



## VALUE GOLD ETF

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

# 2020 SEMI-ANNUAL REPORT

For the six months ended 30 September 2020



**Sensible Asset Management Hong Kong Limited**

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*In the event of inconsistency, the English text of this Semi-Annual Report shall prevail over the Chinese text. This report shall not constitute an offer to sell or a solicitation of an offer to buy shares in any of the funds. Subscriptions are to be made only on the basis of the information contained in the prospectus, as supplemented by the latest semi-annual and annual reports.*

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# VALUE GOLD ETF

(A Hong Kong Unit Trust)

## GENERAL INFORMATION

### Investment Manager

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

### Sub-investment Manager

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

### Directors of the Investment Manager

Mr. So Chun Ki Louis  
Mr. Cheung Kin Yan  
Dr. Au King Lun  
(resigned on 27 April 2020)

### Trustee and Registrar

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

### Custodian

HKIA Precious Metals Depository Limited  
HKIA Tower  
1 Sky Plaza Road  
Hong Kong International Airport  
Lantau  
Hong Kong

### Legal Advisor

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

### Auditor

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

### Information available from:

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## GENERAL INFORMATION (Continued)

### Key awards and achievements

| Corporate awards (ETF) |   |
|------------------------|---|
| 2018                   | <ul style="list-style-type: none"> <li>Benchmark Fund of the Year Awards 2018, Hong Kong Commodity ETF House: Best-In-Class<br/>– <i>Benchmark</i></li> </ul>   |
| 2017                   | <ul style="list-style-type: none"> <li>Benchmark Fund of the Year Awards 2017, Hong Kong House Award (ETF) – Commodity ETF (Outstanding Achiever)<br/>– <i>Benchmark</i></li> </ul>   |
| 2016                   | <ul style="list-style-type: none"> <li>ETF and Indexing Awards 2016                             <ul style="list-style-type: none"> <li>– Best ETF Launch</li> <li>– Best Commodity ETF</li> <li>– Best Smart Beta ETF</li> <li>– <i>Asia Asset Management &amp; ETFI Asia</i></li> </ul> </li> </ul>  |
| Value Gold ETF         |   |
| 2019                   | <ul style="list-style-type: none"> <li>Benchmark Fund of the Year Awards 2019, Hong Kong Quantitative Top Fund – Precious Metals Commodity Category (Best-in-Class)<br/>– <i>Benchmark</i></li> </ul>   |
| 2018                   | <ul style="list-style-type: none"> <li>Best ETF – Commodities and Specialty Category (Outstanding Performer), based on NAV tracking error<br/>– <i>Bloomberg Businessweek</i></li> </ul>  |
| 2017                   | <ul style="list-style-type: none"> <li>Best ETF – Commodities and Specialty Category (Outstanding Performer), based on NAV tracking error<br/>– <i>Bloomberg Businessweek</i></li> </ul>  |
| 2016                   | <ul style="list-style-type: none"> <li>Benchmark Fund of the Year Awards 2016, Hong Kong Top ETF (Commodities) – Precious Metals (Best-in-Class)<br/>– <i>Benchmark</i></li> <li>Best ETF – Commodities and Specialty Category (Best Performer), based on NAV tracking error<br/>– <i>Bloomberg Businessweek</i></li> <li>Best ETF – Commodities and Specialty Category (Outstanding Performer), based on NAV total return<br/>– <i>Bloomberg Businessweek</i></li> </ul> |

## VALUE GOLD ETF

(A Hong Kong Unit Trust)

### MANAGER'S REPORT

Value Gold ETF ("the Fund") is a fund constituted in the form of a unit trust established under Hong Kong law. The Fund is a "physical" ETF, meaning it will hold actual gold. Units in the Fund are listed on The Stock Exchange of Hong Kong Limited (SEHK). The Fund seeks to provide investment results, before fees and expenses, that closely correspond to the performance of the London Bullion Markets Association ("LBMA") Gold Price.

As at 30 September 2020, the Net Asset Value ("NAV") per unit of the Fund was HKD44.9524, and 36,600,000 units were outstanding. The total size of the Fund was approximately HKD1,645 million.

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

| <b>Total Return in HKD</b> | <b>From 1 Apr 2020<br/>to 30 September<br/>2020</b> | <b>2020 YTD<br/>(as at<br/>30 September)</b> | <b>Since inception</b> |
|----------------------------|---|--|------------------------|
| LBMA Gold Price            | +17.3%  | +23.1%                                       | +41.8%                 |
| Value Gold ETF             | +17.1%  | +22.7%                                       | +35.9%                 |

The difference in performance between the LBMA Gold Price and the Value Gold ETF is mainly attributed to fees and expenses. The historical tracking error for the NAV of the Fund against the LBMA Gold Price was at 3 basis points on an annualized basis since its inception on 29 October 2010.

#### Sensible Asset Management Hong Kong Limited

23 November 2020

*All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in HKD, NAV to NAV with dividends reinvested, as at 30 September 2020. Performance data is net of all fees.*

*Investors should note that investment involve risk. The price of units may go down as well as up and past performance is not indicative of future results..*

**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

AS AT 30 SEPTEMBER 2020

|   | <b>30.9.2020</b>     | <b>31.3.2020</b>     |
|---|----------------------|----------------------|
|   | <i>HK\$</i>          | <i>HK\$</i>          |
| <b>ASSETS</b>   |                      |                      |
| Commodities   | 1,643,287,415        | 1,186,245,345        |
| Due from the Manager  | 15,600               | 11,700               |
| Prepayments and other receivables   | 287                  | 11,830               |
| Cash and cash equivalents   | <u>2,561,726</u>     | <u>651,644</u>       |
| <b>TOTAL ASSETS</b>   | <u>1,645,865,028</u> | <u>1,186,920,519</u> |
| <b>LIABILITIES</b>  |                      |                      |
| Audit fees payable  | 16,696               | 85,061               |
| Management fees payable   | 546,434              | 101,984              |
| Trustee and registrar fees payable  | –                    | 101,984              |
| Custodian fees payable  | –                    | 36,993               |
| Other payables  | <u>42,562</u>        | <u>369,062</u>       |
| <b>TOTAL LIABILITIES</b>  | <u>605,692</u>       | <u>695,084</u>       |
| <b>TOTAL EQUITY</b>   | <u>1,645,259,336</u> | <u>1,186,225,435</u> |
| <b>Net asset value per unit based on 36,600,000<br/>(31.3.2020: 30,900,000) units outstanding</b> | <u>44.9524</u>       | <u>38.3892</u>       |

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

## VALUE GOLD ETF

(A Hong Kong Unit Trust)

### STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

|   | 30.9.2020                 | 30.9.2019                 |
|---|---------------------------|---------------------------|
|   | HK\$                      | HK\$                      |
| Interest income   | 878                       | 26,948                    |
| Net gains from commodities                                  | 208,407,825               | 117,977,655               |
| Net foreign exchange losses                                 | (18,259)                  | (109,099)                 |
| Other income  | 214,698                   | 103,813                   |
|   | <u>208,605,142</u>        | <u>117,999,317</u>        |
| <b>Net investment income</b>                                | <b>208,605,142</b>        | <b>117,999,317</b>        |
| Management fees <sup>Note 2</sup>                           | 2,605,974                 | 445,610                   |
| Trustee and registrar fees <sup>Note 1</sup>                | 99,084                    | 445,610                   |
| Transaction fees  | 272,965                   | 274,817                   |
| Custodian fees  | 40,753                    | 183,298                   |
| Auditor's remuneration                                      | 25,635                    | 167,160                   |
| Legal and professional fees <sup>Note 1</sup>               | 7,183                     | 93,111                    |
| Service agent fees  | 4,835                     | 30,329                    |
| Bank charges <sup>Note 1</sup>                              | 200                       | 200                       |
| Listing fees  | 1,187                     | 7,603                     |
| Information service fee                                     | 18,507                    | 234,460                   |
| Other operating expenses                                    | 28,128                    | 244,703                   |
|   | <u>3,104,451</u>          | <u>2,126,901</u>          |
| <b>Operating expenses</b>                                   | <b>3,104,451</b>          | <b>2,126,901</b>          |
| <b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b> | <b><u>205,500,691</u></b> | <b><u>115,872,416</u></b> |

Note 1 During the period ended 30 September 2020 and 2019, other than trustee and registrar fees, bank charges that paid to the Trustee or their connected persons, other respective amounts paid to the Trustee or their connected persons were as follows:

|                             | 30.9.2020 | 30.9.2019 |
|-----------------------------|-----------|-----------|
|                             | HK\$      | HK\$      |
| Legal and professional fees | 921       | 1,956     |

Note 2 During the period ended 30 September 2020 and 2019, other than management fees that paid to Manager, no other amounts paid to the Manager or their connected persons.

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

|  | <b>30.9.2020</b><br><i>HK\$</i> | <b>30.9.2019</b><br><i>HK\$</i> |
|--|---------------------------------|---------------------------------|
| <b>BALANCE AT THE BEGINNING OF THE PERIOD</b>                                  | 1,186,225,435                   | 763,187,677                     |
| Issue of redeemable units  | <u>253,533,210</u>              | <u>203,001,030</u>              |
| Net increase from unit transactions  | <u>253,533,210</u>              | <u>203,001,030</u>              |
| <b>TOTAL TRANSACTIONS WITH UNITHOLDERS</b>                                     | <u>253,533,210</u>              | <u>203,001,030</u>              |
| <b>PROFIT AFTER TAXATION AND TOTAL<br/>COMPREHENSIVE INCOME FOR THE PERIOD</b> | <u>205,500,691</u>              | <u>115,872,416</u>              |
| <b>BALANCE AT THE END OF THE PERIOD</b>  | <u>1,645,259,336</u>            | <u>1,082,061,123</u>            |

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

|                                       | <b>Number of units</b> |                   |
|---------------------------------------|------------------------|-------------------|
|                                       | <b>30.9.2020</b>       | <b>30.9.2019</b>  |
| <b>At the beginning of the period</b> | 30,900,000             | 24,300,000        |
| Issue of redeemable units             | <u>5,700,000</u>       | <u>5,700,000</u>  |
| <b>At the end of the period</b>       | <u>36,600,000</u>      | <u>30,000,000</u> |

## VALUE GOLD ETF

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### STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

|   | 30.9.2020<br>HK\$       | 30.9.2019<br>HK\$     |
|---|-------------------------|-----------------------|
| <b>OPERATING ACTIVITIES</b>   |                         |                       |
| Interest income received  | 950                     | 26,593                |
| Proceeds from sales of commodities                                  | 2,780,882               | 656,890               |
| Purchase of commodities   | (251,415,127)           | (201,747,288)         |
| Operating expenses paid   | <u>(2,989,833)</u>      | <u>(2,172,648)</u>    |
| <b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>                      | <u>(251,623,128)</u>    | <u>(203,236,453)</u>  |
| <b>FINANCING ACTIVITIES</b>   |                         |                       |
| Proceeds from issue of redeemable units                             | <u>253,533,210</u>      | <u>203,001,030</u>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         | <u>253,533,210</u>      | <u>203,001,030</u>    |
| <b>NET INCREASE/(DECREASE) IN CASH AND<br/>CASH EQUIVALENTS</b>     | 1,910,082               | (235,423)             |
| <b>CASH AND CASH EQUIVALENTS AT<br/>THE BEGINNING OF THE PERIOD</b> | <u>651,644</u>          | <u>1,130,112</u>      |
| <b>CASH AND CASH EQUIVALENTS AT<br/>THE END OF THE PERIOD</b>       | <u><u>2,561,726</u></u> | <u><u>894,689</u></u> |
| <b>ANALYSIS OF BALANCES OF CASH AND<br/>CASH EQUIVALENTS</b>        |                         |                       |
| Cash at banks   | <u><u>2,561,726</u></u> | <u><u>894,689</u></u> |

**INVESTMENT PORTFOLIO (UNAUDITED)**

AS AT 30 SEPTEMBER 2020

|                                   | <b>Holdings</b><br><i>Fine weight<br/>of grams</i> | <b>Fair value</b><br><br><i>HK\$</i> | <b>% of net<br/>assets</b> |
|-----------------------------------|--|--------------------------------------|----------------------------|
| <b>COMMODITIES</b>                |  |                                      |                            |
| Gold bullion                      | 3,501,650  | <u>1,643,287,415</u>                 | <u>99.88</u>               |
| <b>Total commodities</b>          |  | 1,643,287,415                        | 99.88                      |
| Cash and cash equivalents         |  | 2,561,726                            | 0.16                       |
| Other net liabilities             |  | <u>(589,805)</u>                     | <u>(0.04)</u>              |
| <b>Total net assets</b>           |  | <u><u>1,645,259,336</u></u>          | <u><u>100.00</u></u>       |
| <b>Total investments, at cost</b> |  | <u><u>1,303,217,310</u></u>          |                            |

## VALUE GOLD ETF

(A Hong Kong Unit Trust)

### STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

|                           | % of net assets |               |
|---------------------------|-----------------|---------------|
|                           | 30.9.2020       | 31.3.2020     |
| <b>COMMODITIES</b>        |                 |               |
| Gold bullion              | 99.88           | 100.00        |
| <b>Total commodities</b>  | 99.88           | 100.00        |
| Cash and cash equivalents | 0.16            | 0.06          |
| Other net liabilities     | (0.04)          | (0.06)        |
| <b>Total net assets</b>   | <u>100.00</u>   | <u>100.00</u> |

**PERFORMANCE RECORD (UNAUDITED)**  
*FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020*

**Comparison of the scheme performance and the actual index performance**

The table below illustrates the comparison between the performance of the Index and the Fund during the following period:

|                 | <b>From 1 April 2020<br/>to 30 September<br/>2020</b> | <b>From 1 April 2019<br/>to 30 September<br/>2019</b> |
|-----------------|---|---|
| LBMA Gold Price | +17.3%  | +15.1%  |
| Value Gold ETF  | +17.1%  | +14.8%  |