

Important Information

- I. 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.
- II. The Fund only invests in bullion and may experience greater volatility due to single economic, market or political occurrences when compared to diversified mutual funds or unit trusts.
- III. The Fund has adopted a multi counter and units are traded in HKD, RMB and USD on SEHK. The nature of the multi-counter 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.
- IV. 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.
- V. 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.
- VI. 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.
- VII. 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.
- VIII. You should not make investment decision on the basis of this material alone. Please read the prospectus for details and risk factors.



Q1 2021 Fund leaflet

Value Gold ETF 3081

HKIA
Precious Metals
Depository

Stock code:

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

- ▲ **The only ETF backed by physical gold stored in Hong Kong¹**
– minimizing impact from geopolitical risks
- ▲ **Investment amount as low as HKD4,506²**
– only 0.4%³ Total Expense Ratio per annum
- ▲ **Closely keep track of LBMA Gold Price**
– with only 0.04%⁴ tracking error in the past year

1. Refer to Hong Kong-listed ETFs only. 2. Based on the closing price on 31 December 2020, one lot (100 units) of Value Gold ETF (3081 HK) costs approximately HKD4,506. 3. Total Expense Ratio (ongoing charges figure) is calculated according the annualized figure of the ongoing charges in the trust, represented by the percentage of total expense of the trust to the average net asset value over the same period. The figure may change annually. The trust adopted the single management fee structure since 30 April 2020. Starting from 30 April 2020, the upper limit of the total expense of the trust will be 0.4% of the average net asset value of the trust, which is the same as the current management fee. Any ongoing charges exceeding 0.4% of the average net asset value of the trust will be borne by the manager and will not be charged to the trust. For details, please read the prospectus. 4. As at 31 December 2020.

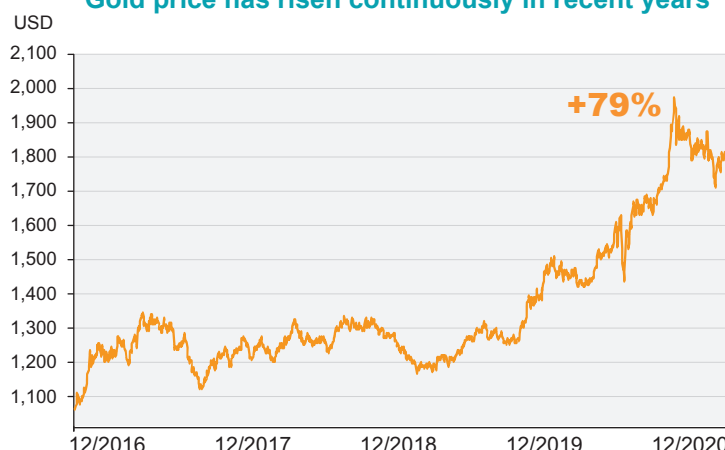
Why invest in gold?

For centuries, gold has been considered a store of value and a natural currency. In recent years, however, gold has been in short supply – highlighting its scarcity. Major central banks have injected liquidity into the market, deteriorating the value of banknotes and their purchasing power. In response, gold has been used to combat inflation. In fact, the price of gold has gone up by a total of 79% in the last five years, outpacing the 9% - 11% inflation rate over the same period⁵.

Despite various geopolitical risks, gold stands out as an important safe-haven asset. Looking back at previous financial crisis, gold, with its low correlation to other assets, saw price resilience and outperformed the stock market and major commodities.

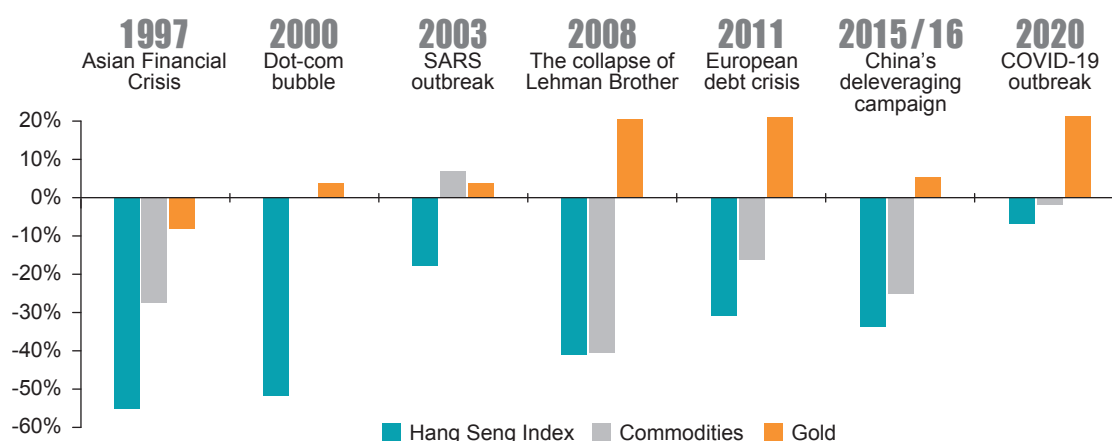
This shows that, in the long-term, gold can effectively diversify the risks of an investment portfolio. Amid the low rate environment and geopolitical volatility, gold will continue to be an essential choice for long-term risk aversion and value preservation against inflation.

Gold price has risen continuously in recent years



Source: Bloomberg, as at 30 December 2020

Gold's risk-aversion throughout previous financial crisis⁶



Compared to other gold products, the gold exchange traded fund (ETF) is a simpler, more transparent, liquid and cost-effective investment channel. Investing in gold ETF can avoid the inconvenience as well as craftsmanship or insurance fees of holding physical gold. A gold ETF can also avoid the wide bid-ask spread or counterparty risks of investing in paper gold or gold options, as these are not backed by physical gold.

Comparison of gold products

	Gold ETF	Physical gold	Paper gold	Gold options
Entrance fee	Low (around HKD5,000)	High (around HKD18,000)	Low (around HKD1,800)	Low (around HKD200)
Backed by physical gold	✓	✓	✗	✗
Bid-ask spread	Around 4bps	Around 49bps	Around 27bps	Around 10bps
Major risks and fees	<ul style="list-style-type: none"> Total expense Ratio (TER) Tracking error 	<ul style="list-style-type: none"> Deterioration, theft Wide bid-ask spread Craftsmanship fee, insurance fee 	<ul style="list-style-type: none"> Wide bid-ask spread Counterparty risk 	<ul style="list-style-type: none"> Wide bid-ask spread Leverage risk

Source: Bloomberg, local banks as at 31 December 2020

5. Source: Bloomberg, as at 31 December 2020. Inflation rates are represented by Hong Kong and U.S. inflation rates, which are 9.1% and 11.0% respectively. 6. Source: Bloomberg, as at 31 December 2020. Asian Financial Crisis, from 7 August 1997 to 5 October 1998; Dot-com bubble, from 27 March 2000 to 21 September 2001; SARS outbreak, from 3 December 2002 to 25 April 2003; The collapse of Lehman Brothers, from 12 September 2008 to 9 March 2009. European Debt Crisis, from 1 February 2011 to 4 October 2011; 2015/16 China's deleveraging campaign, from 24 June 2015 to 12 February 2016; COVID-19 outbreak, from 17 January 2020 to 31 December 2020. Commodities return is represented by the Bloomberg Commodity Index; Gold return is represented by the LBMA AM USD price.

Why choose Value Gold ETF? (3081.HK)

1 The market's only gold ETF with a physical depot in Hong Kong¹

- Value Gold ETF's gold storage is located in the HKIA Precious Metals Depository, minimizing any geopolitical risks.



2 Affordability

- One lot of 100 shares of Value Gold ETF costs HKD4,506² – the lowest entrance fee in the market¹. This allows investors to buy gold to diversify risk and capture its potential growth at a lower cost



3 Closely keep track of the price of gold

- Value Gold ETF tracks the LBMA Gold AM performance
- The one-year tracking error is only 0.04%⁴,



4 Flexibility and transparency

- Similar to regular stocks, unit trading is executed in the SEHK
- Price, net asset value (NAV), and the amount of gold storage are disclosed daily
- A simple, all-inclusive Total Expense Ratio of up to 0.4%³ of NAV per annum



5 HKD, RMB and USD trading counters

- The world's first gold ETF to provide trading counters in HKD, RMB and USD, making it convenient for investors holding various currencies



Value Gold ETF details

	3081.HK (HKD)	83081.HK (RMB)	9081.HK (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 ⁷	0.40% per year of NAV		
Annual Total Expense Ratio ³	0.40% as the upper limit		
Investment manager	Sensible Asset Management Hong Kong Limited		
Sub-investment manager	Value Partners Hong Kong Limited		
Metal provider	Heraeus Metals Hong Kong Limited 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) Limited</div><div><ul style="list-style-type: none">Goldman Sachs (Asia) Securities LimitedHaitong International Securities LimitedKGI Asia LimitedNomura International (Hong Kong) Limited</div></div>		
Market makers	HKD Counter : <ul style="list-style-type: none">Flow Traders Hong Kong LimitedMerrill Lynch Far East LimitedSG Securities (HK) Limited	RMB/USD counter : <ul style="list-style-type: none">Flow Traders Hong Kong LimitedSG Securities (HK) Limited	
Auditor	Ernst & Young		

7. The management fee is a single flat fee to cover all of the Custodian's fee, Trustee's and Registrar's fees and other costs and expenses. The management fee may be increased up to the maximum of 1% per year of the NAV of the Trust, on one month's notice to Unitholders (or such shorter period as approved by the SFC). Please refer to the Prospectus for details.

About Value Partners



Key awards

Fund:

**Quantitative Top Fund - Precious Metals
Commodity Category (Best-in-Class)
Benchmark Fund of the Year
Awards 2019, Hong Kong⁸**

Corporate:

**Commodity ETF House (Best-in-Class)
Benchmark Fund of the Year
Awards 2018 (Hong Kong)⁸**

Value Partners is one of Asia's largest independent asset management firms that seeks to offer world-class investment services and products. 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 the Hong Kong headquarters, the firm operates in Shanghai, Shenzhen, Kuala Lumpur, Singapore, and London, and has main representative offices in Beijing and Boston. Value Partners' investment strategies cover equities, fixed income, alternatives, and multi-asset and quantitative investment solutions for institutional and individual clients in Asia Pacific, Europe and the United States. The Group also offers exchange-traded funds under the Value ETF brand.

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

Our Partner

HKIA Precious Metals Depository Limited

The Hong Kong International Airport 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 AA+ by Standard & Poor's⁹.



You may now trade Value Gold ETF (3081.HK) via your securities account or contact us for further enquiries.
www.valueetf.com.hk

8. BENCHMARK aggregates 12 monthly score sets for each fund between 1 Oct 2018 and 30 Sep 2019, and between 1 Oct 2017 and 30 Sep 2018, respectively. Monthly score sets are calculated by aggregating the 12-monthly rolling one-year, three-and five-year (USD) returns, and by adding a risk score for their risk-adjusted returns. Funds in the final score set with a negative Sortino ratio will be excluded from the assessment for the awards. 9. As at 30 April 2020.

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