

- Value Gold ETF (the "Fund") is a fund listed on the Stock Exchange of Hong Kong Limited ("SEHK"), which aims to provide investment results that closely correspond to the performance of the London Bullion Market Association Gold Price.
- The Fund only invests in bullion and may experience greater volatility due to single economic, market or political occurrences.
- The Fund has adopted a multi counter and units are traded in HKD, RMB and USD on SEHK. The nature of the multi-counter model may make investment in the units riskier than in single counter units or shares of an SEHK listed issuer. Investors without RMB or USD accounts may buy and sell HKD traded units only.
- RMB is not a freely convertible currency and is subject to foreign exchange control policies, as well as repatriation restrictions imposed by the PRC government. Investors whose base currencies of investments are not in RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and the RMB.
- The Fund does not insure its bullion and the Fund and unitholders could suffer a loss if the bullion held by the custodian is lost or damaged.
- As the Fund is not actively managed, the Manager will not adopt a temporary defensive position against any market downturn. Investors may lose part or all of their investment.
- Trading prices of units on the SEHK are subject to market forces and the units may trade at a substantial premium/discount to the net asset value of the Fund.
- You should not make investment decision on the basis of this material alone. Please read the prospectus for details and risk factors.

**Value
ETF**
Value Partners

Invest wisely |

Know-
what

+ Know-
how

Value Gold ETF

(HKD) **3081** | (RMB) **83081** | (USD) **9081**

HKIA
Precious Metals
Depository

The only ETF backed by physical gold stored in Hong Kong*, minimizing impact from geopolitical risks

■ Management fee down to 0.10%¹, ongoing charges of 0.53% still apply²

■ Value Gold ETF tracks the LBMA Gold Price

■ Investment amount as low as HKD3,070³



Value Partners

Investing through discipline

* Refer to Hong Kong-listed ETFs only.

1. With effect from 1 July 2017, the management fee for the Fund was reduced from 0.15% per year of the Fund's Net Asset Value to 0.10% per year of the Fund's Net Asset Value, following the end of the temporarily waiver of management fee for the period from 6 December 2016 to 30 June 2017.

2. Ongoing charges over a year is estimated to be 0.53%. The ongoing charges figure is expressed as a percentage of the sum of expenses over the average net asset value of the Fund for the corresponding period as described below. This figure may vary from year to year. As the management fee for the Fund was reduced from 0.15% to 0.10% with effect from 1 July 2017, this is a best estimate of the Fund's ongoing charges figure for the period from 1 April 2017 to 31 March 2018, based on the actual ongoing expenses reported in the financial statements of the Fund for the period ended 31 March 2017 and taking into account the management fee of 0.15% up to 30 June 2017 and the reduced management fee of 0.10% effective 1 July 2017. The actual figure may be different from the estimate. As a point of reference, the actual ongoing charges figure of the Fund based on the expenses for the period ended 31 March 2017 was 0.57%.

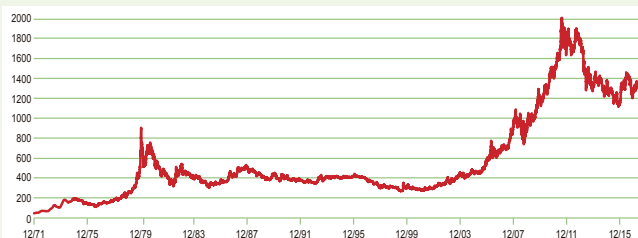
3. Based on the closing price on 31 May 2017, one lot (100 units) of Value Gold ETF (3081 HK) costs approximately HKD3,070.

Investors should note investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the prospectus for details and risk factors, particularly those associated with the arrangement in the event that the Fund is delisted. Investors should also note that the Fund is different from a typical retail investment fund. Units in the Fund may only be created or redeemed directly by a participating dealer in large unit sizes. This advertisement has not been reviewed by the Securities and Futures Commission. Issuer: Sensible Asset Management Hong Kong Limited.

Why invest in gold?

For centuries gold has been considered a store of value and a natural trading medium. And in times of economic uncertainty or global political troubles, gold is usually seen as an insurance against risk. While banknotes have been losing their purchasing power since the world's central banks joined together to print money, gold, being a precious physical asset, can act as a safe haven asset and counter-inflation tool for investors. Not just because the gold price could stay relatively firm during previous inflationary cycles, but also because physical gold is not subject to credit risk, and enjoys a lower correlation with other asset classes such as equities and bonds. As a result, adding gold to one's portfolio can help preserving capital and bringing diversification benefits.

Gold prices, 1972 to 31 May 2017 (USD/oz)



Source: Bloomberg

Gold prices, 2005 to 31 May 2017 (USD/oz)



Source: Bloomberg

Typical commodity funds do not invest heavily in gold and many of the so-called "gold funds" invest only in gold-mining stocks. For investors who think gold is attractive but looking to avoid the hassle of holding physical gold, then a gold Exchange Traded Funds (ETF) is an option. Gold ETF is usually a passive investment vehicle which tracks gold price and seeks to deliver an investment return very close to the performance of gold fixing.

Why Value Gold ETF?

Value Gold ETF trades in Hong Kong and provides a channel for investors to trade gold in the form of securities. Unlike other Gold ETFs, Value Gold ETF is backed by gold bullions stored in a vault at the HKIA Precious Metals Depository which is managed by the Airport Authority Hong Kong. Hence, it has less direct impact from political risks in other regions.

Characteristics of Value Gold ETF

- Backed by physical gold tracking the LBMA Gold Price
- Relatively lower geopolitical risks
- Convenient and accessible
- Multiple currency trading, easy and flexible
- Affordable
- Transparent

1 Backed by physical gold tracking the LBMA Gold Price

Value Gold ETF tracks the LBMA Gold Price. It is a "full replication" physical gold ETF meaning that the ETF holds gold bullions that are stored at the vault of the custodian (as a trust) so as to avoid the risks from counterparties that hold gold derivatives.

2 Relatively lower geopolitical risks

In addition to the reliability of custodian, storage of gold bullions is also an issue as some regions could easily face political risks. Most Gold ETFs available in the market store their gold in vaults located in London. Value Gold ETF is the only ETF that stores its physical gold in the HKIA Precious Metals Depository*.

3 Convenient and accessible

Similar to stock trading, investors may trade Value Gold ETF through their securities accounts with real time quotes available. With no restriction on trading frequency, this provides higher transparency and liquidity than general unlisted funds.

4 Multiple currency trading, easy and flexible

HK Dollar, Renminbi and US Dollar counters are available to provide investors with unique investment tools for better currency diversification.

5 Affordable

Unlike regular funds, ETFs generally have lower minimum investment requirements and management fees. Among different gold ETFs, they differ a lot in terms of minimum lot size which normally ranges from a few thousand to over ten thousand Hong Kong dollars. Based on the closing price on 31 May 2017, one lot of Value Gold ETF (100 units) costs approximately HKD3,070.

6 Transparent

The Value Gold ETF website (www.valueetf.com.hk) contains daily updated information including prices, net asset value and the total amount of gold held by the trust of the Fund.

Value Gold ETF details

Stock code	3081HK (HKD)	83081HK (RMB)	9081HK (USD)
Investment objective	Aims to provide investment results that, before fees and expenses, closely correspond to the morning (London time) fixing price of gold per troy ounce quoted in US dollars, published by the London Bullion Market Association (LBMA).		
Launch date	29 October 2010		
Listing date	3 November 2010	29 November 2013	31 March 2017
Benchmark	LBMA Gold Price^		
Exchange listing	The Stock Exchange of Hong Kong Limited – Main Board		
Gold type	Minimum fineness of 99.5% of gold (from the approved refiners which are included in the LBMA Good Delivery List of Acceptable Refiners: Gold)		
Trading board lot size	100 units		
Base currency	HKD		
In-kind creation/redemption unit size (by authorized participants only)	Minimum 300,000 Units (or multiples thereof)		
Management fee	Approximately 0.10% per annum		
Ongoing charges	Estimated 0.53% per annum [#]		
Investment manager	Sensible Asset Management Hong Kong Limited		
Sub-investment manager	Value Partners Hong Kong Limited		
Metal provider	Standard Chartered Bank		
Trustee and registrar	HSBC Institutional Trust Services (Asia) Limited		
Custodian	HKIA Precious Metals Depository Limited		
Participating dealers	<div><div>Physical gold delivery / cash settlement<ul style="list-style-type: none">Redford Securities Limited</div><div>Cash settlement<ul style="list-style-type: none">ABN AMRO Clearing Hong Kong LimitedChief Securities LimitedCredit Suisse Securities (Hong Kong) LimitedGoldman Sachs (Asia) Securities LimitedNomura International (Hong Kong) Limited</div></div>		
Market makers	Commerz Securities Hong Kong Limited Credit Suisse Securities (Hong Kong) Limited Merrill Lynch Far East Limited	Commerz Securities Hong Kong Limited	
Auditor	Ernst & Young		

Awards

**Bloomberg
Businessweek**
彭博商業周刊·中文版

Top Fund Awards 2016

**2016 Best ETF –
Commodities and Specialty
Category (Best Performer)**
based on NAV tracking error

**2016 Best ETF –
Commodities and Specialty
Category (Outstanding
Performer)**
based on NAV total return
~ Bloomberg Businessweek



**Best of the Best Awards 2011
Best of the Best Regional Awards –
Best Performing Small ETF**
~ Asia Asset Management



**Best of the Best Awards 2010
Best of the Best Country Awards –
Hong Kong – Best New ETF**
~ Asia Asset Management

[^] Effective from 20 March 2015, the Fund has been using the LBMA Gold Price to determine the Fund's physical gold holdings for the purposes of calculating the Fund's NAV. Before that date, the Fund used the London Gold Fixing Price, which was discontinued on 20 March 2015.

[#] The ongoing charges figure is expressed as a percentage of the sum of expenses over the average net asset value of the Fund for the corresponding period as described below. This figure may vary from year to year. As the management fee for the Fund was reduced from 0.15% to 0.10% with effect from 1 July 2017, this is a best estimate of the Fund's ongoing charges figure for the period from 1 April 2017 to 31 March 2018, based on the actual ongoing expenses reported in the financial statements of the Fund for the period ended 31 March 2017 and taking into account the management fee of 0.15% up to 30 June 2017 and the reduced management fee of 0.10% effective 1 July 2017. The actual figure may be different from the estimate. As a point of reference, the actual ongoing charges figure of the Fund based on the expenses for the period ended 31 March 2017 was 0.57%.

Value Partners Group Limited

Value Partners is one of Asia's largest independent asset management firms that seeks to offer world-class investment services and products. Assets under management of the firm were US\$15.3 billion as of 31 May 2017. Since its establishment in 1993, the firm has been a dedicated value investor in Asia and the world. In November 2007, Value Partners Group became the first asset management firm listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 806 HK). In addition to its Hong Kong headquarters, the firm operates in Shanghai, Beijing, Singapore and United Kingdom. Value Partners' investment strategies cover absolute return long biased, fixed income, multi asset, alternative, relative return and thematic for institutional and individual clients in Asia Pacific, Europe and the United States. The Group also offers exchange-traded funds under the brand of Value ETF.

Sensible Asset Management Hong Kong Limited

Sensible Asset Management Hong Kong Limited ("SAMHK") was formed in 2008 to develop and distribute ETFs to retail and institutional investors, and is now fully owned by Value Partners Group Limited. SAMHK is licensed by the Securities and Futures Commission of Hong Kong. SAMHK is the manager of the Fund.

香港國際機場貴金屬儲存庫有限公司
HKIA PRECIOUS METALS DEPOSITORY LIMITED
機場管理局附屬公司
A subsidiary of the Airport Authority

HKIA Precious Metals Depository Limited

HKIA Precious Metals Depository Limited provides a strategic location for transporting and storing gold, and offers safekeeping, distribution and settlement related services to major bullion banks, dealers, commodity exchanges, precious metals refineries and central banks in the region. It holds a Type 1 Security Company License, which complies with the HKSAR Government's Security and Guarding Services Industry Authority requirements. It is a wholly owned subsidiary of the Airport Authority Hong Kong, which is owned by the HKSAR Government. The HKSAR Government and the Airport Authority Hong Kong are both rated AAA by Standard & Poor's.

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This document has not been reviewed by the Securities and Futures Commission. Issuer: Sensible Asset Management Hong Kong Limited.



Please contact your stockbroker or
financial adviser for enquiries.
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