to consult the bank at which their respective RMB bank accounts are opened in advance as to whether there are any specific requirements in relation to the issue of RMB cheques. In particular, investors should note that some banks have imposed internal limits (usually RMB80,000) on the balance of RMB cheque accounts of their clients or the amount of cheques that their clients can issue in a day.

When an individual investor opens an RMB bank account or settle RMB payments, he or she will be subject to a number of restrictions, including:

- (a) in respect of Hong Kong residents only, the existing permitted conversions in relation to personal customers are up to RMB20,000 conducted through RMB bank accounts per person per day or up to RMB20,000 per transaction per person in bank notes for walk-in personal customers; and
- (b) the daily maximum remittance amount to the PRC is RMB80,000 and a remittance service is only available to an RMB deposit account-holder who remits from his or her RMB deposit account to the PRC provided that the account name of the account in the PRC is identical with that of the RMB bank account with the bank in Hong Kong.

Please also refer to the section entitled "Risks Associated With The RMB" in the section on "Risk Factors" for further details.

Please refer to the section on "Exchange Listing and Trading (Secondary Market)" for further information in respect of purchase and sale of Units on the SEHK including the Dual Counter.

Creations and redemptions

Notwithstanding the Dual Counter, any cash payment on a Creation Application or a Redemption Application by a Participating Dealer must be made in HK dollars, and all settlement proceeds in cash paid to Participating Dealer will be in HK dollars only.

Units may be created at the Issue Price and redeemed at the Redemption Value through Participating Dealers in a minimum number of 300,000 Units (and multiples thereof). Participating Dealers which have a trading relationship with the Metal Provider and have accounts (or whose agents have accounts) with the Custodian may create or redeem in-gold or in cash. Participating Dealers with no such trading relationship and accounts may only create and redeem in cash.

Participating Dealers may apply for Units at the Issue Price on each Dealing Day for themselves or for you (as their clients) (1) in gold by tendering one or more Baskets (comprising Bullion) and, if applicable, a cash amount (which equals the cash value of the difference between the aggregate

Issue Price of the Units comprising the Application Unit or Application Units and the value of the applicable Bullion tendered in the relevant Basket or Baskets rounded to the nearest cent) as determined and announced by the Manager in advance or (2) paying the Issue Price for each Unit created and a cash amount, if applicable, in cash.

Participating Dealers may charge their clients such fee or fees in such amount and currency as such Participating Dealers determine for any creations or redemptions on their behalf.

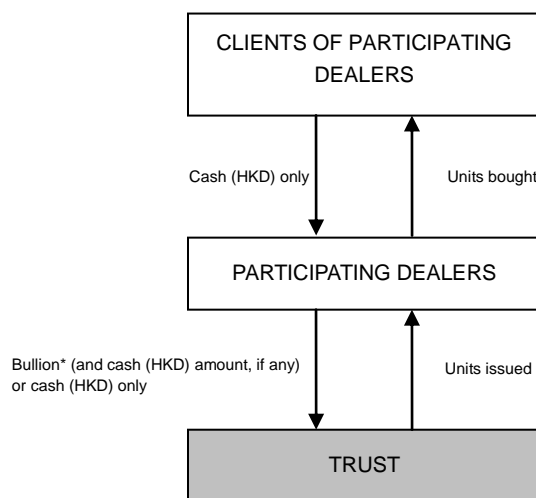
Settlement for subscribing and redeeming Units (in cash or in-gold) shall be due 3 Business Days after the Dealing Day, and no extended settlement may usually be granted by the Manager. However, the Manager may, in its discretion, accept extended settlement upon extended settlement requests from the Participating Dealers, generally or in any particular case in accordance with the terms and conditions of the Operating Guidelines.

The current Dealing Deadline is at 3:45 p.m. (Hong Kong time) if it is a full trading day on the SEHK or 11:45 a.m. (Hong Kong time) if the SEHK is not open for normal trading in the afternoon of the relevant Dealing Day. The Manager may reject any Creation Applications and/or Redemption Applications made on a day which is not a Dealing Day and shall reject any Creation Application and/or Redemption Application made after the Dealing Deadline.

All Units are registered in the name of HKSCC Nominees Limited on the register of Trust. The register of the Trust is the evidence of ownership of Units. As clients of the Participating Dealers, your beneficial interest in Units is established through your account with any Participating Dealers or with any other CCASS participants if you buy the Units on the SEHK.

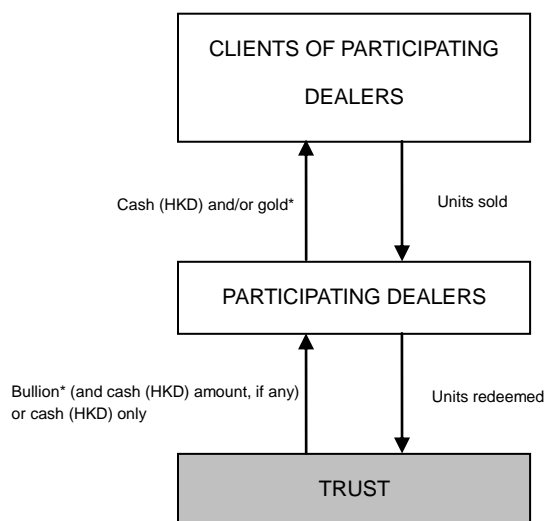
The diagram below illustrates the issue or redemption and the buying or selling of Units:

(a) Issue and buying of Units



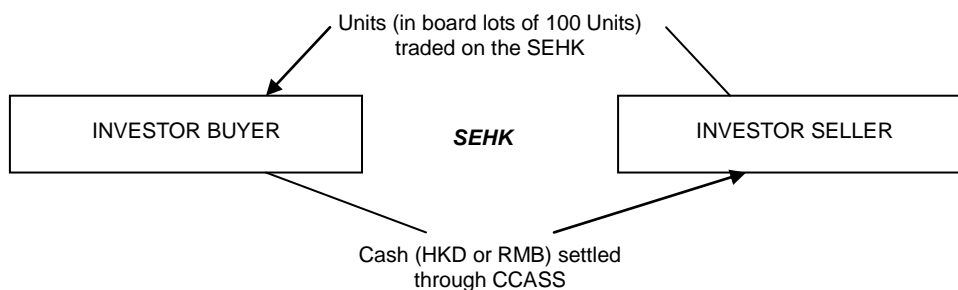
* Bullion shall be purchased from a Metal Provider. Only Participating Dealers with a trading relationship with the Metal Provider and having an account (or whose agents have accounts) with the Custodian may create in-gold.

(b) Redemption and sale of Units



* Whether or not you, as a client of the relevant Participating Dealer, may receive gold rather than cash for your redeemed Units from that Participating Dealer is subject to any agreement you may have with the Participating Dealer. Only Participating Dealers with a trading relationship with the Metal Provider and having an account (or whose agents have accounts) with the Custodian may redeem in-gold. The Trustee and the Manager do not require the Participating Dealer, and the Participating Dealer is not obliged, to deliver any gold to its clients. Neither the Trustee nor the Manager represents or warrants that gold delivered by the Participating Dealer to you as its client is Bullion and neither the Trustee nor the Manager accept any liability in this regard.

(c) Buying or selling of Units in the secondary market on the SEHK



Summary of Offering Methods and Related Fees

<u>Method of Acquisition or Disposal of Units</u>	<u>Minimum Number of Units (multiple of)</u>	<u>Channel</u>	<u>Available to</u>	<u>Consideration, Fees and Charges¹</u>
Purchase (and sale) in cash through brokers on the SEHK (secondary market) in HKD or RMB	Board lot of 100 Units for HKD traded Units and 100 Units for RMB traded Units	On the SEHK	Any investor	Market price of Units on SEHK (RMB for RMB traded Units and HKD for HKD traded Units) Brokerage fees and duties and charges (payable in HKD)
Cash (HKD) or in-gold creation (and redemption)	300,000 (Application Unit)	Through Participating Dealers only	Any person acceptable to the Participating Dealer as its client	Cash (HKD) amount for cash creation or redemption ² Basket(s) and cash (HKD) amount for in-gold creation or redemption ³ Transaction Fee (payable in HKD) Any fees and charges imposed by the Participating Dealer (in such amount and currency as the Participating Dealer may determine)

¹ Please refer to "Fees and Expenses" for further details.

² The cash amount for cash creations is the aggregate Issue Price for Units comprising the Application Unit(s) or for cash redemptions is the aggregate Redemption Value for Units (less any deductions representing an appropriate provision for Duties and Charges and/or Transaction Fee) comprising the Application Unit(s) (as the case may be).

³ The cash amount for in-gold creation and redemption is the difference between the aggregate Issue Price for Units comprising the Application Unit(s) or the aggregate Redemption Value for Units comprising the Application Unit(s) (as the case may be) and the value of the Bullion tendered in the relevant Basket(s). This cash amount may be positive or negative and where it is negative the Participating Dealer will receive the cash amount from the Trust for creation and will pay the cash amount to the Trust for redemption.

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in the Trust

There are 2 types of investors in the Trust, with 2 corresponding methods of investment in Units and realisation of an investment in Units. The first type of investor is a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the Trust. Only a Participating Dealer can create and redeem Units directly with the Trust either on its own account or for the account of investors which are its clients. Although a Participating Dealer may, subject to arrangement with the Manager, elect to have Units which it creates deposited in CCASS in either the RMB Counter or in the HKD Counter, all creation and redemption for all Units must be in HKD.

The second type of investor is an investor, other than a Participating Dealer, who buys and sells the Units on the SEHK.

The section titled “Exchange Listing and Trading (Secondary Market)” relates to the second type of investor. The following section describes the mechanism for creation by Participating Dealers which is governed by the Trust Deed and the Operating Guidelines.

Creation by Participating Dealers

Units are continuously offered to Participating Dealers who may apply for them in the minimum Application Unit size on any Dealing Day on their own account or for the account of their clients in accordance with the Operating Guidelines.

Units may be created and redeemed by Participating Dealers in-gold (where such Participating Dealer has a trading relationship with a Metal Provider and has an account, or its agent has an account, with the Custodian) or in cash. A Creation Application, once made, cannot be revoked or withdrawn by a Participating Dealer without the Manager’s consent except during a period of suspension of creations and redemptions.

Please note that the relevant Participating Dealer may set the application or payment cut-off times for its clients that are earlier than those set out in this Prospectus.

The relevant Participating Dealer may for its own account charge fees and expenses not set out in this Prospectus for providing its services, apply its own conditions on the sale of Units in addition to those set out in this Prospectus, reject any application to create through it in exceptional circumstances or impose different minimum investment amount requirements. You should contact the relevant Participating Dealer for further details before submitting an application to the relevant Participating Dealer.

Notwithstanding the above, each Participating Dealer has indicated to the Manager that it will generally accept requests received from third parties, subject to normal market conditions, agreement as to fees and completion of client acceptance procedures, to create Units on behalf of such clients. You should contact the relevant Participating Dealer for further details before submitting an application to the relevant Participating Dealer for it to create Units on your behalf. You should note that although the Manager has a duty to closely monitor the operations of the Trust, neither the Manager nor the Trustee is empowered to compel any Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee, or to accept any such application requests received from third parties. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by Participating Dealer.

There are no preliminary charges payable to the Trust or the Manager on the creation of Units by a Participating Dealer. However, you (as a client of a Participating Dealer) may need to pay certain fees and charges imposed by the relevant Participating Dealer for its handling the application to create for you. You should check with the relevant Participating Dealer what fees and charges it imposes.

The Application Unit size for the Trust is set out in the “Key Information” section of the Summary. Only applications in Application Unit size or whole multiples thereof will be accepted.

The Manager shall instruct the Trustee to effect, for the account of the Trust, the creation of Units in Application Unit size in exchange for either cash equal to the Issue Price multiplied by the total number of Units being applied for or a Basket and, if applicable, a cash amount (as well as Duties and Charges) in accordance with the Operating Guidelines and the Trust Deed. The cash amount is the difference between the aggregate Issue Price of the Units comprising the Application Unit and the value of the Bullion in the Basket which is to be delivered. The cash amount may be positive or negative (and where negative the Participating Dealer will be paid the cash amount by the Trust and where positive the Participating Dealer will pay the cash amount to the Trust) rounded to the nearest cent. Units will be issued at the Issue Price prevailing on the relevant Dealing Day, provided that the Manager may add to such Issue Price such sum (if any) as represents an appropriate provision for Duties and Charges.

The Manager shall have the absolute right to reject or suspend a Creation Application, including, but not limited to, if (i) the Manager reasonably believes that the acceptance of any Bullion may be unlawful; (ii) the acceptance of any Bullion would otherwise, in the opinion of the Manager, have an adverse effect on the Trust; (iii) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Creation Application; (iv) the Manager has suspended the rights of Participating Dealers to redeem Units or (v) an insolvency event occurs in respect of the Participating Dealer.

No fractions of a Unit shall be created or issued by the Trustee. Notwithstanding the Dual Counter, any cash payable by a Participating Dealer in a cash Creation Application must be in HKD regardless of whether the Units are deposited into CCASS as HKD traded Units or as RMB traded Units. The process for creation of Units deposited under the HKD Counter and, from the date of the commencement of dealings in the RMB Counter on 29 November 2013 onwards, RMB Counter is the same.

Once the Units are created, the Manager shall instruct the Trustee to effect, for the account of the Trust, the issue of Units to a Participating Dealer in accordance with the Operating Guidelines and the Trust Deed.

The Service Agent and the Trustee may charge a Transaction Fee in respect of Creation Applications and each may on any day vary the rate of the Transaction Fee it charges (but not as between different Participating Dealers). The Transaction Fee shall be paid by or on behalf of the Participating Dealer applying for such Units. See the section on “Fees and Charges” for further details.

Any commission, remuneration or other sum payable by the Manager to any agent or other person in respect of the issue or sale of any Unit shall not be added to the Issue Price of such Unit and shall not be paid from the assets of the Trust.

The Trustee is entitled to refuse to enter (or allow to be entered) Units in the register if at any time the Trustee is of the opinion that the provisions, in regard to the issue of Units, are being infringed.

Creation in-gold

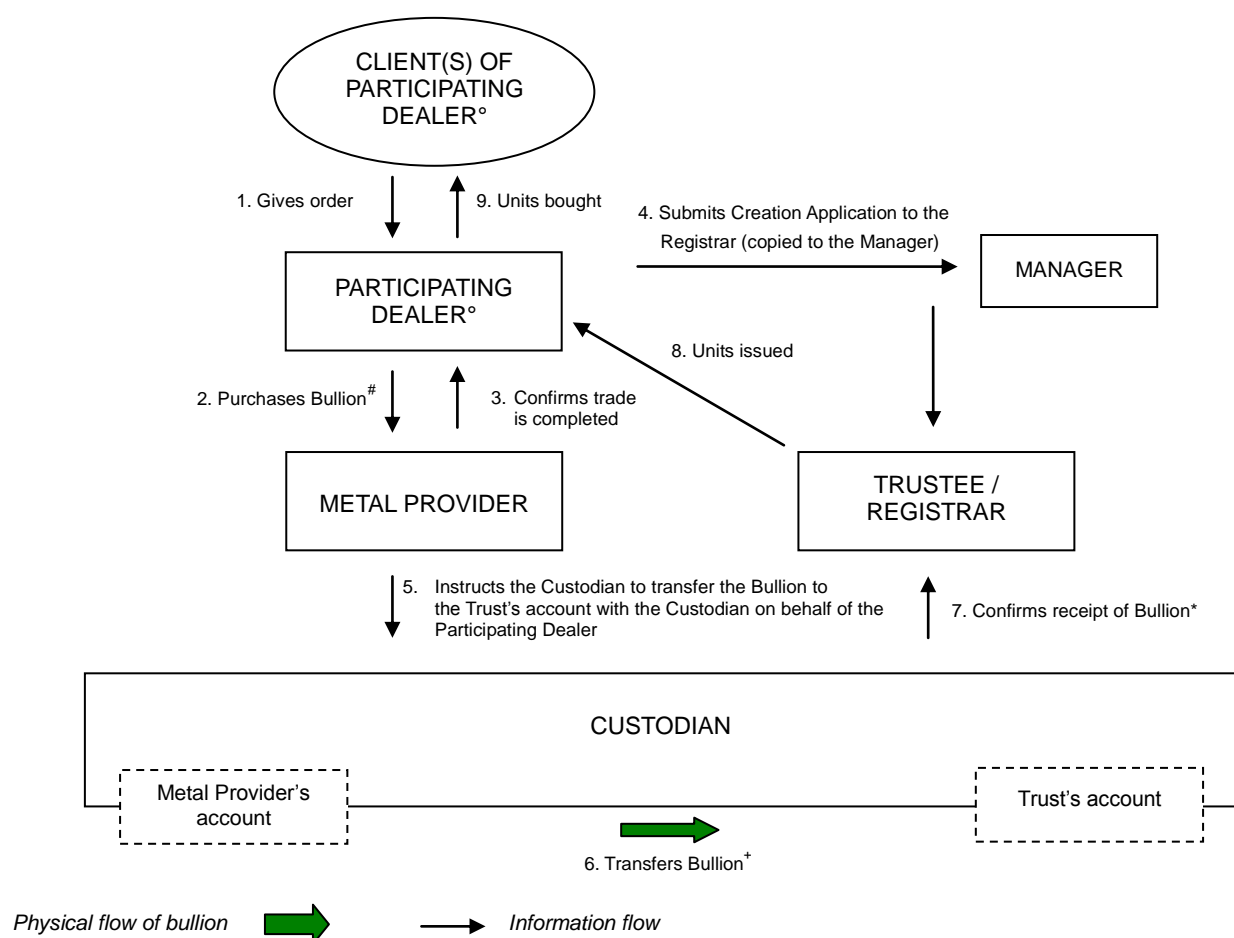
The creation and issue of Units by a Creation Application shall be effected on the Settlement Day after the requisite Bullion is allocated to the Trust's account with the Custodian following the relevant Dealing Day on which the Creation Application is received and accepted in accordance with the Operating Guidelines. However, for valuation purposes only, Units shall be deemed created and issued after the Valuation Point on the Dealing Day on which the relevant Creation Application was received or deemed received and the register will be updated on the Settlement Day or the Dealing Day immediately following the Settlement Day if the settlement period is extended.

If a Creation Application is received by the Registrar (with a copy to the Manager) on a day which is not a Dealing Day, that Creation Application may either be rejected by the Manager or may be treated as having been received at the opening of business on the next following Dealing Day,

which shall then be the relevant Dealing Day for the purposes of that Creation Application. If a Creation Application is received by the Registrar (with a copy to the Manager) after a Dealing Deadline (see the section on “The Offering”) on a Dealing Day, the Creation Application shall be rejected by the Manager.

No Units shall be issued to any Participating Dealer unless (i) the Creation Application is in a form and substance satisfactory to, and accompanied by such documents as may be required by, the Trustee and the Manager in accordance with the Operating Guidelines and (ii) the Custodian has confirmed receipt of the requisite Bullion and its allocation to the Trust’s account provided that the cash amount (if any) and fees (if any) in cleared funds are received in the Trust’s account with the Trustee by the Settlement Day.

The diagram below illustrates in simplified form the in-gold Creation Application process for delivering Bullion constituting the Basket:



* The Custodian shall be held responsible for the risk for Bullion under custody within its premises on behalf of the relevant Metal Provider, the Participating Dealer and the Trust. The transfer of Bullion within its premises shall not change such risk, but only the transfer of Bullion’s title amongst the transferor and transferee. The Custodian shall check the Bullion against the details regarding quantity and the bar numbers indicated on the Trustee’s fax instructions before transferring any of the Bullion to the Trust’s account.

* The Custodian shall send a delivery confirmation letter (including details of the quantity and bar numbers of the Bullion) to the Trustee to confirm that the Bullion is received in the Trust’s account with the Custodian.

The Participating Dealer must purchase Bullion for each Creation Application from a Metal Provider. The relevant Metal Provider will sell Bullion to the Participating Dealer. Where a Metal Provider does not have sufficient Bullion to sell to the Participating Dealer, it will arrange for the delivery of Bullion to its account at the Custodian’s vault. Such delivery is at the relevant Metal Provider’s risk and cost. The Trust only acquires ownership and risk on the transfer of Bullion from the relevant Metal Provider’s account to the Trust’s account within the Custodian’s vault.

° Only Participating Dealers with a trading relationship with the relevant Metal Provider and an account (or whose agents have accounts) with the Custodian may redeem in-gold.

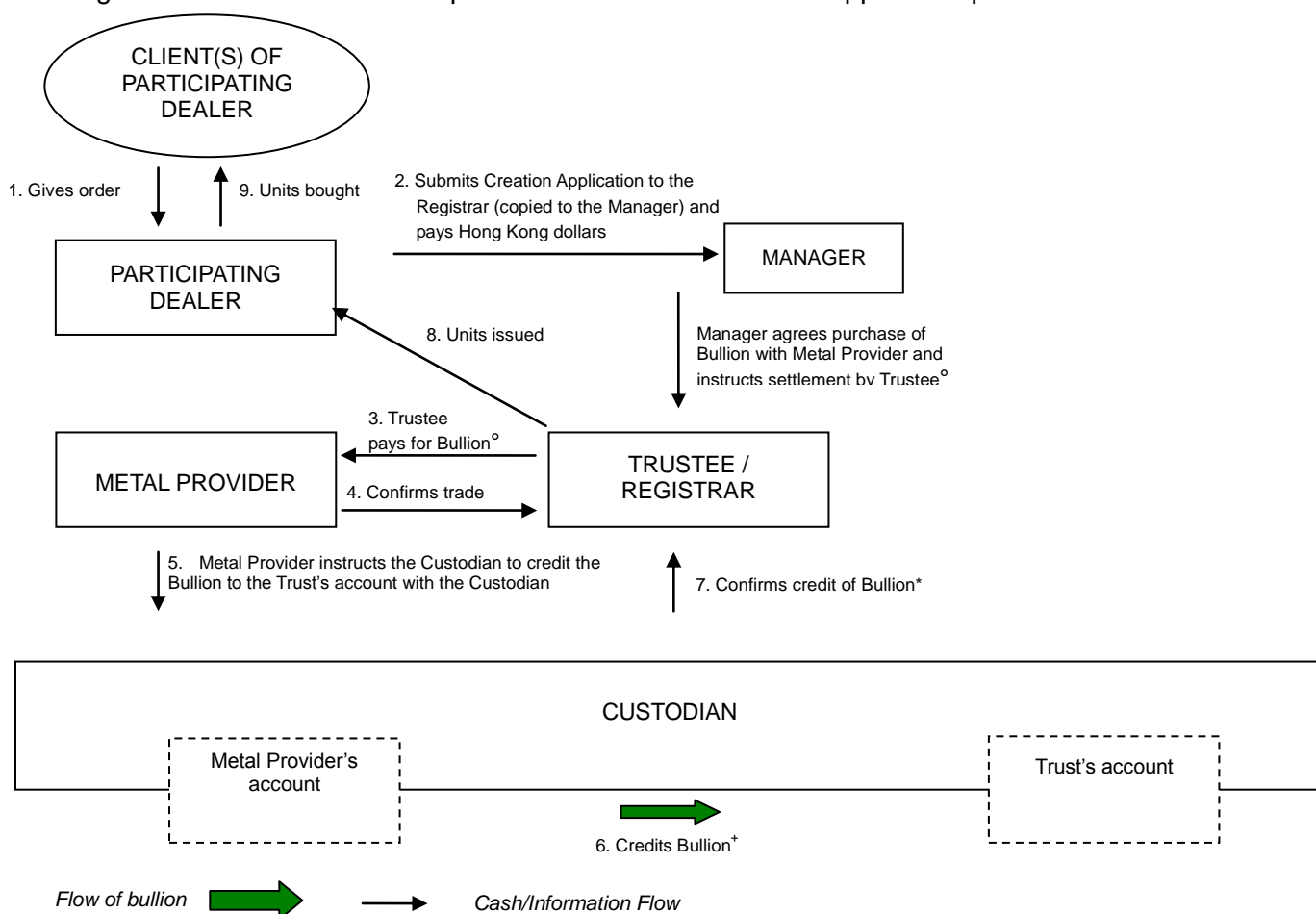
Creation in cash

In respect of a cash creation, the Manager shall instruct the Trustee to effect, for the account of the Trust, the creation of Units in Application Unit size in consideration for the Issue Price (as well as Duties and Charges and Transaction Fees) in accordance with the Operating Guidelines and the Trust Deed.

The creation and issue of Units by a Creation Application shall be effected on the Settlement Day after cash equal to the Issue Price (as well as any Duties and Charges and Transaction Fees) are received in the Trust's account with the Trustee, following the Creation Application having been received and accepted in accordance with the Operating Guidelines. However, for valuation purposes only, Units shall be deemed created and issued after the Valuation Point on the Dealing Day on which the relevant Creation Application was received or deemed received and the register will be updated on the Settlement Day (or the Dealing Day immediately following the Settlement Day if the settlement period is extended for creations of Units).

No Units shall be issued to any Participating Dealer unless (a) the Creation Application is in a form and substance satisfactory to, and accompanied by such documents as may be required by, the Trustee and the Manager in accordance with the Operating Guidelines and (b) the requisite cash and fees (if any) in cleared funds are received in the Trust's account with the Trustee in accordance with the Operating Guidelines.

The diagram below illustrates in simplified form the cash Creation Application process:



* The Custodian shall be held responsible for the risk for Bullion under custody within its premises on behalf of the Trust. The credit of Bullion between accounts within the Custodian shall not change such responsibility. However the transfer of Bullion's title occurs when Bullion is transferred into the Trust's allocated account.

* The Custodian shall send a credit confirmation to the Trustee to confirm that the Bullion has been credited in the Trust's account with the Custodian.

° The Trust must purchase Bullion for each Creation Application from the relevant Metal Provider. The relevant Metal Provider will sell Bullion to the Trust direct in US dollars.

Evidence of Unitholding

Units are deposited, cleared and settled by the CCASS. Units are only held in registered entry form and no Unit certificates will be issued. HKSCC Nominees Limited is the registered owner (i.e. the sole Unitholder of record) of all outstanding Units deposited with the CCASS and HKSCC Nominees Limited will hold such Units for persons admitted by HKSCC as a participant of CCASS and to whose account any Units are for the time being allocated in accordance with the General Rules of CCASS. Furthermore, the Trustee and the Manager acknowledge that under the General Rules of CCASS, neither HKSCC Nominees Limited nor HKSCC has any proprietary interest in the Units. Investors owning Units in CCASS are beneficial owners as shown on the records of the CCASS participants or the relevant Participating Dealer(s) (as the case may be).

Restrictions on Unitholders

The Manager has power to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held which would result in such holding being:

- (a) a breach of the law or requirements of any country or governmental authority or any stock exchange on which the Units are listed in circumstances which, in the Manager's opinion, might result in the Trust being adversely affected which the Trust might not otherwise have suffered; or
- (b) in the circumstances which, in the Manager's opinion, may result in the Trust incurring any tax liability or suffering any other pecuniary disadvantage which the Trust might not otherwise have incurred or suffered; or
- (c) held by a US person.

Upon notice that any Units are so held, the Manager may require such Unitholders to redeem or transfer such Units in accordance with the Trust Deed. A person who becomes aware that he is holding or owning Units in breach of any of the above restrictions is required either to redeem his Units in accordance with the Trust Deed or to transfer his Units to a person whose holding would be permissible under this Prospectus and the Trust Deed in a manner that would result in such Unitholder no longer being in breach of the restrictions above.

Cancellation of Creation Application orders

The Trustee shall cancel Creation Application orders if the Trust has not received, to the extent required Bullion comprised in the Basket and, if applicable, the cash amount (as well as any Duties and Charges) relating to the Creation Application by the Settlement Day provided that the Manager may at its discretion extend the settlement period on such terms and conditions as the Manager may determine in accordance with the Operating Guidelines. In addition to the preceding circumstances, the Manager may also cancel any Creation Application order if it determines by such time as specified in the Operating Guidelines that the Trust is unable to invest the cash proceeds of such Creation Application in Bullion.

Upon the cancellation of any orders as provided for above or if a Participating Dealer otherwise withdraws a Creation Application other than in certain circumstances contemplated in the Trust Deed, any Bullion and cash (if any) received by or on behalf of the Trustee in connection with a Creation Application shall, in the case of Bullion, be redelivered to the Metal Provider's account with the Custodian (to be collected by the Participating Dealer at its own risk and cost) and in the case of cash, be repaid to the Participating Dealer's account (without interest); and the relevant Units shall be deemed for all purposes never to have been created and the applicant therefore shall have no right or claim against the Manager or the Trustee in respect of such cancellation provided that:

- (a) the Transaction Fee in respect of such Creation Application shall remain due and payable (notwithstanding that the Creation Application shall be deemed to never have been made) and once paid shall be retained by the Trustee and/or the Service Agent;
- (b) the Trustee may charge the Participating Dealer for the account of the Registrar an

application cancellation fee (see the section on “Fees and Charges” for further details); and

- (c) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of the cancellation of such Units.

Upon such cancellation of Creation Application order, there is a risk that the calculation of the Net Asset Value may be affected due to (c) mentioned above, and the Trust shall recover from the Participating Dealer any financial loss arising in respect of such Creation Application so cancelled. The amount of financial loss (if any) will be equal to the amount by which the aggregate Issue Price of such Units exceeds the aggregate Redemption Price which would have applied in relation to such Units if the Trust had received such Redemption Application from the Participating Dealer on the relevant Dealing Day.

Redemption by Participating Dealers

A Participating Dealer may redeem Units on any Dealing Day in accordance with the Operating Guidelines and the Trust Deed, by submitting a Redemption Application to the Registrar (with a copy to the Manager).

Redemption Applications may only be made by a Participating Dealer in respect of an Application Unit size or whole multiples thereof. The Service Agent and the Trustee may charge a Transaction Fee in respect of Redemption Applications. The Transaction Fee shall be paid by the Participating Dealer submitting the Redemption Application(s) (and may be set off and deducted against any amount due to the Participating Dealer in respect of such Redemption Application(s)) for the benefit of the Service Agent and the Trustee. See the section on “Fees and Charges” for further details.

If a Redemption Application is received by the Registrar (with a copy to the Manager) on a day which is not a Dealing Day, the Redemption Application may either be rejected by the Manager or may be treated as having been received at the opening of business on the next following Dealing Day which shall then be the relevant Dealing Day for the purposes of that Redemption Application. If a Redemption Application is received by the Registrar (with a copy to the Manager) after the Dealing Deadline (see the section on “The Offering”) on a Dealing Day, the Redemption Application shall be rejected by the Manager.

To be effective, a Redemption Application must:

- (a) be given by a Participating Dealer in accordance with the Operating Guidelines and comply with the requirements of the Trust Deed;
- (b) specify the number of Units which are the subject of the Redemption Application; and
- (c) include the certifications required in the Operating Guidelines (if any) in respect of redemptions of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable securities, commodities and other laws in relation to the redemption of Units which are the subject of the Redemption Application.

A Redemption Application once given cannot be revoked or withdrawn without the Manager's consent except during a period of suspension of creations and redemptions. The Trustee may for the account of the Registrar charge an application cancellation fee in relation to each accepted Redemption Application that is revoked or cancelled. For valuation purposes only, Units shall be deemed to have been redeemed and cancelled after the Valuation Point as at the Dealing Day on which the Redemption Application was received.

The Redemption Value of Units tendered for redemption and cancellation shall be the Net Asset Value per Unit rounded to the nearest 4 decimal places.

The Trustee and the Manager may deduct from the redemption proceeds such sum (if any) as the Manager may consider represents an appropriate provision for Duties and Charges and / or the Transaction Fee.

Any accepted Redemption Application will be effected by the transfer of the Bullion and/or a payment of a cash amount (if any) in accordance with the Operating Guidelines and the Trust Deed, on the Settlement Day provided that (i) such documentation as may be required to be provided by the Trustee (or the Registrar) has been received; (ii) where any bank account is specified by a Participating Dealer for the receipt of the cash amount (if any) in connection with the Redemption Application, it shall be subject to such verification as may be required by and to the satisfaction of the Trustee; and (iii) the full amount of any amount payable by the Participating Dealer including any Duties and Charges and the Transaction Fee have been either deducted or otherwise paid in full.

Where a Participating Dealer cannot deliver enough Units for a Redemption Application, the Manager may in its discretion extend the settlement period upon receipt of an extension settlement request on such terms and conditions (including as to the payment of an Extension Fee to the Trustee) as the Manager may in its discretion determine in accordance with the Operating Guidelines.

Please note that the relevant Participating Dealer may set cut-off times for its clients who are seeking to effect redemptions through the Participating Dealer that are earlier than those set out in this Prospectus.

Notwithstanding the Dual Counter, any cash proceeds received by a Participating Dealer in a cash Redemption Application shall be paid only in HKD. Both HKD traded Units and RMB traded Units may be redeemed by way of a Redemption Application (through a Participating Dealer). Where a Participating Dealer wishes to redeem RMB traded Units the redemption process is the same as for HKD traded Units.

The relevant Participating Dealer may charge fees and expenses not set out in this Prospectus for providing its services, apply its own conditions in addition to those set out in this Prospectus, reject any redemption applications in exceptional circumstances or impose different holding requirements. You should contact the relevant Participating Dealer for further details before submitting a redemption application to the relevant Participating Dealer.

Notwithstanding the above, each Participating Dealer has indicated to the Manager that it will generally accept requests received from third parties, subject to normal market conditions, agreement as to fees and completion of client acceptance procedures, to redeem Units on behalf of such clients. You should contact the relevant Participating Dealer for further details before submitting an application to the relevant Participating Dealer for it to redeem. You should note that although the Manager has a duty to closely monitor the operations of the Trust, neither the Manager nor the Trustee is empowered to compel any Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee, or to accept any such application requests received from third parties. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by Participating Dealer.

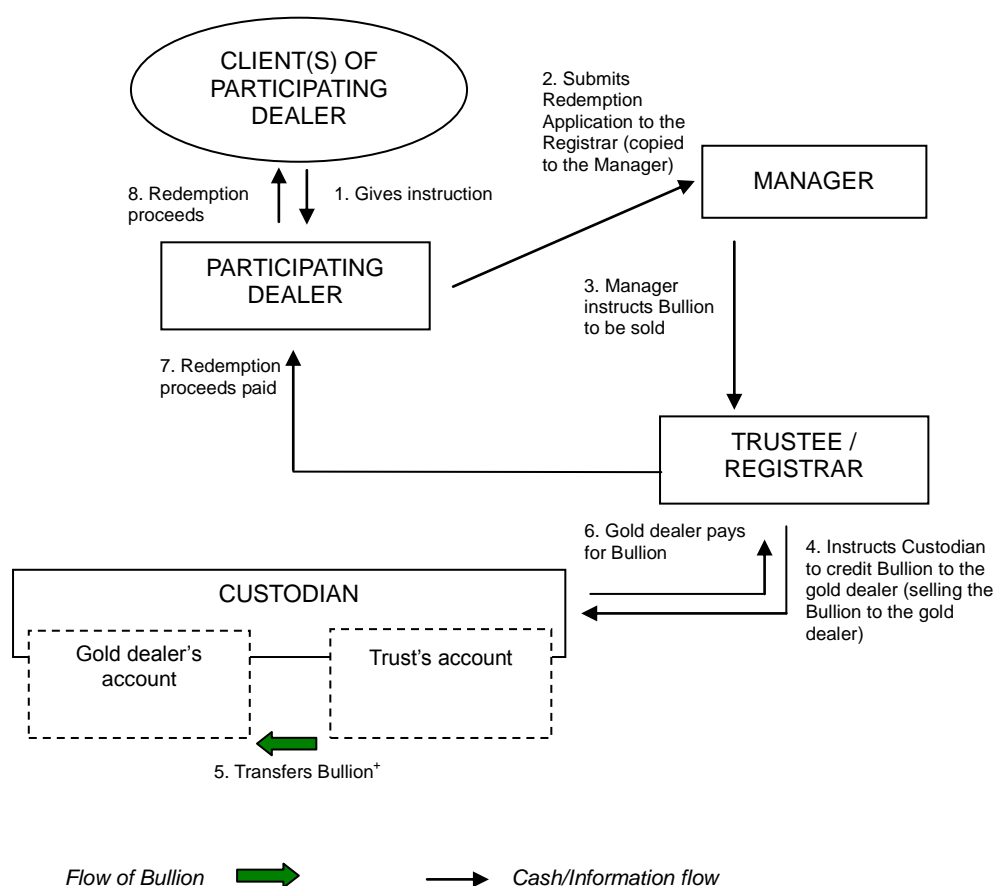
There are no redemption charges payable to the Trust or the Manager on the redemption of Units by a Participating Dealer. However you (as a client of a Participating Dealer) may need to pay certain fees and charges imposed by the relevant Participating Dealer for its handling of any redemption made for you. You should check with the relevant Participating Dealer what fees and charges it imposes.

Redemption in cash

The Manager shall, on receipt of an effective cash Redemption Application from a Participating Dealer, instruct the Trustee to effect the payment in cash of the redemption proceeds in accordance with the Operating Guidelines.

The interval between the receipt of a properly documented Redemption Application and payment of redemption proceeds (which shall be in HKD only) will normally be 3 Business Days after the relevant Dealing Day and payment of redemption proceeds may not exceed one calendar month provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value is not suspended.

The diagram below illustrates in simplified form the cash Redemption Application process:



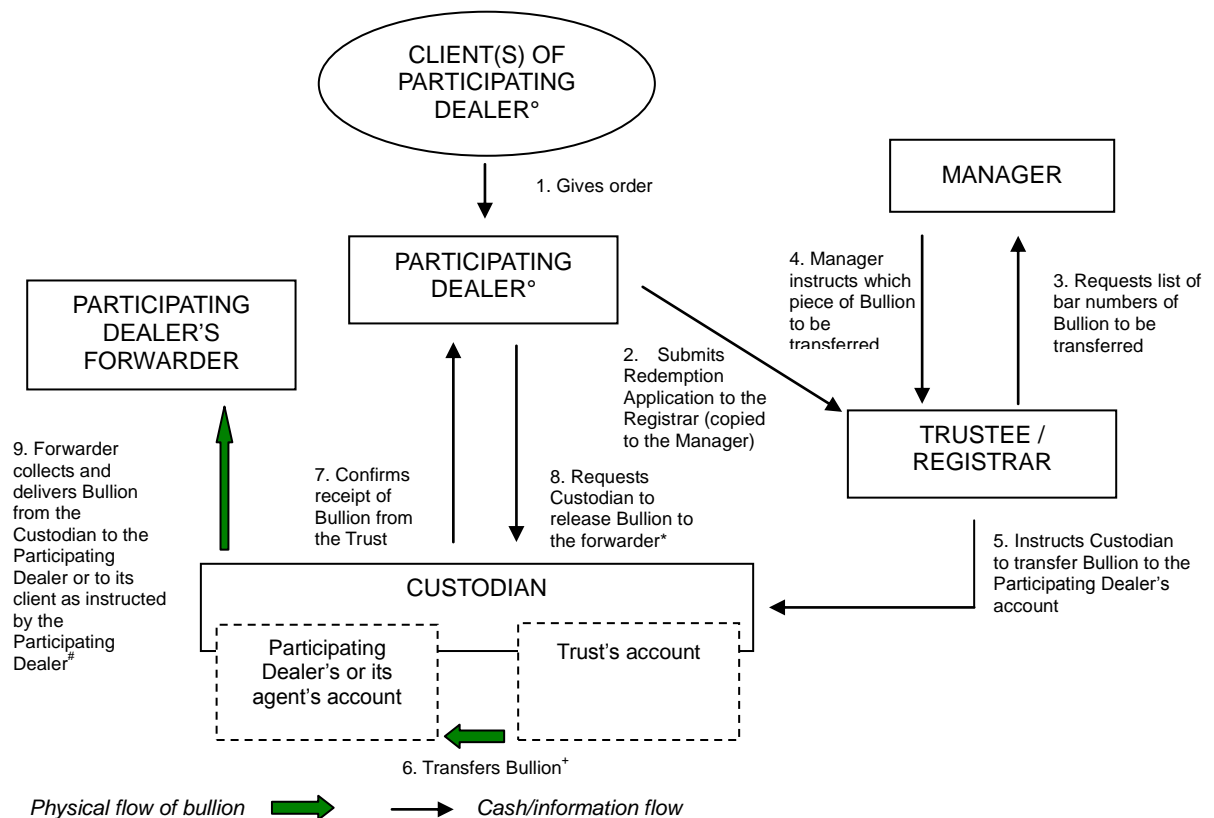
* The Custodian shall be held responsible for the risk for Bullion under custody within its premises on behalf of the Trust. The credit of Bullion between accounts and the transfer from accounts within the Custodian shall not change such responsibilities. The transfer of Bullion's title occurs when Bullion is transferred from the Trust's allocated account to the purchasing gold dealer's account. After process 5, any interest in the Bullion is transferred from the Trust to the relevant gold dealer.

Redemption in-gold

The Manager shall, on receipt of an effective Redemption Application from a Participating Dealer, instruct the Trustee to effect the redemption of the relevant Units and shall instruct the Trustee as to which pieces of Bullion shall be applied and included in the Basket to meet the Redemption Application. Such instruction will specify the unique serial number and refiner's brand of each piece of Bullion to be included in the Basket (Bullion previously allocated to the Trust by the Metal Provider on behalf of any Participating Dealer). The Trustee shall then instruct the Custodian to deliver the relevant pieces of Bullion (identified to it by the Manager) to the Participating Dealer's account with the Custodian (on collection at the Participating Dealer's risk and cost) and pay out the cash amount in accordance with the Operating Guidelines and the Trust Deed. The cash amount is the difference between the aggregate Redemption Value of the Units comprising the Application Unit(s) and the value of the Bullion included in the Basket(s) to be delivered. The cash amount may be positive or negative, and where it is positive, the Participating Dealer will receive the cash amount from the Trust and where it is negative the Trust will receive the cash amount from the Participating Dealer, rounded to the nearest cent.

All transfers of Bullion in settlement of a Redemption Application will be by way of allocation from the Trust's account to the Participating Dealer's account with the Custodian which, together with any cash payment to the Participating Dealer's bank account, shall occur not later than one month from the receipt of an effective Redemption Application.

The diagram below illustrates in simplified form the in-gold Redemption Application process for delivering Bullion:



⁺ The Custodian shall be held responsible for the risk for Bullion under custody within its premises on behalf of the Participating Dealer and the Trust. The transfer of Bullion within its premises shall not change such risk, but only the transfer of Bullion's title amongst the transferor and transferee. After process 6, the ownership and title of the Bullion is transferred from the Trust to the Participating Dealer.

^{*} The timing of process 8 onwards shall be depended on the agreed delivery date between the Participating Dealer and its clients.

[#] After process 9 the risk is transferred from the Custodian to the forwarder (as an agent for the Participating Dealer), the Participating Dealer and/or its client or clients.

^o Only Participating Dealers with a trading relationship with a Metal Provider and with an account (or an agent with an account) at the Custodian may redeem in-gold.

Cancellation of Redemption Application orders

No Bullion shall be delivered or allocated and, unless agreed by the Manager, no cash (if any) shall be paid in respect of any Redemption Application unless Units, which are the subject of the Redemption Application, have been delivered for redemption by such time on the Settlement Day as the Trustee and the Manager shall for the time being prescribe for Redemption Applications generally (provided that the Manager may in its discretion extend the settlement period). In the event that Units, which are the subject of a Redemption Application, are not delivered for redemption in accordance with the foregoing:

- the Transaction Fee in respect of such Redemption Application shall remain due and payable (notwithstanding that the Redemption Application shall be deemed never to have been made) and once paid, shall be retained by the Trustee and/or the Service Agent;
- the Trustee may charge the Participating Dealer for the account of the Registrar an application cancellation fee (see the section on "Fees and Charges" for further details); and

- (c) no previous valuations of the Trust shall be re-opened or invalidated as a result of the cancellation of such redemption of Units.

Upon such cancellation of Redemption Application order, there is a risk that the calculation of the Net Asset Value may be affected due to (c) mentioned above, and the Trust shall recover from the Participating Dealer any financial loss arising in respect of such Redemption Application so cancelled. The amount of financial loss (if any) will be equal to the amount by which the aggregate Issue Price of such Units exceeds the aggregate Redemption Price which would have applied in relation to such Units if the Trust had received such Creation Application from the Participating Dealer on the relevant Dealing Day.

Suspension of Creations and Redemptions

Units may not be created during any period when the right to redeem is suspended by the Manager.

The Manager may, at its discretion, at any time after giving notice to the Trustee (and where practicable, after consultation with Participating Dealers) suspend the right of Participating Dealers to create or to redeem Units and/or delay the payment of any moneys and delivery of Bullion in respect of any Creation Application or Redemption Application during:

- (a) any period when the London bullion market is closed; or
- (b) any period when dealings on the London bullion market are restricted or suspended; or
- (c) any period when, in the opinion of the Manager, settlement is disrupted; or
- (d) the existence of any state of affairs as a result of which delivery or purchase of gold or disposal of gold for the time being comprised in the Trust cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders; or
- (e) any period when the London Gold Fixing Price is not published by the LBMA; or
- (f) any period during which the Custodian cannot operate the secure vault facility at which the Trust's Bullion is held; or
- (g) any breakdown in the means normally employed in determining the Net Asset Value of the Trust or when for any other reason the value of gold or other property for the time being comprised in the Trust cannot in the opinion of the Manager, reasonably, promptly and fairly be ascertained.

The Manager will, after giving notice to the Trustee, suspend the right to subscribe for or redeem Units or delay the payment of any moneys and or delivery of Bullion when dealings in the Units on the SEHK are restricted or suspended.

A suspension shall remain in force until the earlier of (i) declaration by the Manager that the suspension is at an end; or (ii) the Business Day following the first Business Day on which (1) the condition giving rise to the suspension shall have ceased to exist and (2) no other condition under which suspension is authorised shall exist.

The Manager shall consider any Redemption Application or any Creation Application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for settlement of any creation or redemption may be extended by a period equal to the length of the period of suspension.

A Participating Dealer may, at any time after a suspension has been declared and before termination of such suspension, withdraw any Creation Application or Redemption Application by giving notice in writing to the Registrar (with a copy to the Manager) and the Trustee shall repay any cash amount (without interest) and shall give instructions to the Custodian for the allocation of any Bullion as appropriate.

Distribution Policy

The Manager does not intend to have the Trust pay or make any distributions or dividends.

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

General

Dealings on the SEHK in HKD traded Units began on 3 November 2010 and RMB traded Units began on 29 November 2013. Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on one or more other stock exchanges.

Units trade on the SEHK in board lots of 100 Units for HKD traded Units and 100 Units for RMB traded Units.

The purpose of the listing of the Units on the SEHK is to enable investors to buy and sell Units on the secondary market, normally via a broker or dealer in smaller quantities than would be possible if they were to subscribe and/or redeem Units in the primary market.

The market price of a Unit listed or traded on the SEHK may not reflect the Net Asset Value per Unit. Any transactions in the Units on the SEHK will be subject to the customary brokerage commissions and/or transfer fees associated with the trading and settlement through the SEHK. There can be no guarantee that once the Units are listed on the SEHK they will remain listed.

The Manager will ensure that at least one Market Maker will maintain a market for Units traded in HKD and at least one Market Maker will maintain a market for Units traded in RMB (although the Market Maker for both counters may be the same entity). Broadly, the obligations of a Market Maker will include quoting bid and offer prices on the SEHK with the intention of providing liquidity.

Units may be purchased from and sold through the Market Makers. However, there is no guarantee or assurance as to the price at which a market will be made. In maintaining a market for Units, the Market Makers may make or lose money based on the differences between the prices at which they buy and sell Units. Market Makers may retain any profits made by them for their own benefit and they are not liable to account to the Trust in respect of their profits.

If you wish to buy or sell Units on the secondary market, you should contact your brokers.

The Units traded in HKD have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS. Subject to compliance with the stock admission requirements of HKSCC, the RMB traded Units will be accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from the date of commencement of dealings in the RMB traded Units on the SEHK or on any other date HKSCC chooses. Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

If trading of the Units on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for the Units.

Renminbi Equity Trading Support Facility

The TSF was launched on 24 October 2011 by the HKEx to provide a facility to enable investors who wish to buy RMB-traded shares (RMB shares) in the secondary market with HK dollars if they do not have sufficient RMB or have difficulty in obtaining RMB from other channels. With effect from 6 August 2012, the coverage of TSF was extended to ETFs with equities as the underlying investments and to REITS. Since the underlying investments of the Trust are not covered by the TSF, the TSF is currently unavailable to investors who wish to invest in the Trust by purchasing Units trading in RMB on the SEHK. Investors should consult their financial advisers if they have any questions concerning the TSF. More information with regard to the TSF is available on HKEx's website http://www.hkex.com.hk/eng/market/sec_tradinfra/TSF/TSF.htm.

Dual Counter

The Units are available for trading on the secondary market on the SEHK under a Dual Counter arrangement. Units are denominated in HKD. Despite the Dual Counter arrangement, the cash creation of new Units and cash redemption of Units in the primary market are settled in HKD only. The Trust offers two trading counters on the SEHK (i.e. the RMB Counter and HKD Counter) to investors for secondary trading purposes. Units traded in the RMB Counter will be settled in RMB and Units traded in the HKD Counter will be settled in HKD. Apart from settlement in different currencies, the trading prices of Units in the two counters may be different as the RMB Counter and HKD Counter are two distinct and separate markets.

Units traded on both counters are of the same class and all Unitholders of both counters are treated equally. The two counters will have different stock codes, different stock short names and different ISIN numbers as follows: RMB Counter and traded Units have a SEHK stock code 83081 and a short name "VALUEGOLD ETF-R" whilst the HKD Counter and traded Units have a SEHK stock code 03081 and a short name "VALUEGOLD ETF". The ISIN for RMB counter and traded Units is HK0000167822 and the ISIN for HKD counter and traded Units is HK0000071313.

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in one counter and sell in the other counter provided their brokers provide both HKD and RMB trading services at the same time and offer inter-counter transfer services to support Dual Counter trading. Inter-counter buy and sell is permissible even if the trades take place within the same trading day. However, investors should note that the trading price of Units traded in the RMB Counter and that of the HKD counter may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

More information with regard to the Dual Counter is available in the frequently asked questions in respect of the Dual Counter published on HKEx's website http://www.hkex.com.hk/eng/market/sec_tradinfra/rmbequity/faqrmbequity.htm.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Dual Counter, including inter-counter transfers. Investors' attention is also drawn to the risk factor below entitled "Dual Counter".

DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

Notwithstanding the Dual Counter, the Net Asset Value of the Trust is determined by the Trustee in HK dollars only as at each Valuation Point by valuing the assets of the Trust and deducting the liabilities of the Trust, in accordance with the terms of the Trust Deed.

The Trust will generally hold only Bullion and certain cash to meet its expenses. Set out below is a summary of how assets held by the Trust are valued:

- (a) any Bullion which is deliverable or delivered to the Trust will either be measured in (1) fine weight of troy ounces and/or (2) in fine weight of kilograms and/or grams and will be valued in the following ways:
 - (i) for Bullion which is measured in fine weight of troy ounces, it will be valued based upon the London Gold Fixing Price;
 - (ii) for Bullion which is measured in fine weight of kilograms, it will be valued based upon the London Gold Fixing Price divided by a conversion factor of 0.0311034768 (1 troy ounce = 0.0311034768 kilogram, truncated 10 decimal places); and
 - (iii) for Bullion which is measured in fine weight of grams, it will be valued based upon the London Gold Fixing Price divided by a conversion factor of 31.1034768 (1 troy ounce = 31.1034768 grams, truncated 7 decimal places);
- (b) the value of each unit, share or interest in any physical gold exchange traded fund shall, unless the Manager (with the consent of the Trustee) determines that some other method is more appropriate, be valued by reference to the price appearing to the Manager to be the official closing price, or if unavailable, the last traded price on the market as the Manager may consider in the circumstances to provide fair criterion;
- (c) cash and deposits shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made to reflect the value thereof;
- (d) notwithstanding the foregoing, the Manager may adjust the value of any investment if, having regard to relevant circumstances, the Manager considers that such adjustment is required to fairly reflect the value of the investment; and
- (e) currency conversion will be performed by the Trustee at such foreign exchange rate or rates as it, with the prior agreement of the Manager, determines appropriate.

Investors are encouraged to review the specific provisions of the Trust Deed in relation to valuation of assets.

Suspension of Calculation of Net Asset Value

The Manager may, after giving notice to the Trustee, declare a suspension of the determination of the Net Asset Value of the Trust for the whole or any part of any period during which:

- (a) there exists any state of affairs prohibiting the normal disposal of the Trust's holdings of Bullion; or
- (b) there is a breakdown in any of the means normally employed in determining the Net Asset Value of the Trust or the Net Asset Value per Unit, or when for any other reason the value of gold or other asset in the Trust cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained; or
- (c) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably

practicable to realise Bullion held or contracted for the account of the Trust or it is not possible to do so without seriously prejudicing the interest of Unitholders; or

- (d) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the Bullion of the Trust or the subscription or realisation of Units is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange; or
- (e) the right to redeem Units is suspended.

Any suspension shall take effect upon its declaration and thereafter there shall be no determination of the Net Asset Value of the Trust until the suspension is terminated on the earlier of (i) the Manager declaring the suspension at an end and (ii) the first Dealing Day on which (1) the condition giving rise to the suspension shall have ceased to exist and (2) no other condition under which suspension is authorised exists.

The Manager shall notify the SFC and publish a notice of suspension following the suspension, and at least once a month during the suspension, on its website at www.valueetf.com.hk/valueGoldETF/eng/index.php or in such publications as the Manager decides.

No Units will be issued or redeemed during any period of suspension of the Net Asset Value.

Issue Price and Redemption Value of Units

The Issue Price of Units of the Trust, created and issued by a Creation Application, will be the Net Asset Value of the Units of the Trust in HKD divided by the total number of Units in issue rounded to the nearest 4 decimal places.

The Redemption Value of the relevant class of Units on a Dealing Day will be the Net Asset Value of the Units of the Trust in HKD divided by the total number of the Units in issue rounded to the nearest 4 decimal places.

The Issue Price and the Redemption Value (or the latest Net Asset Value of the Units) is available on the Manager's website at www.valueetf.com.hk/valueGoldETF/eng/index.php or published in such publications as the Manager decides.

Neither the Issue Price nor the Redemption Value takes into account Duties and Charges, Transaction Fees or fees payable by the Participating Dealer.

FEES AND EXPENSES

There are different levels of fees and expenses applicable to investing in the Trust as set out in the following table, current as at the date of the Prospectus.

(a) Fees and expenses payable by Participating Dealers on creations and redemptions of Units	Amount
Transaction Fee	HKD16,000 ⁴ per Application
Application cancellation fee	HKD10,000 ⁵ per Application
Extension Fee	HKD10,000 ⁶ per Application
Stamp duty	Nil
All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable
Any fees payable to the relevant Metal Provider	As applicable
(b) Fees and expenses payable by investors	Amount
<i>(i) Fees payable by clients of the Participating Dealers in respect of cash applications to the Participating Dealer</i>	
Fees and charges imposed by the Participating Dealer	Such amounts as determined by the relevant Participating Dealer ⁷
<i>(ii) Fees payable by all investors in respect of dealings in the Units on SEHK</i>	
Brokerage	Market rates
Transaction levy	0.003% ⁸
SEHK trading fee	0.005% ⁹
Stamp duty	Nil
Inter-counter transfer	HKD5 ¹⁰
(c) Fees and expenses payable by the Trust	(See further disclosure below)

⁴ HKD15,000 is payable to the Trustee and HKD1,000 is payable to the Service Agent.

⁵ An application cancellation fee is payable to the Trustee for the account of the Registrar by the Participating Dealer in respect of a cancelled Creation Application or Redemption Application.

⁶ An Extension Fee is payable to the Trustee on each occasion the Manager grants the Participating Dealer's request for extended settlement in respect of a Creation Application or a Redemption Application.

⁷ The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.

⁸ Transaction levy of 0.003% of the price of the Units, payable by each of the buyer and the seller.

⁹ Trading fee of 0.005% of the price of the Units, payable by each of the buyer and the seller.

¹⁰ HKSCC will charge each CCASS participant a fee of HKD5 per instruction for effecting an inter-counter transfer from one counter to another counter. Investors should check with their brokers regarding any additional fees.

No money should be paid to any person in Hong Kong which is not licensed or registered to carry on Type 1 regulated activity under Part V of the Securities and Futures Ordinance or which is not otherwise permitted to receive such money without being so licensed or registered.

Fees and Expenses Payable by the Trust

Manager's Fee

The Manager is entitled to receive a management fee of up to 1% per year of the Net Asset Value of the Trust. The current management fee is 0.15% per year of the Net Asset Value of the Trust and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears. This fee is payable out of the Trust Fund. No fees are payable out of the Trust Fund to the Sub-Manager.

The Manager may pay a distribution fee to any distributor or sub-distributors of the Trust out of the management fees it receives from the Trust. A distributor may re-allocate an amount of the distribution fee to the sub-distributors.

Trustee's and Registrar's Fee

The Trustee is entitled to receive a trustee and registrar fee of up to 1.0% per year of the Net Asset Value of the Trust. The current trustee and registrar fee is 0.10% per year of the Net Asset Value of the Trust (subject to a minimum of HKD90,000 per month) accrued daily and calculated as at each Dealing Day and payable monthly in arrears. The Trustee is also entitled to receive a service fee of HKD25,000 per annum accrued daily and payable quarterly in arrears as well as an ad hoc valuation fee of HKD4,000 per calculation of Net Asset Value other than at the Valuation Point on a regular Dealing Day. These fees are payable out of the Trust Fund.

The Trustee shall also be entitled to be reimbursed out of the Trust Fund all out-of-pocket expenses incurred.

Custodian's Fee

The Custodian is entitled to receive a custody fee from the Trust, currently at the rate of 0.04% of the Net Asset Value of the Trust (subject to a minimum of HKD25,000 per month) accrued daily and calculated as at each Dealing Day and payable monthly in arrears. This fee is payable out of the Trust Fund. In addition the Custodian is entitled to receive certain handling and packaging fees payable out of the Trust Fund where applicable.

Service Agent's Fee

The Trustee, on behalf of the Trust, will pay all other fees chargeable by the Service Agent in connection with the Service Agent's role.

The monthly reconciliation fee of HKD5,000 is payable by the Manager to the Service Agent out of the Trust Fund.

Estimated Total Expense Ratio

The total expense ratio ("TER") of the Trust, which is the sum of anticipated charges to the Trust expressed as a percentage of the Net Asset Value of the Trust, is estimated to be 0.35%. The TER does not represent tracking error.

Promotional Expenses

The Trust will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Trust will not be paid (either in whole or in part) out of the Trust Fund.

Other Expenses

The Trust will bear all operating costs relating to the administration of the Trust including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges, insurance and other costs and expenses payable in respect of the acquisition, holding and realization of any gold (including Bullion) or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, LBMA consultancy or other fees, the costs in connection with maintaining a listing of the Units on the SEHK and maintaining the Trust's authorization under the Securities and Futures Ordinance, any disbursements or out-of-pocket expenses properly incurred on behalf of the Trust by any of its service providers, the expenses incurred in convening meetings of Unitholders, printing and distributing annual and half-yearly reports, accounts and other circulars relating to the Trust and the expenses of publishing Unit prices.

Establishment Costs

The cost of establishing the Trust including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorization by the SFC and all initial legal and printing costs have been borne by the Manager.

Increase in Fees

The fees payable to the Manager and the Trustee may be increased on one month's notice to Unitholders, subject to the maximum rates set out in the Trust Deed.

RISK FACTORS

An investment in the Trust carries various risks. Each of these may affect the Net Asset Value, yield, total return and trading price of the Units. There can be no assurance that the investment objective of the Trust will be achieved. Prospective investors should carefully evaluate the merits and risks of an investment in the Trust in the context of their overall financial circumstances, knowledge and experience as an investor. The risk factors set forth below are the risks which are believed by the Manager and its directors to be relevant and presently applicable to the Trust.

Risk Factors Relating to Gold

The investment objective of the Trust is to provide investment results that, before fees and expenses, closely correspond to the performance of the London Gold Fixing Price. Since the London Gold Fixing Price is a price for gold, investment in the Trust will be subject to the following risk factors relating to gold:

London Gold Fixing Price. The value of the Units will be affected by movements in the US dollar price of gold since the London Gold Fixing Price is quoted in US dollars. Because the Units are denominated in HK dollars, changes in the exchange rate as between HK dollars and US dollars will also affect the Net Asset Value. To the extent that a Unitholder values its Units or Bullion in another currency that value will be affected by changes in the exchange rate between HK dollars, and that other currency. The gold price fluctuates widely and is affected by numerous factors beyond the Manager's or the Trustee's control, including:

- (a) Global or regional political, economic or financial events and situations;
- (b) Investors' expectations with respect to the future rates of inflation and movements in world equity, financial and property markets;
- (c) Global gold supply and demand, which is influenced by such factors as mine production and net forward selling activities by gold producers, central bank purchases and sales, jewellery demand and the supply of recycled jewellery, net investment demand and industrial demand, net of recycling;
- (d) Interest rates and currency exchange rates, particularly the strength of and confidence in the United States dollar (to which the HK dollar is pegged); and
- (e) Investment and trading activities of hedge funds, commodity funds and other speculators.

Competition from Other Methods of Investing in Gold. The Trust competes with other financial vehicles, including traditional debt and equity securities issued by companies in the gold industry, other exchange traded funds and other securities backed by or linked to gold, direct investments in gold and investment vehicles similar to the Trust. Market and financial conditions, and other conditions beyond the Manager's and Trustee's control, may make it more attractive to invest in other financial vehicles or to invest in gold directly, which could limit the market for the Units and reduce the liquidity of the Units.

Crises may Motivate Large Scale Sales of Gold. The possibility of large scale distress sales of gold in times of crisis may have a short term negative impact on the price of gold and adversely affect an investment in the Units. For example, the 1998 Asian financial crisis resulted in significant sales of gold by individuals which depressed the price of gold. Crises in the future may impair gold's price performance which would, in turn, adversely affect an investment in the Units.

Substantial Sales of Gold by the Official Sector. The official sector consists of central banks, other governmental agencies and multi-lateral institutions that buy, sell and hold gold as part of their reserve assets. The official sector holds a significant amount of gold, most of which is static, meaning that it is held in vaults and is not bought, sold, leased or swapped or otherwise mobilized in the open market. A number of central banks have sold portions of their gold over the

past 10 years, with the result that the official sector, taken as a whole, has been a net supplier to the open market. Since 1999, most sales have been made in a coordinated manner under the terms of the Central Bank Gold Agreement, under which 15 of the world's major central banks (including the European Central Bank) agreed to limit the level of their gold sales and lending to the market. Although the Central Bank Gold Agreement was renewed for a further five years (expiring 26 September 2014), it is possible that it may not be extended further beyond 2014. In the event that future economic, political or social conditions or pressures require members of the official sector to liquidate their gold assets all at once or in an uncoordinated manner, the demand for gold might not be sufficient to accommodate the sudden increase in the supply of gold to the market. Consequently, the price of gold could decline significantly, which would adversely affect an investment in the Units.

Investment Risks

Custody and Insurance. The Trust's Bullion is held by the Custodian at its secure Hong Kong vault premises at the Hong Kong International Airport. Access to the Trust's Bullion could be restricted by natural events, such as flooding, or human actions, such as terrorist attack. These "force majeure" type events cannot be predicted and are outside the control of the Manager and the Trustee.

The Trust does not insure its gold. The Custodian, at its discretion, generally maintains insurance with regard to its business on such terms and conditions as it considers reasonable and appropriate. However, the Custodian may not maintain full insurance coverage with respect to risks potentially affecting the Bullion held by the Custodian on behalf of the Trust. Accordingly, there is a risk that some or all of the Bullion could be lost, stolen or damaged and, unless made good by the Custodian, the Trust would not be able to satisfy its obligations in respect of the Units. In this regard it should be noted that the Custodian's precious metals storage facility has operated for less than 10 years and the Custodian is not regulated by the SFC or the Hong Kong Monetary Authority.

Custodian Insolvency. Although the owners of gold do not have a proprietary interest in unallocated gold held by the Custodian, if the Custodian becomes insolvent, the Trust's gold (all being allocated) should belong to the Trust. Accordingly even if the Custodian's assets may not be adequate to satisfy the claims of its creditors, the Trust's assets should be segregated and recoverable. However, upon an insolvency of the Custodian, there is still a risk of delay and costs incurred in identifying any Bullion held in an allocated account. In addition, whilst the Trustee undertakes periodic site inspections at least twice a year of the secure vault facilities to inspect the Bullion allocated to the Trust, the Trust relies upon the Custodian properly allocating the Bullion. In the event that such allocation had not been done or had been done incorrectly, the Trust would rank as an unsecured creditor in respect of such unallocated gold in the event of the Custodian's insolvency.

Redemption in the Absence of a Participating Dealer. The Manager has entered into one or more Participation Agreements with Participating Dealers. This enables each Participating Dealer to request the creation of new Units and/or require the redemption of existing Units. If the existing Participating Dealers were to withdraw at any time and no additional Participating Dealer had entered into a Participation Agreement with the Manager, no new Units could be created and a Unitholder who was not also a Participating Dealer would not be able to request the redemption of Units held by it.

Gold Dealing. For any redemptions by investors through Participating Dealers in cash, the Participating Dealer or the Manager (on behalf of the Trust), when selling Bullion will be relying on the credit of the counterparty to that transaction. If any counterparty fails to settle such trade, the Participating Dealer's obligation to pay the gross proceeds of sale received from the sale of gold for such gold (or currency exchange) may under the terms of its agreement with a redeeming investor client be reduced by the amount of the deficiency in payment received from the counterparty. The Trust has no liability for agreements to create or redeem between investors who are clients of Participating Dealers and the Participating Dealers.

Trustee Reliance. The Trustee may rely on any information, certificates and/or instructions received from the Manager in relation to Units and the Trust's Bullion, and shall not be responsible

for making any investigation or verification of the same. The Trust Deed provides various exclusions of liability for the Trustee although nothing in the Trust Deed exempts the Trustee from any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to the Trustee in respect of any negligence, fraud, breach of duty or trust of which the Trustee may be liable in relation to its duties.

Trust Expenses. Each outstanding Unit represents a fractional, undivided interest in the Bullion held by the Trust. The Trust does not generate any income and as the Trust needs to sell Bullion to pay for its ongoing expenses, the amount of Bullion represented by each Unit will gradually decline over time. This is also true with respect to Units that are issued in exchange for additional deposits of Bullion into the Trust, as the amount of Bullion required to create Units proportionately reflects the amount of Bullion represented by the Units outstanding at the time of creation. Assuming a constant London Gold Fixing Price, the trading price of the Units is expected to continue to gradually decline relative to the price of Bullion as the amount of Bullion represented by the Units gradually declines. Investors should be aware that the gradual decline in the amount of Bullion represented by the Units will occur regardless of whether the trading price of the Units rises or falls in response to changes in the price of Bullion.

Sale of the Trust's Gold to Pay Expenses. The Manager will sell gold held by the Trust to pay Trust expenses on an as needed basis irrespective of then current gold prices. The Trust is not actively managed and no attempt will be made to buy or sell gold to protect against or to take advantage of fluctuations in the price of gold. Consequently, the Trust's gold may be sold at a time when the gold price is low, resulting in a negative effect on the value of the Units.

Termination Timing. If the Trust is terminated under the provisions of the Trust Deed, for example where the Manager goes into liquidation, such termination could occur at a time which is disadvantageous to Unitholders, such as when gold prices are lower than the London Gold Fixing Price at the time when Unitholders purchased their Units. In such a case, when the Trust's Bullion is sold as part of the Trust's liquidation, the resulting proceeds distributed to Unitholders will be less than if gold prices were higher at the time of sale.

Loss, Damage, Theft or Access. There is a risk that part or all of the Trust's Bullion could be lost, damaged or stolen. Access to the Trust's Bullion could also be restricted by natural events (such as an earthquake) or human actions (such as a terrorist attack). Any of these events and other unforeseeable events may adversely affect the operations of the Trust and, consequently, an investment in the Units.

Inadequate Sources of Recovery. Unitholders' recourse against the Trust, the Trustee, the Manager, the Custodian and the Metal Provider, under Hong Kong law may be limited. The Trust itself does not insure its gold. The Custodian will at its discretion maintain insurance with regard to its business on such terms and conditions as it considers appropriate. Delivery of Bullion to the Custodian and receipt by it of Bullion is on a "said to contain" basis which means the Custodian will accept Bullion in an "as-is" state. This means that any insurance cover may not pay the actual value of any Bullion lost or destroyed. Accordingly the Trustee does not have the ability to dictate the existence, nature or amount of coverage. It is therefore possible that the Custodian may not maintain adequate insurance with respect to the Bullion held by the Custodian on behalf of the Trust. Consequently, a loss may be suffered with respect to the Trust's Bullion which is not covered by insurance.

Although the Trustee, as trustee of the Trust, has overall responsibility for custody of the Trust's assets, all Bullion is safekept by the Custodian and the liability of the Custodian is limited under the Custody Agreement between the Trustee and the Custodian which establishes the Trust's custody arrangements. The Custodian assumes responsibility for the safety of, and loss and damage of, the Bullion properly delivered to, and held in custody by, it. However where the Custodian acts on instruction of the Trustee and in accordance with the Custodian Agreement or in good faith in accordance with applicable law and regulation or in response to a force majeure event then the Custodian is only liable for losses that are the direct result of its own negligence, fraud, willful default or breach of the Custody Agreement in the performance of its duties. As a result, the recourse of the Trustee, the Manager or the Unitholders, under Hong Kong law, is limited by such terms of the Custody Agreement.

If the Trust's Bullion is lost, damaged, stolen or destroyed under circumstances rendering the Custodian or another party liable to the Trust, the Custodian or the relevant liable party may not have the financial resources sufficient to satisfy the Trust's claim. For example, as to a particular event of loss, the only source of recovery for the Trust might be limited to the Custodian or, to the extent identifiable, other responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Trust.

Neither the Unitholders nor any Participating Dealer has a right under the Custody Agreement to assert a claim of the Trustee against the Custodian; claims under the Custody Agreement may only be asserted by the Trustee on behalf of the Trust.

To the extent that the Metal Provider is obligated to the Trust (for example its responsibility to ensure that Bullion meets the required standards), the Trust is subject to the credit and counterparty risk of the Metal Provider. As the Metal Provider is a company incorporated in England, there may be delays in any enforcement action against the Metal Provider.

Bullion Allocated on Creation of Units. Neither the Trustee nor the Manager independently confirms the fineness, weight or conformity with London Good Delivery of the Bullion delivered to the Custodian, or allocated to the Trust within the Custodian's secure vault, in connection with the creation of Units. The gold allocated to the Trust by a Participating Dealer within the Custodian's secure vault or purchased by the Manager (on behalf of the Trust) may (despite its acquisition from a Metal Provider) be different from the reported fineness or weight required for Bullion. In such circumstance the Participating Dealer or, where applicable, the Manager will have recourse against the relevant Metal Provider in the event that the Trustee issues Units against such gold. The Manager believes that if this were to occur, the relevant Metal Provider would honour its obligations to the Participating Dealer. However should a Metal Provider fail to do so and should the Participating Dealer also fail to satisfy its obligation to credit the Trust the amount of any deficiency, the Trust may suffer a loss.

Investment Objective. There can be no assurance that the investment objective will be successful. It is possible that an investor may lose a proportion or all of its investment in the Trust where the investment objective is not obtained or where the London Gold Fixing Price declines. As a result, each investor should carefully consider the costs of investing in the Trust.

Gold Market. The Net Asset Value of the Trust changes with changes in the market value of the Bullion it holds. The price of Units may go down as well as up. There can be no assurance that the Trust will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. The capital return of the Trust is based on the capital appreciation of the Bullion which it holds, less expenses incurred. The Trust's return may fluctuate in response to changes in such capital appreciation. Furthermore, the Trust will experience volatility and decline in a manner that corresponds with the London Gold Fixing Price. Investors in the Trust are exposed to the same risks that investors who invest directly in gold would face.

Passive Investment Management. The Trust is not actively managed. Accordingly, the Trust may be affected by a decline in the London Gold Fixing Price. The Trust invests in gold regardless of its investment merit. The Manager does not attempt to select other commodities or precious metals or to take defensive positions in declining markets. Investors should note that the lack of discretion on the part of the Manager to adapt to market changes due to the inherent investment nature of the Trust will mean that falls in the London Gold Fixing Price are expected to result in corresponding falls in the value of the Units.

Business Climate. In the current economic environment, global markets are experiencing very high level of volatility. Such volatility may have an adverse effect on the London Gold Fixing Price's, and therefore the Trust's, performance. Investors may lose money by investing in the Trust.

Management. Because there can be no guarantee that the Trust's performance will fully replicate the movement of the London Gold Fixing Price, it is subject to management risk. This is the risk that the Manager's strategy, the implementation of which is subject to some constraints, may not produce the intended results and that the tracking error may accordingly be higher than predicted.

Commodities. The investments of the Trust, i.e. Bullion, are subject to risks inherent in all commodities (including settlement and counterparty risks). The value of holdings of gold may fall as well as rise. The global markets are currently experiencing very high levels of volatility and instability, resulting in higher levels of risk than is customary (including settlement and counterparty risks).

Tracking Error. The Net Asset Value of the Trust may not correlate exactly with the London Gold Fixing Price. Factors such as the fees and expenses of the Trust, rounding of Bullion prices and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the London Gold Fixing Price. These factors may cause the Trust's returns to deviate from the London Gold Fixing Price.

Concentration. The Trust is concentrated in a particular commodity, i.e. gold. As such, the Trust may be adversely affected by the performance of industries, or sectors, or events that are related to gold and to its production and sale. As such the Trust will be subject to price volatility. The Trust may also be more susceptible to the effects of any single economic, market, political or regulatory occurrence.

Non-diversification. The Trust may likely be more volatile than a broad-based fund, such as a global equity fund, as it is susceptible to fluctuations in the price of gold resulting from supply and demand of a single commodity, gold.

Counterparties. Financial institutions, such as Participating Dealers, will enter into transactions with the Manager on account of the Trust in relation to the Trust's Bullion. This exposes the Trust to the risk that a counterparty such as a Participating Dealer or another party (such as each Metal Provider) may not settle a transaction in accordance with the Operating Guidelines (including, for example, where a Metal Provider fails to deliver or instruct allocation of Bullion on behalf of the Participating Dealer due to a credit or liquidity problem of the Participating Dealer or Metal Provider, or due to the insolvency, fraud or regulatory sanction of the relevant Participating Dealer or Metal Provider, as appropriate) thus causing the Trust to suffer a loss.

Deposits of cash with a custodian, bank or financial institution ("custodian or depository") or of gold with the Custodian will also carry counterparty risk as the custodian or depository or Custodian may be unable to perform their respective obligations due to credit-related and other events like insolvency of or default of them. In these circumstances the Trust may be required to unwind certain transactions and may encounter delays of some years and difficulties with respect to court procedures in seeking recovery of the Trust's assets. However, with regard to the Custodian, the Trust's assets will be maintained by the Custodian in fully allocated accounts and so, unless it fails to fulfil its obligations to so allocate, should be protected in the event of the insolvency of the Custodian (although there may still be delays in obtaining delivery of the Trust's gold in these circumstances).

Trading. While the creation/redemption feature of the Trust is designed to make it likely that Units will trade on the SEHK close to their Net Asset Value, disruptions to creations and redemptions may result in trading prices that differ significantly from the Net Asset Value. The secondary market prices of Units will fluctuate in accordance with changes in the Net Asset Value and supply and demand on the SEHK. The Manager cannot predict whether Units will trade below, at, or above their Net Asset Value. Since, however, Units must be created and redeemed in Application Unit size (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their Net Asset Value) the Manager believes that ordinarily large discounts or premiums to the Net Asset Value of Units should not be sustained. If the Manager suspends creations and/or redemptions of Units of the Trust, however, the Manager expects larger discounts or premiums to the Net Asset Value.

Additional Fees Associated with Investing in Other Physical Gold Exchange Traded Funds. The trading price of shares or units of other physical gold exchange traded funds invested by the Trust should reflect their net asset value, determined taking account of fees and expenses, including fees charged by their management companies or investment managers. Some physical gold exchange traded funds may also impose fees or levies which may be payable by the Trust when it subscribes to or redeems out of such physical gold exchange traded funds. Investors should be aware that investment by the Trust into other physical gold exchange traded

funds may involve another layer of fees, in addition to the fees charged by the Trust. Notwithstanding this, the Manager does not consider the effect of such fees to be material and does not believe such fees will have a material effect on the Net Asset Value of the Trust given that the Trust's holdings of such exchange traded funds will not exceed 5% of the Net Asset Value of the Trust.

No Market in the Units. Although the Units are listed on the SEHK and there is at least one Market Maker, investors should be aware that there may be no liquid trading market for the Units or that such Market Maker(s) may cease to fulfil that role. Further, there can be no assurance that Units will experience trading or pricing patterns similar to those of exchange traded funds which are traded on the SEHK which are based upon indices.

Liquidity. Units may not be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. To address this risk, one or more Market Makers have been appointed.

Indemnity. Under the Trust Deed, the Trustee and the Manager have the right to be indemnified.

In the absence of fraud or negligence by the Manager or the Trustee respectively, neither of them shall incur any liability by reason of any error or law or any matter or thing done or suffered or omitted to be done in good faith under the Trust Deed. Nothing in any of the provisions of the Trust Deed shall exempt the Trustee or the Manager (as the case may be) from or indemnify it against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to it in respect of any negligence, fraud, default, breach of duty or trust of which either the Trustee or the Manager (as the case may be) may be guilty in relation to its duties.

Each of the Trustee and the Manager shall be entitled to an indemnity against any action, costs, claims, damages, expenses or demands (other than those arising out of any liability or obligation to the Unitholders imposed on the Trustee or Manager pursuant to the laws of Hong Kong) to which it may be subject as Trustee or Manager (as the case may be) and to have recourse to the assets of the Trust in respect of such action, costs, claims, damages, expenses or demands which have been made or arose out of or, where such action, costs, claims, damages, expenses or demands relate to the Trust as a whole or any part of the Trust.

In the event that the Manager enters into any agreement, arrangement, dealing or transaction of any kind with any third party (including, without limitation, third party brokers) for and on behalf of the Trust to which the Trustee is not a party, the Manager is required by the Trust Deed to ensure that in any such agreement, arrangement, dealing or transaction the liability of the Trustee to the third-party cannot exceed at any time the net amount that the Trustee is entitled and able to draw from the assets subject to the Trust, to indemnify itself as trustee for its obligations to the third party under that dealing or transaction, so that if the net amount that the Trustee is entitled to draw from the assets subject to the Trust to indemnify itself as trustee for its obligations to the third party is reduced to zero, or the property subject to the Trust is exhausted, all liability of the Trustee to the third party under that contract, agreement or instrument shall be extinguished.

Any reliance by the Trustee or the Manager on the right of indemnity would reduce the assets of the Trust and the value of the Units.

Risks Associated With The RMB

RMB is Not Freely Convertible and Subject to Exchange Controls and Restrictions. It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government. Since 1994, the conversion of RMB into US dollar has been based on rates set by the People's Bank of China (the "PBOC"), which are set daily based on the previous day's PRC interbank foreign exchange market rate. On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. In addition, a market maker system was introduced to the interbank spot foreign exchange market. In July 2008, the PRC announced that its exchange rate regime was further transformed into a managed floating mechanism based on market supply and demand. Given the domestic and overseas economic

developments, the PBOC decided to further improve the RMB exchange rate regime in June 2010 to enhance the flexibility of the RMB exchange rate. In April 2012, the PBOC decided to take a further step to increase the flexibility of the RMB exchange rate by expanding the daily trading band from +/- 0.5% to +/-1%. However, it should be noted that the PRC government's policies on exchange control and repatriation restrictions are subject to change, and any such change may adversely impact the Trust. There can be no assurance that the RMB exchange rate will not fluctuate widely against the US dollar or any other foreign currency in the future.

Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, currently continue to be subject to significant foreign exchange controls and require the approval of the State Administration of Foreign Exchange (the "SAFE"). On the other hand, the existing PRC foreign exchange regulations have significantly reduced government foreign exchange controls for transactions under the current account, including trade and service related foreign exchange transactions and payment of dividends. Nevertheless, the Manager cannot predict whether the PRC government will continue its existing foreign exchange policy or when the PRC government will allow free conversion of the RMB to foreign currency.

RMB Trading and Settlement of Units. The trading and settlement of RMB securities are recent developments in Hong Kong and there is no assurance that there will not be problems with the systems or that other logistical problems will not arise in respect of Units traded in RMB. Although end-to-end simulation trading and clearing of listed RMB products testing sessions and payment pilot runs for participants of the SEHK were held by the SEHK in March, September and October 2011, some brokers may not have participated in such testing sessions and pilot runs and for those who have, not all of them may be able to successfully complete such testing sessions and pilot runs nor is there any assurance of their readiness for dealing in RMB traded securities. Investors should note that not all brokers may be ready and able to carry out trading and settlement of RMB traded Units and thus they may not be able to deal in the RMB traded Units through some brokers. Investors should check with their brokers in advance if they intend to engage Dual Counter trading or in inter-counter transfers and should fully understand the services which the relevant broker is able to provide (as well as any associated fees). Some exchange participants may not provide inter-counter transfer or Dual Counter trading services.

Exchange Rates Movement Between the RMB and HKD. Investors in RMB traded Units whose assets and liabilities are predominantly in HK dollars or in currencies other than RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and RMB. There is no guarantee that RMB will appreciate in value against HK dollars or any other currency, or that the strength of RMB may not weaken. In such case, an investor may enjoy a gain in RMB terms but suffer a loss when converting funds from RMB back into HK dollars (or any other currency).

Future Movements in RMB Exchange Rates. The exchange rate of RMB ceased to be pegged to US dollars on 21 July 2005, resulting in a more flexible RMB exchange rate system. China Foreign Exchange Trading System, authorised by the PBOC, promulgates the central parity rate of RMB against US dollars, Euro, Yen, pound sterling and HK dollar at 9:15 a.m. on each business day, which will be the daily central parity rate for transactions on the Inter-bank Spot Foreign Exchange Market and OTC transactions of banks. The exchange rate of RMB against the above-mentioned currencies fluctuates within a range above or below such central parity rate. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including US dollars and HK dollars, are susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely against US dollars, HK dollars or any other foreign currency in the future. From 1994 to July 2005, the exchange rate for RMB against US dollar and the HK dollar was relatively stable. Since July 2005, the appreciation of RMB has begun to accelerate. Although the PRC government has constantly reiterated its intention to maintain the stability of RMB, it may introduce measures (such as a reduction in the rate of export tax refund) to address the concerns of the PRC's trading partners. Therefore, the possibility that the appreciation of RMB will be further accelerated cannot be excluded. On the other hand, there can be no assurance that RMB will not be subject to devaluation.

Offshore RMB (“CNH”) Market. The onshore RMB (“CNY”) is the only official currency of the PRC and is used in all financial transactions between individuals, the state and corporations in the PRC. Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC. Since June 2010, the offshore RMB (“CNH”) is traded officially and is regulated jointly by the Hong Kong Monetary Authority (the “HKMA”) and the PBOC. While both CNY and CNH represent RMB, they are traded in different and separate markets. The two RMB markets operate independently where the flow between them is highly restricted. Though the CNH is a proxy of the CNY, they do not necessarily have the same exchange rate and their movement may not be in the same direction. This is because these currencies act in separate jurisdictions, which leads to separate supply and demand conditions for each, and therefore separate but related currency markets.

However, the current size of RMB-denominated financial assets outside the PRC is limited. As at 30 November 2013, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB826.995 billion. In addition, participating authorised institutions are also required by the HKMA to maintain a total amount of RMB (in the form of cash and its settlement account balance with the Renminbi Clearing Bank) of no less than 25% of their RMB deposits, which further limits the availability of RMB that participating authorised institutions can utilise for conversion services for their customers. RMB business participating banks do not have direct RMB liquidity support from PBOC. The Renminbi Clearing Bank only has access to onshore liquidity support from PBOC (subject to annual and quarterly quotas imposed by PBOC) to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers of up to RMB20,000 per Hong Kong resident individual per day. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions. Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the relevant settlement agreements between Hong Kong banks and the PBOC will not be terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC may affect the ability of investors to acquire Units trading in RMB or sell Units trading in RMB affecting the liquidity and trading price of the Units trading in RMB on the SEHK. To the extent the Manager is required to source RMB in the offshore market, there is no assurance that it will be able to source such RMB on satisfactory terms, if at all.

Market Trading Risks

Dual Counter. The SEHK’s Dual Counter model in Hong Kong is relatively recent. It makes investment in the Units riskier than in single counter units or shares of an SEHK listed issuer, for example, where for some reason there is a settlement failure on an inter-counter transfer if the Units of one counter are delivered to CCASS at the last settlement on a trading day, leaving insufficient time to transfer the Units to the other counter for settlement on the same day.

In addition, where there is a suspension of the inter-counter transfers of Units between the HKD counter and the RMB counter due to, for example, operational or systems interruption, Unitholders will only be able to trade their Units in the currency of the relevant counter. Accordingly it should be noted that the inter-counter transfers may not always be available.

There is a risk that the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in RMB due to market liquidity, supply and demand in each counter and the exchange rate between the RMB and the HKD (in both the onshore and the offshore markets). The trading price of HKD traded Units or RMB traded Units is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Units traded in HKD or buying Units traded in HKD, an investor may receive less or pay more than the equivalent amount in RMB if the trade of the relevant Units is in RMB and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Investors without RMB accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell RMB traded Units.

It is possible that some brokers and CCASS participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, (ii) carry out inter-counter transfers of Units, or (iii) trade Units in both counters at the same time. In such a case, another broker or CCASS participant may need to be used. Accordingly, this may inhibit or delay an investor dealing in both HKD traded and RMB traded Units and may mean an investor may only be able to sell their Units in one currency. Investors are recommended to check the readiness of their brokers in respect of the Dual Counter trading and inter-counter transfer.

Tracking Error and Liquidity. At any time, the price at which Units trade on the SEHK may not reflect accurately the price of Bullion represented by such Units. The application and redemption procedures for Units and the role of certain Participating Dealers as Market Makers are intended to minimise this potential difference or “tracking error”. However, the market price of Units will be a function of supply and demand amongst investors wishing to buy and sell Units and the bid-offer spread that Market Makers are willing to quote for Units.

With respect to market offer prices, if new demand for Units exceeds the availability of the physical Bullion required to create such new Units then the issue of new Units will be restricted and therefore Units may trade at a premium. Investors who pay a premium risk losing the premium if demand for Units abates or when new Units are issued.

Units are new securities and have no trading record. The only other gold exchange traded fund presently listed on the SEHK is a foreign entity whose gold is held outside Hong Kong. There can be no assurance as to the depth of the secondary market (if any) in Units, which could affect their liquidity and market price.

Purchasing Bullion Associated with the Trust. Purchasing activity associated with acquiring the Bullion required for deposit into the Trust in connection with the creation of Units may temporarily increase the market price of bullion on the LBMA, which may result in higher prices for the Units. Temporary increases in the market price of bullion may also occur as a result of the purchasing activity of other market participants. Other market participants may attempt to benefit from an increase in the market price of gold that may result from increased purchasing activity of Bullion connected with the issuance of Units. Consequently, the market price of gold may decline immediately after Units are created. If the London Gold Fixing Price declines, the trading price of the Units will also likely decline.

Liquidity. Although Units of the Trust are listed for trading on the SEHK, there can be no assurance that an active trading market for such Units will develop or be maintained. In addition, if the Bullion which comprises the Trust’s assets has limited trading, or if the spreads are wide, this may adversely affect the price of the Units and the ability of an investor to dispose of its Units at the desired price. If a Unitholder needs to sell its Units at a time when no active market for them exists, the price it receives for its Units (assuming it is able to sell them) is likely to be lower than the price received if an active market did exist.

Suspension of Trading. Investors and potential investors will not be able to buy, nor will investors be able to sell, Units on the SEHK during any period in which trading of the Units is suspended. The SEHK may suspend the trading of Units whenever the SEHK determines that it is appropriate in the interests of a fair and orderly market to protect investors. The subscription and redemption of Units may also be suspended if the trading of Units is suspended.

Effect of Redemptions. If a Participating Dealer agrees with its clients to make significant redemptions on their behalf, it may not be possible for that Participating Dealer to liquidate the Bullion allocated to it in a timely manner or the Participating Dealer may be able to do so only at prices which the Participating Dealer believes does not reflect the true value of such Bullion, resulting in an adverse effect on the return to the Participating Dealer’s clients.

In addition, the Manager may also in certain circumstances suspend the determination of the Net Asset Value of the Trust for the whole or any part of any period. Please see the section headed “Determination of Net Asset Value” for further details.

Units May Trade Other Than at Net Asset Value. Units may trade on the SEHK at prices above or below the most recent Net Asset Value. The Net Asset Value per Unit of the Trust is calculated at the end of each Business Day and fluctuates with changes in the market value of the Trust's holdings. The trading prices of the Units fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value particularly during periods of market volatility or when there is any suspension of creations or redemptions. Any of these factors may lead to the Units trading at a premium or discount to the Net Asset Value. On the basis that Units can be created and redeemed in Application Units at Net Asset Value, the Manager believes that large discounts or premiums to Net Asset Value are not likely to be sustained over the long term. While the creation/redemption feature is designed to make it likely that the Units will normally trade at prices close to the Trust's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the Net Asset Value of the Trust due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in trading prices that differ significantly from Net Asset Value. In particular, if an investor purchases Units at a time when the market price is at a premium to Net Asset Value or sells when the market price is at a discount to Net Asset Value, then the investor may sustain losses.

Cost of Trading Units. Buying or selling Units involves various types of costs that apply to all securities transactions. When trading Units through a broker investors will incur a brokerage commission or other charges imposed by the broker. In addition investors on the secondary market, will also incur the cost of the trading spread, being the difference between what investors are willing to pay for the Units (bid price) and the price they are willing to sell Units (ask price). Frequent trading may detract significantly from investment results and an investment in Units may not be advisable particularly for investors who anticipate regularly making small investments.

No Right to Control the Trust's Operation. Investors will have no right to control the daily operations, including investment and redemption decisions, of the Trust.

Secondary Market Trading. Units may trade on the SEHK when the Trust does not accept Creation Applications and Redemption Applications from Participating Dealers. On such days, Units may trade in the secondary market with more significant premiums or discounts than might be experienced on days when the Trust accepts subscription and redemption orders.

Reliance on the Manager. Unitholders must rely upon the Manager in managing the Trust and the performance of the Trust is largely dependent on the services and skills of its officers and employees. In the case of loss of service of the Manager or any of its key personnel, as well as any significant interruption of the Manager's business operations or in the extreme case the insolvency of the Manager, the Trustee may not find successor managers quickly and the new appointment may not be on equivalent terms or of similar quality. Therefore, the occurrence of those events could cause a deterioration in the Trust's performance and investors may lose money in those circumstances.

Reliance on Market Makers. Although it is a requirement that the Manager ensures that at least one Market Maker will maintain a market for the Units traded in each counter, it should be noted that liquidity in the market for the Units may be adversely affected if there is no Market Maker for the HKD traded Units or no Market Maker for the RMB traded Units. The Manager will seek to mitigate this risk by ensuring at least one Market Maker for the Units traded in each counter gives not less than 3 months' notice prior to terminating the relevant market making arrangement(s). There may also be less interest by potential Market Makers in making a market in Units traded in RMB. Further, any disruption to the availability of RMB may adversely affect the capability of Market Makers in providing liquidity for RMB traded Units. It is possible that there is only one Market Maker to a counter or to the Trust or the Manager may not be able to engage a substitute Market Maker within the termination notice period of a Market Maker, and there is also no guarantee that any market making activity will be effective.

Reliance on Participating Dealers. The creation and redemption of Units may only be effected through Participating Dealers. Although each Participating Dealer is required to indicate to the Manager that it will generally create and redeem for its clients (as outlined in the section entitled "Creation by Participating Dealers"), whether or not a Participating Dealer agrees with its clients to

create or redeem Units for them has to be agreed between the relevant client and that Participating Dealer. A Participating Dealer may charge a fee for providing this service. Participating Dealers will not be able to create or redeem Units during any period when, amongst other things, dealings on the SEHK are restricted or suspended, settlement or clearing of securities through the CCASS is disrupted or the London Gold Fixing Price is not published. In addition, Participating Dealers will not be able to issue or redeem Units if some other event occurs that impedes the calculation of the Net Asset Value of the Trust or delivery of the Trust's bullion cannot be effected. Since the number of Participating Dealers at any given time will be limited, and there may even be only one Participating Dealer at any given time, investors will not be able to create or redeem Units freely.

Reliance on the Metal Providers. The Metal Providers are the sole providers of Bullion. Creations of Units may only be effected using Bullion sourced from a Metal Provider. Each Metal Provider will solely determine the price of the Bullion at time of creation of the Units. Although the Manager (on behalf of the Trust) and each Participating Dealer buying gold from a Metal Provider will have recourse to relevant Metal Provider (and the Manager and/or the Trustee will have recourse against the relevant Participating Dealer, where applicable, and the relevant Metal Provider), the Unitholders will have no direct recourse to the relevant Metal Provider for the quality or fineness of gold.

Only a Metal Provider may provide Bullion in relation to the creation of Units. As each Metal Provider may terminate the relevant Metal Provider Agreement on 12 months notice, there is a risk that if a Metal Provider terminates its Metal Provider Agreement or due to any other reason, such as credit related events like insolvency or default, the relevant Metal Provider is not able to act as a Metal Provider and no replacement Metal Provider is appointed, no further creations will be effected. This may cause the trading price of Units on the SEHK to deviate from the Net Asset Value of Units, possibly leading to a suspension of trading of Units on the SEHK. The attention of investors is drawn to the risk factor entitled "Counterparty Risk" above.

The Custodian is not an approved weigher and assayer of gold. Accordingly the Trust will rely upon each Metal Provider delivering Bullion that meets the minimum standards required by the Trust.

As a regulated entity, each Metal Provider must perform its required due diligence on each Participating Dealer wishing to enter a trading relationship with it such as "know your customer" and new client procedures. Should a Participating Dealer not be able to open a trading relationship with a Metal Provider, that Participating Dealer will not be able to buy Bullion to create Units in-gold and will only be able to create Units in cash.

Different Trading and Opening Hours of the SEHK and London Gold Market. The Trading hours of the SEHK, on which the Units are listed, do not match the gold fixing hours of the London bullion market because Hong Kong is in a different time zone to the United Kingdom. The London bullion market is an "over-the-counter" (OTC) principal to principal market where trading can occur throughout the day. However twice daily during London trading hours there is a fix which provides reference gold prices for the day's trading. One of the fixes, in the morning (London time), is the London Gold Fixing Price. The morning session of the fix starts at 10.30 am (London time) and the afternoon session of the fix starts at 3.00 p.m. (London time). The Trust will seek to track the London Gold Fixing Price. This means that the reference price for Unitholders will be the price determined in London the previous Business Day and this price will not be updated during the trading hours of the SEHK. The lack of real time valuation of Bullion could mean that Units may trade at a premium or discount to Net Asset Value or that the Net Asset Value per Unit may not reflect movements in the OTC market price for Bullion.

Regulatory and Other Risks

Withdrawal of SFC Authorisation. The Trust has been authorised as a collective investment scheme by the SFC under Section 104 of the Securities and Futures Ordinance. Authorisation by the SFC of the Trust does not imply official approval or endorsement of the London Gold Fixing Price. The SFC reserves the right to withdraw the authorisation of the Trust or impose such conditions as it considers appropriate. There can be no assurance that the Trust will continue to meet the conditions necessary to maintain authorization by the SFC. If the Manager does not

wish the Trust to continue to be authorised by the SFC, the Manager will give Unitholders at least 3 months' notice of the intention to seek SFC's withdrawal of such authorisation. In addition, any authorisation granted by the SFC may be subject to certain waivers which may be withdrawn or varied by the SFC. If as a result of such withdrawal or variation of waivers it becomes illegal, impractical or inadvisable to continue the Trust, the Trust will be terminated.

Legal and Regulatory. The Trust must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objective followed by the Trust. Furthermore, such change in the laws may have an impact on the market sentiment which may in turn affect the London Gold Fixing Price and as a result the performance of the Trust. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for the Trust. In the worst case scenario, a Unitholder may lose a material part of its investment in the Trust.

Units May be Delisted from the SEHK. The SEHK imposes certain requirements for the continued listing of securities, including the Units, on the SEHK. Investors cannot be assured that the Trust will continue to meet the requirements necessary to maintain the listing of Units on the SEHK or that the SEHK will not change the listing requirements. If the Units are delisted from the SEHK, Unitholders will have the option to redeem their Units in-gold. Where the Trust remains authorised by the SFC, the procedures set out in the Code will be observed by the Manager including as to notices to Unitholders, withdrawal of authorization and termination, as may be relevant (even though the Trust is not governed by the Code). Should the SFC deauthorise the Trust for any reason it is likely that Units may be required to be delisted.

Taxation. Investing in the Trust may have tax implications for a Unitholder depending on the particular circumstances of each Unitholder. Prospective investors are strongly urged to consult their own tax advisers and counsel with respect to the possible tax consequences to them of an investment in the Units. Such tax consequences may differ in respect of different investors.

Valuation and Accounting. The Manager adopts International Financial Reporting Standards ("IFRS") in drawing up the annual accounts of the Trust. However, you should note that the calculation of the Net Asset Value will not necessarily be in compliance with generally accepted accounting principles, that is, IFRS. Accordingly, you should note that the Net Asset Value as described in this Prospectus may not necessarily be the same as the net asset value to be reported in the annual accounts as the Manager may make necessary adjustments in the annual accounts to comply with IFRS. Any such adjustments will be disclosed in the annual accounts, including a reconciliation.

Possible Early Termination of the Trust. The Trust may be terminated early under certain circumstances, including but not limited to if (i) the aggregate Net Asset Value of all the Units is less than HKD150 million or (ii) any law is passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Manager, impracticable or inadvisable to continue the Trust or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed or (iv) the London Gold Fixing Price is no longer available for benchmarking or if the Units are no longer listed on the SEHK, or (v) at any time, the Trust ceases to have any Participating Dealer or (vi) the Custodians ceased to be able to provide custody services in respect of the Trust bullion and no replacement provider of a secure vault in Hong Kong is found (within thirty Business Days of the date of cessation) which is acceptable to the Trustee and the Manager. No new custodian will be acceptable to the Manager unless the new custodian is acceptable to the SFC. Upon the Trust being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the Trust to the Unitholders in accordance with the Trust Deed. Any such amount distributed may be more or less than the capital invested by the Unitholder.

SFC Approval of any New Custodian. The Trust is unique amongst physical precious metal ETFs listed on the SEHK in that only the Trust has a local custodian of bullion which safekeeps the bullion in Hong Kong. The necessity, as a condition of authorization of the Trust by the SFC (and therefore continued listing of the Units of the Trust on the SEHK), to seek the SFC's approval of a replacement to the Custodian may make it more difficult for the Manager to locate, and the Trustee to appoint, a new custodian within the nine months' notice period which the

Custodian may give to resign. This may affect the fees payable to the Trust for custody of bullion (i.e. the Custodian or a new custodian may charge the Trust more as a result). Further, in the absence of a suitable replacement Custodian which is acceptable to the SFC, this may in a worst case scenario cause the Trust to be terminated.

MANAGEMENT OF THE TRUST

The Manager

Sensible Asset Management Hong Kong Limited (the “Manager”) was established as a joint venture formed between Value Partners Group Limited, a company listed on the SEHK and a member of the Group, and Ping An Insurance Group. The Manager became wholly owned by Value Partners Group Limited after Value Partners Group Limited acquired all of the Ping An Insurance Group’s interest in the Manager on 25 July 2011.

The Manager was incorporated in Hong Kong with limited liability on 28 April 2008 and is licensed by the SFC to conduct type 4 (advising in securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance with CE number ARE534.

Under the Trust Deed, the assets forming part of the Trust are invested, at the direction of the Manager, in accordance with the Trust Deed. The Manager is responsible for placing purchase and sale orders and providing continuous monitoring of the assets of the Trust.

Without limiting the other powers mentioned in this Prospectus, the Manager may purchase and sell Bullion for the account of the Trust and subject to the provisions of the Trust Deed enter into such contracts including sale and purchase agreements, loans and broker and trading agreements in accordance with the Trust Deed, as it deems appropriate in the performance of its role as Manager.

The Manager also manages the Value China ETF, the Value Korea ETF, the Value Taiwan ETF and the Value Japan ETF.

The Directors of the Manager

The Directors of the Manager are:

Chow Wai Chiu William – Mr. Chow joined Value Partners in February 2010 and he holds a leadership role in the company’s exchange traded funds (ETFs) business. Mr. Chow has extensive experience in the ETF industry, with a solid track record in product development and strategy as well as ETF portfolio management. Previously, he was the Senior Portfolio Manager at Blackrock North Asia Ltd, participating in iShares ETFs portfolio management. He was also the Lead Portfolio Manager of a number of ETFs established under iShares including iShares FTSE A50 China Index ETF (one of the largest ETFs in Asia). Prior to joining iShares, he spent four years at State Street Global Advisors Asia Ltd (“SSgA”), as a Portfolio Manager and was responsible for various institutional equity index, asset allocation and currency hedging strategies, as well as managing ETFs such as the Tracker Fund of Hong Kong. Before joining SSgA, Mr. Chow worked for UBS AG. Mr. Chow graduated with a Master’s degree in Science in Operational Research from the London School of Economics and Political Science, United Kingdom, in 1999, and a Bachelor’s degree in Engineering (Hons) in Civil Engineering from the University College London, United Kingdom in 1998.

So Chun Ki Louis – Mr. So joined Value Partners in May 1999 as an analyst and was later promoted to Fund Manager, Senior Fund Manager and Deputy Chief Investment Officer and is now the Co-Chief Investment Officer of Value Partners. He graduated from the University of Auckland, New Zealand with a degree in Commerce in April 1997 and from the University of New South Wales, Australia with a Masters degree in Commerce in October 1998.

Sub-Manager

The Manager has delegated, under its own supervision and responsibility and at its own expense, all of its investment management duties to Value Partners Hong Kong Limited (the “Sub-Manager”).

The Sub-Manager was incorporated in Hong Kong with limited liability on 10 May 1999 and is

licensed by the SFC to conduct type 1 (dealing in securities), type 4 (advising in securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance with CE number AFJ002.

The Directors of the Sub-Manager

Cheah Cheng Hye - Mr. Cheah, aged 59, is Chairman and Co-Chief Investment Officer (“Co-CIO”) of Value Partners. He is in charge of Value Partners’ operations, and is actively engaged in all aspects of the Group’s activities, including investment research, fund management, business and product development, and corporate management. He sets the Group’s overall business and portfolio strategy. (Note: In July 2010, Mr. Louis So was promoted to become Co-CIO of Value Partners, working alongside Mr. Cheah.)

Mr. Cheah has been in charge of Value Partners since he co-founded the firm in February 1993 with his partner, Mr. V-Nee Yeh. Throughout the 1990s, he held the position of Chief Investment Officer and Managing Director of Value Partners, responsible for managing both the firm’s funds and business operation. He led Value Partners to a successful listing on the Main Board on the SEHK in 2007, the first and only asset management company listed in Hong Kong. Mr. Cheah has more than 30 years of investment experience, and is considered one of the leading practitioners of value-investing in Asia and beyond. Value Partners and he personally have received numerous awards – a total of more than 70 professional awards and prizes since the firm’s inception in 1993.

In 2013, Mr. Cheah was conferred the title of “Dato” - an honorary title that recognizes exceptional individuals - by the government in his home state of Penang, Malaysia. (The title comes with the award of an honorary “Darjah Setia Pangkuan Negeri”.) In April 2013, he was appointed as a member of the New Business Committee of the Financial Services Development Council by the Hong Kong government. He was also named an Honorary Fellow of The Hong Kong University of Science and Technology in June in the same year for outstanding achievements.

Mr. Cheah was the co-winner of “CIO of the Year in Asia” along with Mr. Louis So in the 2011 *Best of the Best Awards by Asia Asset Management*. In October 2010, he was named by *AsianInvestor* as one of the Top-25 Most Influential People in Asian Hedge Funds. In 2009, he was named by *AsianInvestor* as one of the 25 Most Influential People in Asian Asset Management. He was also named “Capital Markets Person of the Year” by *FinanceAsia* in 2007, and in October 2003, he was voted the “Most Astute Investor” in the *Asset Benchmark Survey*. Prior to starting Value Partners, Mr. Cheah worked at Morgan Grenfell Group in Hong Kong, where, in 1989, he founded its Hong Kong/China equities research department as the Head of Research and proprietary trader for the firm.

Prior to this, he was a financial journalist based in Hong Kong with The Wall Street Journal and Far Eastern Economic Review, where he reported on business and financial news across East and Southeast Asia markets. Mr. Cheah served for nine years (1993 to 2002) as an independent non-executive director of Hong Kong listed JCG Holdings, a leading microfinance company (renamed from 2006 as Public Financial Holdings).

Ho Man Kei, CFA – Mr. Ho is the Senior Investment Director of the Sub-Manager and holds a leadership role in the Sub-Manager’s investment process, including a high degree of responsibility in portfolio management. He joined Value Partners in November 1995. He was an executive with Dao Heng Securities Limited from 1992 and started his career with Ernst & Young. Mr. Ho is a graduate of the University of Hong Kong, where he received a Bachelor of Social Science in December 1989 majoring in Management Studies. He became a Chartered Financial Analyst (“CFA”) charterholder in October 1996.

So Chun Ki Louis – Please refer to the section on “The Directors of the Manager”.

The Trustee and Registrar

The Trustee of the Trust is HSBC Institutional Trust Services (Asia) Limited, which is a registered trust company in Hong Kong. The Trustee is an indirect wholly owned subsidiary of HSBC

Holdings plc, a public company incorporated in England.

Under the Trust Deed, the Trustee is responsible for the safekeeping of the assets of the Trust. The Trustee may, however, appoint any person or persons (including a Connected Person) to be custodian of the assets of the Trust or to otherwise act as its agent. The Trustee shall not appoint any custodian in respect of a market or markets which the Trustee has determined by notice to the Manager to be emerging markets.

The Trustee is not answerable for the default of the Custodian or any other custodian of the Trust's gold employed at the direction of the Manager or selected by the Trustee with reasonable care. The Trustee may also employ custodians for Trust assets other than gold, agents, attorneys, accountants, auditors and other professionals and shall not be answerable for the default or misconduct of any of them if they were selected with reasonable care.

The Trustee shall not be liable for the acts or omissions or insolvency of any depositary or clearing system.

Where the Trustee is prohibited by applicable law, regulation, or order or policy of a competent regulatory authority, to hold any cash, securities and/or other assets comprising the Trust Fund (including the Trust's Bullion), the Trustee will not be responsible for such cash, securities and/or other assets which are not deposited with or held to the Trustee's order.

The Trustee will also act as the Registrar of the Trust. In addition to the amount paid by the Manager out of the Management Fee, the Trustee will be entitled to other fees described in the section headed "Fees and Expenses".

Indemnities of the Trustee and Manager

The Trustee and the Manager benefit from various indemnities in the Trust Deed. Except as provided under the Trust Deed, the Trustee and the Manager shall be entitled to be indemnified out of, and have recourse to, the Trust, in respect of any liabilities, costs, claims or demands arising directly or indirectly from the proper performance of the Trust. Nothing in any of the provisions of the Trust Deed shall exempt either the Trustee or the Manager (as the case may be) from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, fraud, default, breach of duty or trust of which they may be guilty in relation to their duties.

The Custodian

The Trustee and the Manager have appointed HKIA Precious Metals Depository Limited as the Custodian under the terms of the Custody Agreement entered into between the Trustee and the Custodian. Any new custodian in respect of the Trust shall be as agreed by the Trustee and the Manager and may only be appointed if it is acceptable to the SFC. The Manager will seek to ensure that (notwithstanding that the Custodian may give 9 months' notice to terminate only) any cessation of the Custodian's appointment shall only take effect at the same time as a new custodian, acceptable to the SFC, takes up office. The Custodian is a private company incorporated with limited liability in Hong Kong on 8 May 2002. It is a wholly owned subsidiary of the Airport Authority of Hong Kong, a statutory body established under the Airport Authority Ordinance (Cap. 483) of Hong Kong which is owned by the Hong Kong Government. The Airport Authority of Hong Kong was established in 1995 to operate and maintain the Hong Kong International Airport and has a staff of approximately 1,100 people. Both the Hong Kong Government and the Airport Authority of Hong Kong have credit ratings of AAA from Standard & Poor's.

The Custodian's depository has an area of 340 square meters and it is equipped with alarm systems and a state-of-the-art security facility for the access, security and protection of assets under its custody. The vault is managed and operated by a team of professionals specialising in the areas of the gold market, logistics and warehouse management. The board of the Custodian is comprised of senior management of the Hong Kong Airport Authority of Hong Kong and the Custodian receives support from the Hong Kong Airport Authority of Hong Kong including but not limited to technical services, audit and legal services. The Custodian has a operating history of

about four years and is now providing precious metals custody service to major international bullion banks, refineries, commodity exchange and the Hong Kong Government.

All Bullion belonging to the Trust will be safekept by the Custodian on a fully allocated basis at its dedicated precious metals storage facility located at the Hong Kong International Airport. The facility offers safe-keeping and related services to banks, bullion dealers, commodity exchanges and refineries. The facility was formerly opened on 2 September 2009.

The Custodian has been granted a Type 1 Security Company License by the Security and Guarding Services Industry Authority, a regulatory body established under the Security and Guarding Services Ordinance of Hong Kong.

The Service Agent

HK Conversion Agency Services Limited acts as Service Agent under the terms of the Service Agreement entered into among the Manager, the Trustee, the Registrar, the Participating Dealers, the Service Agent and HKSCC. The Service Agent performs, through HKSCC, certain of its services in connection with the creation and redemption of Units in the Trust by Participating Dealers.

The Auditor

The Manager has appointed KPMG from the date of the establishment of the Trust up to 30 November 2013, and Ernst & Young with effect from 1 December 2013 to act as the auditor of the Trust. Both KPMG and Ernst & Young are independent of the Manager and the Trustee.

The Participating Dealers

A Participating Dealer may act for its own account or for the account of its clients in making creation and redemption applications. Each Participating Dealer must (i) if it wishes to create and redeem in-gold, have a trading relationship with the Metal Provider and have an account with the Custodian or have an agent with an account with the Custodian, (ii) be licensed by the SFC for Type 1 (dealing in securities) regulated activity pursuant to the Securities and Futures Ordinance, and (iii) be a participant of CCASS. The latest list of the Participating Dealers is available at www.valueetf.com.hk/valueGoldETF/eng/index.php.

The Metal Providers

Standard Bank Plc and Standard Chartered Bank presently act as the sole providers of Bullion of minimum standard, acceptable to the Trust, to Participating Dealers for Creation Applications. The Trustee and the Manager have entered the Metal Provider Agreements with each Metal Provider in respect of its role.

Standard Bank Plc is a company incorporated in England and Wales and is wholly owned by Standard Bank Group Limited. Standard Bank Group Limited is a company incorporated in South Africa. Standard Bank Plc is the primary entity within the Standard Bank Group Limited group engaged in gold trading, as well as other international banking, commodity trading and related financial services. Standard Bank Plc is a bank which is authorized and prudentially supervised by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulation Authority. Standard Bank Plc is a trading member of the Shanghai Gold Exchange and a non-market making member of the LBMA. In addition it is a non-clearing member of the Tokyo Commodity Exchange. Standard Bank Plc is also a non-clearing member of COMEX (for base and precious metals) and a non-clearing member of NYMEX (precious metals), both divisions of the CME. Standard Bank Plc had an issued ordinary share capital of USD1,514 million as at 31 December 2011 and has a credit rating of “Baa2” (bank deposits, long term) from Moody’s Investor Services. The latest audited annual accounts of Standard Bank Plc are available at and may be downloaded from <http://reporting.standardbank.com>.

Standard Chartered Bank is a company incorporated in England and Wales with limited liability by Royal Charter of 1853 (under reference ZC18). It commenced business in Hong Kong in 1859. Standard Chartered Bank is authorized by the UK Prudential Regulation Authority and

regulated by the UK Financial Conduct Authority and by the UK Prudential Regulation Authority as well as the Hong Kong Monetary Authority. Standard Chartered PLC is the ultimate holding company of Standard Chartered Bank, and was incorporated and registered in England and Wales on 18 November 1969 as a company limited by shares. Its ordinary shares and preference shares are listed on the Official List and traded on the London Stock Exchange. Standard Chartered PLC's ordinary shares are also listed on the SEHK, and through Indian Depository Receipts on the Bombay Stock Exchange and National Stock Exchange of India. Standard Chartered Bank is, amongst others, a member of the LBMA. Standard Chartered Bank (Hong Kong) Limited is 51% owned by Standard Chartered Bank and 49% owned by Standard Chartered Holdings Limited, Standard Chartered Bank's parent company. Standard Chartered Bank's long-term debt ratings from Standard & Poor's, Moody's Investor Services and Fitch (as of the day immediately preceding the date of this Prospectus) are AA-, A1 and AA- respectively. The latest audited accounts of Standard Chartered PLC are available at and may be downloaded from <http://www.standardchartered.com>.

The Market Makers

A Market Maker is a broker or dealer permitted by the SEHK to make a market for the Units in the secondary market and whose obligations include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid prices and offer prices for the Units on the SEHK. Market Makers facilitate the efficient trading of Units by providing liquidity in the secondary market when it is required, in accordance with the market making requirements of the SEHK.

Subject to applicable regulatory requirements, the Manager will ensure that there is at all times at least one Market Maker in the HKD Counter and one Market Maker in the RMB Counter (although this may be the same Market Maker). If the SEHK withdraws its permit to the existing Market Maker(s), the Manager will endeavour to ensure that there is at least one other Market Maker to facilitate the efficient trading of Units in RMB and one other Market Maker to facilitate the efficient trading of Units in HK dollars. The Manager will seek to ensure that at least one Market Maker per counter is required to give not less than 3 months' prior notice to terminate the relevant market making arrangement. The latest list of Market Makers in each counter is available at www.hkex.com.hk and www.valueetf.com.hk. Please refer to the section headed "References to Websites" for the warning and the disclaimer regarding information contained in such website.

Conflicts of Interest and Soft Dollars

The Manager and the Trustee may, from time to time, act as manager, sub-investment manager, investment adviser, trustee or custodian or in such other capacity in connection with any collective investment scheme separate and distinct from the Trust and retain any profit or benefit made in connection therewith.

In addition:

- (a) The Manager or any Connected Person may purchase and sell investments for the account of the Trust as agent for the Trustee.
- (b) The Trustee, the Manager and any of their Connected Persons may contract or enter into any financial, banking or other transaction with one another or with any Unitholder.
- (c) The Trustee or the Manager or any Connected Person may become the owner of Units and hold, dispose or otherwise deal with them with the same rights which it would have had if it had not been the Trustee or the Manager or the Connected Person.
- (d) The Trustee, the Manager and any of their Connected Persons may buy, hold and deal in gold for their own account or for the account of their other customers (including Participating Dealers acting for themselves or for their clients) notwithstanding that gold may be held as part of the Trust.
- (e) Any arrangements for the borrowing or deposit of any monies for the account of the Trust

may be made with any of the Trustee, the Manager, the Sub-Manager, any investment adviser or any Connected Person of any of them being a banker or other financial institution provided that such person shall charge or pay (as the case may be) interest or fees at a rate or amount no higher (in the case of a borrowing) or lower (in the case of a deposit) than the prevailing rates or amounts for transactions of a similar size and duration, in the same currency and with institutions of similar standing.

- (f) The Manager, the Sub-Manager, any investment adviser or any Connected Person of any of them may, with the prior written approval of the Trustee, act as principal and sell or deal in the sale of Bullion to the Trust or otherwise deal as principal with the Trust provided always that any fee or commission paid by the Trust is no greater than that which is payable at the prevailing market rate for a transaction of that size and nature and that such transactions are transacted at arm's length and executed on the best available terms.
- (g) Neither the Trustee nor the Manager nor any Connected Person shall be liable to account to each other or to the Trust or to the Unitholders for any profits or benefits made or derived from or in connection with any such transaction mentioned above.

It is, therefore, possible that any of the Trustee, the Manager or their Connected Persons may, in the course of business, have potential conflicts of interest with the Trust. Each will, at all times, have regard in such event to its obligations to the Trust and the Unitholders and will endeavour to ensure that such conflicts are resolved fairly.

None of the Manager, the Sub-Manager, their delegates nor any Connected Person of any of them shall, retain any cash commission rebates or other payment or benefit (except as otherwise provided for in this Prospectus or in the Trust Deed) received from a third party (either directly or indirectly) arising out of the sale or purchase or loan of bullion for the Trust, and any such rebates or payments or benefits which are received shall be credited to the account of the Trust.

The Manager, the Sub-Manager, their delegates or Connected Person of the Manager may receive, and are entitled to retain, research products and services (known as soft dollar benefits) which are of demonstrable benefit to the Trust (as may be permitted under the Code, applicable rules and regulations) from brokers and other persons through whom investment transactions are carried out ("brokers") provided that the quality of transaction execution is consistent with best execution standards.

The services of the Trustee provided to the Trust are not deemed to be exclusive and the Trustee shall be free to render similar services to others so long as its services hereunder are not impaired thereby and to retain for its own use and benefit all fees and other moneys payable thereby and the Trustee shall not be deemed to be affected with notice of or to be under any duty to disclose to the Trust any fact or thing which comes to the notice of the Trustee in the course of the Trustee rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties under the Trust Deed.

Conflicts of interest may also arise due to the widespread business operations of the Trustee, the Manager, the Registrar, the Metal Providers and the Service Agent and their respective holding companies, subsidiaries and affiliates. The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of the Trust Deed, be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of the Trust will be on arm's length terms. For so long as the Trust is authorised by the SFC, no more than 50% in aggregate of the Trust's transactions in any one financial period shall be carried out with or through a broker or dealer connected to the Manager or any Connected Person of the Manager.

STATUTORY AND GENERAL INFORMATION

Reports and Accounts

The financial year-end of the Trust is 31 March every year. Audited accounts are to be prepared (according to IFRS) and published on the Manager's website within 4 months of each financial year-end. Half-yearly unaudited reports are also to be prepared up to the last Dealing Day in September of each year and published on the Manager's website within 2 months of such date.

Both English and Chinese versions of the audited accounts and the half-yearly unaudited reports of the Trust will be available. Printed copies of audited accounts and half-yearly unaudited reports may be requested from the Manager by contacting it, as described below under "Notices".

The reports provide details of the assets of the Trust and the Manager's statement on transactions during the period under review. The reports shall also provide a comparison of the Trust's performance and the actual performance of the London Gold Fixing Price over the relevant period and such other information as is required by the SFC.

Trust Deed

The Trust was established under Hong Kong law by the Trust Deed made between the Manager and the Trustee. All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed. In the event of any conflict between any of the provisions of this Prospectus and those of the Trust Deed or Participation Agreement, the provisions of the Trust Deed shall prevail. The Trust Deed contains provisions for the indemnification of the Trustee and the Manager out of the assets of the Trust and their relief from liability in certain circumstances (summarised above in "Indemnities of the Trustee and Manager"). Unitholders and intending applicants are advised to consult the terms of the Trust Deed.

Modification of Trust Deed

The Trustee and the Manager may agree to modify the Trust Deed by supplemental deed provided that in the opinion of the Trustee and the Manager such modification (i) does not materially prejudice to the interests of Unitholders, does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders and (with the exception of the costs incurred in connection with the relevant supplemental deed) does not increase the costs and charges payable out of the assets of the Trust or (ii) is necessary in order to make possible compliance with any fiscal, statutory or official requirement (whether or not having the force of law) or (iii) is made to correct a manifest error. No notice of such amendments will be given by the Manager unless requested by the SFC (the period of notice as requested by the SFC). In all other cases modifications, alterations and additions require the sanction of an extraordinary resolution of the Unitholders affected. The SFC must also give its prior approval to all amendments to the Trust Deed.

Meetings of Unitholders

Proxies may be appointed. A Unitholder who is the holder of two or more Units may appoint more than one proxy to represent him and vote on his behalf at any meeting of the Unitholders. If a clearing house (or its nominee(s)), being a corporation, is a Unitholder, it may authorise such persons as it think fit to act as its representatives at any meeting of the Unitholders provided that, if more than one person is so authorised, the authorisation shall specify the number and class of Units in respect of which each such representative is so authorised. Each person so authorised shall be deemed to have been duly authorised without further evidence of the facts and shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person were the registered Unitholder of the Units held by the clearing house (or its nominee(s)), including the right to vote individually on a show of hands or on a poll.

Transfer of Units

To the extent any Units are not deposited in CCASS, subject to the Manager's consent, such Units may be transferred by using the standard transfer form issued by SEHK or by an instrument in writing in common form signed by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee. The transferor will be deemed to remain the Unitholder of the Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Units being transferred. HKSCC Nominees Limited will be the sole Unitholder of all Units deposited in CCASS. HKSCC Nominees Limited will hold such Units for the persons admitted by HKSCC as a participant of CCASS and to whose account any Units are for the time being allocated in accordance with the General Rules of CCASS.

Voting Rights

Unitholders' meetings may be convened by the Manager, by the Trustee or by Unitholders representing one-tenth or more of the current Units in issue. These meetings may be used to modify the terms of the Trust Deed, including increasing the maximum fees payable to the service providers, removing the Manager or the Trustee or terminating the Trust at any time. Such amendments to the Trust Deed must be considered by Unitholders of at least 25% of the Units in issue and passed by a 75% majority of the votes cast. Unitholders will be given not less than 21 days' notice of such meeting.

Termination

The Trust may be terminated by the Trustee if: (i) the Manager goes into liquidation or a receiver is appointed and not discharged within 60 days or (ii) in the opinion of the Trustee, the Manager is incapable of performing its duties satisfactorily or (iii) the Manager has failed to perform its duties satisfactorily or has, in the opinion of the Trustee, done something calculated to bring the Trust into disrepute or that is harmful to the interests of Unitholders or (iv) a law is passed that renders it illegal, or in the opinion of the Trustee, impracticable or inadvisable to continue the Trust or (v) the Trustee is unable to find an acceptable person to replace the Manager within 30 days after the removal of the Manager, or the person nominated shall fail to be approved by extraordinary resolution or (vi) 30 days after the Trustee notifies the Manager of its intention to retire, no new person willing to act as trustee has been identified or (vii) if the Custodian ceases to be able to provide custody services in respect of the Trust's bullion and no replacement provider of a secure vault in Hong Kong is found (within 30 Business Days of the date of cessation) which is acceptable to both the Trustee and the Manager.

The Manager may terminate the Trust if: (i) the aggregate Net Asset Value of all the Units in the Trust is less than HKD150 million or (ii) any law is passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Manager, impracticable or inadvisable to continue the Trust or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed or (iv) the London Gold Fixing Price (or any suitable replacement) is no longer available or if the Units of the Trust are no longer listed on the SEHK or (v) at any time, the Trust ceases to have any Participating Dealer or (vi) if the Custodian ceases to be able to provide custody services in respect of the Trust's bullion and no replacement provider of a secure vault in Hong Kong is found (within 30 Business Days of the date of cessation) which is acceptable to both the Trustee and the Manager. Further, the Unitholders may at any time authorise termination of the Trust by extraordinary resolution.

Unless previously terminated as described above or under another provision in the Trust Deed, the Trust shall in any event terminate at the expiry of 80 years from the date of the Trust Deed.

Notice of the termination of the Trust will be given to the Unitholders after the SFC has approved release of the notice. The notice will contain the reasons for the termination, the consequences to Unitholders of terminating the Trust and the alternatives available to them, and any other information required by the SFC.

Inspection of Documents

Copies of the following documents are available for inspection free of charge at the offices of the Manager and copies thereof may be obtained from the Manager at a cost of HKD150 per set of copy documents (other than (f) which may be obtained free of charge by a Unitholder):

- (a) Trust Deed;
- (b) Metal Provider Agreement(s);
- (c) Service Agreement(s);
- (d) Participation Agreement(s);
- (e) Custody Agreement; and
- (f) The most recent annual report and accounts of the Trust and the most recent interim report of the Trust.

Part XV of the Securities and Futures Ordinance

Part XV of the Securities and Futures Ordinance sets out the Hong Kong disclosure of interests' regime applicable to Hong Kong listed companies. The regime does not apply to unit trusts that are listed on the SEHK like the Trust. Consequently, Unitholders are not obliged to disclose their interest in the Trust.

Anti-Money Laundering Regulations

As part of the Manager's, the Trustee's, the Registrar's and the Participating Dealer's responsibility for the prevention of money laundering and to comply with all applicable laws to which the Manager, the Trustee, the Trust or the relevant Participating Dealer is subject, the Manager, the Registrar, the Trustee or the relevant Participating Dealer may require a detailed verification of an investor's identity and the source of payment of any applications for Units. Depending on the circumstances of each application, a detailed verification might not be required where:

- (a) the investor makes the payment from an account held in the investor's name at a recognised financial institution; or
- (b) the application is made through a recognised intermediary.

These exceptions apply only if the financial institution or intermediary is within a country recognised by the Trustee and the Manager as having sufficient anti-money laundering regulations.

Information available on the Internet

The Manager publishes important news and information with respect to the Trust, both in the English and in the Chinese languages, on the Manager's website at www.valueetf.com.hk/valueGoldETF/eng/index.php including:

- (a) this Prospectus (including the product key facts statement), as revised from time to time;
- (b) the latest annual and semi-annual financial reports (in both the English and Chinese languages);
- (c) any notices and announcements;
- (d) the latest available closing Net Asset Value of the Trust in HKD only and the latest closing Net Asset Value per Unit in HKD and RMB;

- (e) the near real time estimated Net Asset Value per Unit (in respect of Bullion held by the Trust based upon the mid point of the bid/ask spread of gold prices) in HKD and RMB; and
- (f) the identity of the Participating Dealers and of the Market Makers.

Information on the near real time estimated Net Asset Value in HKD (in respect of Bullion held by the Trust based on the mid point of the bid/ask spread of gold prices), the composition of the Trust and the previous day's closing Net Asset Value in respect of Units in HKD will be disclosed on the Manager's website (www.valueetf.com.hk/valueGoldETF/eng/index.php). The near real time estimated Net Asset Value in HKD is calculated by a Hong Kong based third party interactive data vendor (which collates gold prices quoted by gold market makers from around the world throughout the day) and is not based on the London Gold Fixing Price.

The near real time estimated Net Asset Value per Unit in RMB and the last closing Net Asset Value per Unit in RMB are for reference only. The near real time estimated Net Asset Value per Unit in RMB is calculated by Interactive Data Hong Kong Limited using the near real time estimated Net Asset Value per Unit in HKD multiplied by a near real time HKD:RMB foreign exchange rate for offshore RMB (CNH) quoted by Interactive Data Hong Kong Limited. The near real time estimated Net Asset Value per Unit in RMB and in HKD as well as the exchange rate for offshore RMB (CNH) will only be updated during the trading hours of the SEHK. The last closing Net Asset Value per Unit in RMB is calculated using the last closing Net Asset Value per Unit in HKD multiplied by a HKD:RMB foreign exchange rate for offshore RMB (CNH) quoted by Thomson Reuters at 11:00 a.m. (London time) as of the same Dealing Day. The daily closing Net Asset Value per Unit in RMB and in HKD and the exchange rate will only be updated when both the SEHK is open for normal trading and London Gold Fixing Price is available.

It is your responsibility to consider such information. Please refer to the section headed "References to Websites" for the warning and the disclaimer regarding information contained in such website. No website referred to in this Prospectus has been reviewed by the SFC.

Notices

All notices and communications to the Manager and Trustee should be made in writing and sent to the following addresses:

Manager

Sensible Asset Management Hong Kong Limited
9/F Nexus Building
41 Connaught Road
Central
Hong Kong

Trustee

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

Hong Kong Taxation

The following summary of Hong Kong taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Units. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Units both under the laws and practice of Hong Kong and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force in Hong Kong at the date of this Prospectus. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Prospectus.

The Trust

Profits Tax: As the Trust has been authorised as a collective investment scheme by the SFC under Section 104 of the Securities and Futures Ordinance, profits of the Trust arising from the sale or disposal of bullion, net investment income received by or accruing to the Trust and other profits of the Trust are exempt from Hong Kong profits tax.

Stamp Duty: No Hong Kong stamp duty is payable by the Trust on an issue or redemption of Units. The transfer of gold to and from the Trust by a Participating Dealer is not subject to any Hong Kong stamp duty payable by the Trust.

The Unitholders

Profits Tax: Hong Kong profits tax is not payable by a Unitholder (other than Unitholders carrying on a trade, profession or business of investing in securities in Hong Kong) on any gains or profits made on the sale, redemption or other disposal of the Units.

Stamp Duty: Approval has been given for remission or refund in full of stamp duty payable or paid in respect of any contract notes or instruments of transfer relating to transactions in all Units (both RMB traded and HKD traded Units).

Participating Dealers pay no Hong Kong ad valorem stamp duty when the Trust issues or redeems Units.

Website Information

The offer of the Units is made solely on the basis of information contained in this Prospectus. All references in this Prospectus to other websites and sources where further information may be obtained are merely intended to assist you to access further information relating to the subject matter indicated and such information does not form part of this Prospectus. None of the Listing Agent, the Manager, the Sub-Manager or the Trustee accepts any responsibility for ensuring that the information contained in such other websites and sources, if available, is accurate, complete and/or up-to-date, and no liability is accepted by the Listing Agent, the Manager, the Sub-Manager and the Trustee in relation to any person's use of or reliance on the information contained in these other websites and sources save, in respect of respect of the Manager and the Sub-Manager, their respective websites www.valueetf.com.hk and www.valuepartners.com.hk. You should exercise an appropriate degree of caution when assessing the value of such information.

SCHEDULE

INVESTMENT RESTRICTIONS AND NO BORROWING

Investment Restrictions

If any of the restrictions or limitations set out in this Schedule 1 is breached, the Manager will make it a priority objective to take all necessary steps within a reasonable period to remedy such breach, taking into account the interests of the Unitholders.

The Trustee will take reasonable care to ensure compliance with the investment and borrowing limitations set out in the constitutive documents and the conditions under which the Trust was authorised.

The investment restrictions applicable to the Trust (unless expressly waived by the SFC) that are included in the Trust Deed are summarised below:

- (a) the Trust may only invest in Bullion;
- (b) the Trust may not enter into futures contracts or any financial derivative instruments;
- (c) the Trust may not hold securities; and
- (d) the Trust may only hold Bullion meeting the standards of London Good Delivery of minimum fineness of 99.5% gold and such Bullion must be held in the Trust's name on a fully allocated basis.

Notwithstanding the above, the Trust may hold up to 5% of Net Asset Value in units or shares of physical gold exchange traded funds which are listed on International Stock Exchanges and which have similar risk profile to the Trust.

In addition, the Trust is subject to the following additional restrictions. The Manager shall not for the account of the Trust:

- (a) invest in any type of real estate (including buildings) or interests in real estate (including options or rights, shares in real estate companies and interests in real estate investment trusts (REITs) whether or not listed on stock exchanges);
- (b) make short sales;
- (c) grant or write or create in favour of any person any option;
- (d) invest in any property which involves the assumption of any liability by the Trust which is unlimited;
- (e) invest in any type of debt or loan securities (but which shall not prohibit the holding or investment of uninvested cash in any of the ways or instruments permitted under the Trust Deed);
- (f) assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person without the prior written consent of the Trustee; and
- (g) lend its Bullion.

No Borrowing

Borrowing against the assets of the Trust is not allowed.