

SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED
PRODUCT (Stock Code: 7250)
SAMSUNG KOSPI 200 DAILY (-1X) INVERSE
PRODUCT (Stock Code: 7236)
SAMSUNG TOPIX DAILY (2X) LEVERAGED
PRODUCT (Stock Code: 7255)
SAMSUNG TOPIX DAILY (-1X) INVERSE
PRODUCT (Stock Code: 7311)
(SUB-FUNDS OF SAMSUNG LEVERAGED AND
INVERSE INVESTMENT PRODUCT SERIES)

Reports and Financial Statements
For the period from 7 June 2016
(date of commencement of operations) to 31 March 2017

SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT
SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT
SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT
SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2017

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(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

MANAGEMENT AND ADMINISTRATION

MANAGER

Samsung Asset Management (Hong Kong)
Limited
4513-14, Two International Finance Centre
8 Finance Street
Central
Hong Kong

INVESTMENT ADVISER

Samsung Asset Management Co., Limited
55 Sejong-daero
Jung-gu
Seoul 100-715
South Korea

TRUSTEE AND REGISTRAR

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

LISTING AGENT

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

DIRECTORS OF THE MANAGER

CHOI Sungjin (Appointed on 21 October 2016)
HONG Eui Suk
KIM Yousang
LIM Sungil, CFA (Resigned on 21 October 2016)

SERVICE AGENT

HK Conversion Agency Services Limited
1/F One & Two Exchange Square
8 Connaught Place Central
Hong Kong

PARTICIPATING DEALERS

ABN AMRO Clearing Hong Kong Ltd
Level 70, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

China Merchants Securities (HK) Co., Ltd
48/F, One Exchange Square
Central
Hong Kong

Nomura International (Hong Kong) Ltd
30/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

KGI Securities (Hong Kong) Limited
41/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT
SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT
SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT
SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS

The Samsung Leveraged and Inverse Investment Product Series (the "Trust") is an umbrella unit trust established under Hong Kong law by a trust deed dated 27 May 2016 (the "Trust Deed") between Samsung Asset Management (Hong Kong) Limited (the "Manager") and HSBC Institutional Trust Services (Asia) Limited (the "Trustee"). The Trust has a number of sub-funds which are products traded on the exchange.

SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT

The units of the Samsung KOSPI 200 Daily (2x) Leveraged Product (the "Sub-Fund") are listed on The Stock Exchange of Hong Kong Limited and commenced trading in HKD under stock code 7250 on 13 June 2016. The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the KOSPI 200 Index. The KOSPI 200 Index is free float-adjusted market capitalisation weighted index based on 200 blue chip companies listed on the Korea Exchange, which are selected on the basis of such factors as their market and sector representation and liquidity. In seeking to achieve the Sub-Fund's investment objective, the Manager adopts a futures-based replication investment strategy through investing directly in the nearest month KOSPI 200 futures contracts.

As at 31 March 2017, net assets value per unit of the Sub-fund was HK\$15.0372 and the net asset value was HK\$36,089,297 calculated under the accounting basis indicated in the Trust's prospectus. There were 2,400,000 units outstanding.

SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT

The units of the Samsung KOSPI 200 Daily (-1x) Inverse Product (the "Sub-Fund") are listed on The Stock Exchange of Hong Kong Limited and commenced trading in HKD under stock code 7326 on 13 June 2016. The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of the KOSPI 200 Index. The KOSPI 200 Index is free float-adjusted market capitalisation weighted index based on 200 blue chip companies listed on the Korea Exchange, which are selected on the basis of such factors as their market and sector representation and liquidity. In seeking to achieve the Sub-Fund's investment objective, the Manager adopts a futures-based replication investment strategy through investing directly in the nearest month KOSPI 200 futures contracts.

As at 31 March 2017, net assets value per unit of the Sub-fund was HK\$10.4271 and the net asset value was HK\$25,024,980 calculated under the accounting basis indicated in the Trust's prospectus. There were 2,400,000 units outstanding.

SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT
SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT
SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT
SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS - continued

SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT

The units of the Samsung TOPIX Daily (2x) Leveraged Product (the "Sub-Fund") are listed on The Stock Exchange of Hong Kong Limited and commenced trading in HKD under stock code 7255 on 13 June 2016. The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the TOPIX Index. The TOPIX Index is a price return, free-float adjusted market capitalisation weighted index that is calculated based on all the domestic common stocks listed on the First Section of The Tokyo Stock Exchange, Inc.. In seeking to achieve the Sub-Fund's investment objective, the Manager adopts a futures-based replication investment strategy through investing directly in the nearest month TOPIX futures contracts.

As at 31 March 2017, net assets value per unit of the Sub-fund was HK\$15.0774 and the net asset value was HK\$31,662,473 calculated under the accounting basis indicated in the Trust's prospectus. There were 2,100,000 units outstanding.

SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT

The Units of the Samsung TOPIX Daily (-1x) Inverse Product (the "Sub-Fund") are listed on The Stock Exchange of Hong Kong Limited and commenced trading in HKD under stock code 7311 on 13 June 2016. The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of the TOPIX Index. The TOPIX Index is a price return, free-float adjusted market capitalisation weighted index that is calculated based on all the domestic common stocks listed on the First Section of The Tokyo Stock Exchange, Inc.. In seeking to achieve the Sub-Fund's investment objective, the Manager adopts a futures-based replication investment strategy through investing directly in the nearest month TOPIX futures contracts.

As at 31 March 2017, net assets value per unit of the Sub-fund was HK\$10.0737 and the net asset value was HK\$36,265,147 calculated under the accounting basis indicated in the Trust's prospectus. There were 3,600,000 units outstanding.

For and on behalf of
Samsung Asset Management (Hong Kong) Limited
31 July 2017

SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT
SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT
SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT
SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

REPORT OF THE TRUSTEE

TO THE UNITHOLDERS OF
SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG KOSPI DAILY (-1X) INVERSE PRODUCT,
SAMSUNG TOPIX 200 DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

We hereby confirm that, in our opinion, the Manager of the Samsung KOSPI 200 Daily (2x) Leveraged Product, Samsung KOSPI Daily (-1x) Inverse Product, Samsung TOPIX 200 Daily (2x) Leveraged Product and Samsung TOPIX Daily (-1x) Inverse Product (collectively referred to as the "Sub-Funds") has, in all material respects, managed the Sub-Funds in accordance with the provisions of the trust deed dated 27 May 2016, for the period from 7 June 2016 (date of commencement of operations) to 31 March 2017.

For and on behalf of
HSBC Institutional Trust Services (Asia) Limited
31 July 2017

SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT
SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT
SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT
SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER'S RESPONSIBILITIES

The Manager of Samsung KOSPI 200 Daily (2x) Leveraged Product, Samsung KOSPI 200 Daily (-1x) Inverse Product, Samsung TOPIX Daily (2x) Leveraged Product and Samsung TOPIX Daily (-1x) Inverse Product (collectively referred to as the "Sub-Funds") is required by the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission and the trust deed dated 27 May 2016 (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of each of the Sub-Funds at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that each of the Sub-Funds will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage each of the Sub-Funds in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities in relation to each of the Sub-Funds.

Samsung Leveraged and Inverse Investment Product Series (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 March 2017, the Trust has established with eight sub-funds, namely Samsung KOSPI 200 Daily (2x) Leveraged Product, Samsung KOSPI 200 Daily (-1x) Inverse Product, Samsung TOPIX Daily (2x) Leveraged Product, Samsung TOPIX Daily (-1x) Inverse Product, Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product. The financial information about Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product has not been included in this annual report but will be included in the annual report for the period ending 31 March 2018.

The Trustee of the Sub-Funds is required to:

- ensure that each of the Sub-Funds in all material respects are managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of each of the Sub-Funds and rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not managing each of the Sub-Funds in accordance with the Trust Deed.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF
SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT,
SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT
PRODUCT SERIES)

Report on the Audit of the Financial Statements

We have audited the financial statements of Samsung KOSPI 200 Daily (2x) Leveraged Product, Samsung KOSPI 200 Daily (-1x) Inverse Product, Samsung TOPIX Daily (2x) Leveraged Product and Samsung TOPIX Daily (-1x) Inverse Product (collectively referred to as the "Sub-Funds"), sub-funds of Samsung ETFs Trust (the "Trust"), set out on pages 11 to 38, which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the period from 7 June 2016 (date of commencement of operations) to 31 March 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of each of the Sub-Funds of the Trust as at 31 March 2017, and of its financial performance and its cash flows for the period from 7 June 2016 (date of commencement of operations) to 31 March 2017 in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of each of the Sub-Funds of the Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 3 to the financial statements which indicates that the Manager of the Trust decided to terminate each of the Sub-Funds and voluntarily seek deauthorisation and delisting. Accordingly, the financial statements of each of the Sub-Funds have been prepared on a basis other than that of a going concern. The financial statements of each of the Sub-Funds do not include any provision for future losses or liabilities for which there was no present legal or constructive obligation at the end of the reporting period. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF
SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT,
SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT
PRODUCT SERIES) _____ - continued

Report on the Audit of the Financial Statements - continued

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|--|
| <i>Existence, completeness and valuation of derivative financial assets and liabilities</i> | |
| We identified the existence, completeness and valuation of derivative financial assets and liabilities as a key audit matter due to the financial risks of futures contracts. | Our procedures in relation to existence, completeness and valuation of derivative financial assets and liabilities included: |
| As described in notes 6 and 12 to the financial statements, the Sub-Funds' derivative financial assets and liabilities as at 31 March 2017 were mainly comprised of futures contracts traded in futures exchange markets. | <ul style="list-style-type: none">• Checking the details of the derivative financial assets and liabilities against the independent confirmations from the custodians; and• Checking the fair values of derivative financial assets and liabilities to independent pricing sources. |

Other Information

The Manager and the Trustee of the Sub-Funds are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements of each of the Sub-Funds of the Trust does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF
SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT,
SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT
PRODUCT SERIES) _____ - continued

Report on the Audit of the Financial Statements - continued

Other Information - continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Manager and Trustee and Those Charged with Governance for the Financial Statements

The Manager and the Trustee of the Sub-Funds are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs issued by the IASB, and for such internal control as the Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and Trustee are responsible for assessing the ability of each of the Sub-Funds of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and Trustee either intend to liquidate each of the Sub-Funds of the Trust or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing each of the Sub-Fund's financial reporting process.

In addition, the Manager and the Trustee of the Sub-Funds are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 27 May 2016 (the "Trust Deed") and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds (the "SFC Code") issued by the Hong Kong Securities and Futures Commission.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF
SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT,
SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT
PRODUCT SERIES) - continued

Report on the Audit of the Financial Statements - continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of each of the Sub-Funds of the Trust.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF
SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT,
SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT
PRODUCT SERIES) _____ - continued

Report on the Audit of the Financial Statements - continued

Auditor's Responsibilities for the Audit of the Financial Statements - continued

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on matters under the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code

In our opinion, the financial statements of each of the Sub-Funds of the Trust have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the Appendix E of the SFC Code.

The engagement partner on the audit resulting in this independent auditor's report is M. Y. Tong.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
31 July 2017

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

| | NOTES | SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT 2017 HK\$ | SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT 2017 HK\$ | SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT 2017 HK\$ | SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT 2017 HK\$ |
|---|-------|--|---|--|---|
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Derivative financial assets | 6, 12 | - | - | - | 541,638 |
| Interest receivable | | 2,858 | 2,690 | 3,177 | 7,141 |
| Due from a broker | 7 | 9,439,222 | 2,560,222 | 3,050,887 | 2,085,604 |
| Expense reimbursement receivable | 4 | 37,094 | 49,095 | 36,053 | 60,054 |
| Prepayments | | - | - | 14,215 | 14,215 |
| Fixed deposits | | 21,000,000 | 20,000,000 | 23,000,000 | 27,000,000 |
| Bank balances | | 5,861,412 | 2,657,907 | 6,797,718 | 6,809,073 |
| Total assets | | 36,340,586 | 25,269,914 | 32,902,050 | 36,517,725 |
| LIABILITIES | | | | | |
| CURRENT LIABILITIES | | | | | |
| Derivative financial liabilities | 6, 12 | - | - | 989,385 | 348 |
| Management fee payable | 4 | 19,376 | 14,011 | 18,146 | 19,664 |
| Trustee fee payable | 4 | 3,577 | 2,587 | 3,350 | 3,630 |
| Accrued expenses and other payables | | 794,284 | 794,284 | 794,644 | 794,884 |
| Total liabilities | | 817,237 | 810,882 | 1,805,525 | 818,526 |
| Net assets attributable to unitholders | 10 | 35,523,349 | 24,459,032 | 31,096,525 | 35,699,199 |
| Representing: | | | | | |
| Total number of units in issue | 10 | 2,400,000 | 2,400,000 | 2,100,000 | 3,600,000 |
| Net assets value per unit | 10 | 14.8014 | 10.1913 | 14.8079 | 9.9164 |

As defined in note 1 to the financial statements.

The financial statements on pages 11 to 38 were approved by the Manager and the Trustee on 31 July 2017 and were signed on their behalf by:

MANAGER
SAMSUNG ASSET MANAGEMENT
(HONG KONG) LIMITED

TRUSTEE
HSBC INSTITUTIONAL TRUST
SERVICES (ASIA) LIMITED

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2017

| | NOTE | SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT HK\$ | SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT HK\$ | SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT HK\$ | SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT HK\$ |
|--|------|--|---|--|---|
| INCOME | | | | | |
| Bank interest income | | 19,118 | 16,423 | 21,239 | 28,151 |
| TRADING AND OTHER GAINS AND LOSSES | | | | | |
| Net gain (loss) on derivative financial instruments | | 8,161,511 | (3,418,114) | 10,565,982 | (7,202,541) |
| Net foreign exchange (loss) gain | | (407,507) | 56,941 | (292,837) | (31,374) |
| | | <u>7,754,004</u> | <u>(3,361,173)</u> | <u>10,273,145</u> | <u>(7,233,915)</u> |
| EXPENSES, NET OF REIMBURSEMENT BY MANAGER | | | | | |
| Management fee | 4 | (173,142) | (130,604) | (178,572) | (171,469) |
| Trustee fee | 4 | (31,965) | (24,111) | (32,967) | (31,656) |
| Safe custody and bank charges | | (588) | (155) | (203) | (189) |
| Establishment costs | | (675,000) | (675,000) | (675,000) | (675,000) |
| Audit fee | | (90,000) | (90,000) | (90,000) | (90,000) |
| Accounting and professional fees | 4 | (46,800) | (46,800) | (46,800) | (46,800) |
| Listing fees | | (30,000) | (30,000) | (30,000) | (30,000) |
| Brokerage and other transaction fees | | (73,740) | (37,430) | (45,081) | (22,695) |
| Interest expense | | - | - | (31,750) | (15,084) |
| Other operating expenses | | (148,172) | (148,172) | (208,399) | (208,398) |
| Reimbursement of expenses | 4 | 462,094 | 455,094 | 521,053 | 509,054 |
| | | <u>(807,313)</u> | <u>(727,178)</u> | <u>(817,719)</u> | <u>(782,237)</u> |
| PROFIT (LOSS) AND TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD, REPRESENTING CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | | | | | |
| | | <u>6,965,809</u> | <u>(4,071,928)</u> | <u>9,476,665</u> | <u>(7,988,001)</u> |

As defined in note 1 to the financial statements.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE PERIOD ENDED 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2017

| | | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$ | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$ | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$ | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$ |
|--|-------------|---|--|---|--|
| | <u>NOTE</u> | | | | |
| Balance at 7 June 2016 (date of commencement of operations) | | - | - | - | - |
| Profit (loss) and total comprehensive income (expenses) for the period | | <u>6,965,809</u> | <u>(4,071,928)</u> | <u>9,476,665</u> | <u>(7,988,001)</u> |
| Subscription of units | 10 | 32,400,000 | 28,530,960 | 35,730,300 | 46,665,300 |
| Redemption of units | 10 | <u>(3,842,460)</u> | - | <u>(14,110,440)</u> | <u>(2,978,100)</u> |
| | | <u>28,557,540</u> | <u>28,530,960</u> | <u>21,619,860</u> | <u>43,687,200</u> |
| Balance at 31 March 2017 | | <u><u>35,523,349</u></u> | <u><u>24,459,032</u></u> | <u><u>31,096,525</u></u> | <u><u>35,699,199</u></u> |

As defined in note 1 to the financial statements.

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]**

**STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2017**

| | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$ | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$ | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$ | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$ |
|---|---|--|---|--|
| OPERATING ACTIVITIES | | | | |
| Profit (loss) and total comprehensive income (expense) for the period | 6,965,809 | (4,071,928) | 9,476,665 | (7,988,001) |
| Adjustments for: | | | | |
| Bank interest income | (19,118) | (16,423) | (21,239) | (28,151) |
| Interest expense | - | - | 31,750 | 15,084 |
| Operating cash flows before movements in working capital | 6,946,691 | (4,088,351) | 9,487,176 | (8,001,068) |
| Increase in derivative financial assets | - | - | - | (541,638) |
| Increase in due from a broker | (9,439,222) | (2,560,222) | (3,050,887) | (2,085,604) |
| Increase in expense reimbursement receivable | (37,094) | (49,095) | (36,053) | (60,054) |
| Increase in fixed deposits | (21,000,000) | (20,000,000) | (23,000,000) | (27,000,000) |
| Increase in prepayments | - | - | (14,215) | (14,215) |
| Increase in derivative financial liabilities | - | - | 989,385 | 348 |
| Increase in management fee payable | 19,376 | 14,011 | 18,146 | 19,664 |
| Increase in trustee fee payable | 3,577 | 2,587 | 3,350 | 3,630 |
| Increase in accrued expenses and other payables | 794,284 | 794,284 | 794,644 | 794,884 |
| Cash from (used in) operations | (22,712,388) | (25,886,786) | (14,808,454) | (36,884,053) |
| Bank interest received | 16,260 | 13,733 | 18,062 | 21,010 |
| Interest paid | - | - | (31,750) | (15,084) |
| NET CASH USED IN OPERATING ACTIVITIES | <u>(22,696,128)</u> | <u>(25,873,053)</u> | <u>(14,822,142)</u> | <u>(36,878,127)</u> |
| FINANCING ACTIVITIES | | | | |
| Proceeds from subscription of units | 32,400,000 | 28,530,960 | 35,730,300 | 46,665,300 |
| Payments on redemption of units | (3,842,460) | - | (14,110,440) | (2,978,100) |
| NET CASH FROM FINANCING ACTIVITIES | <u>28,557,540</u> | <u>28,530,960</u> | <u>21,619,860</u> | <u>43,687,200</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 5,861,412 | 2,657,907 | 6,797,718 | 6,809,073 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | - | - | - | - |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | <u>5,861,412</u> | <u>2,657,907</u> | <u>6,797,718</u> | <u>6,809,073</u> |
| Analysis of balances of cash and cash equivalents | | | | |
| Bank balances | <u>5,861,412</u> | <u>2,657,907</u> | <u>6,797,718</u> | <u>6,809,073</u> |

As defined in note 1 to the financial statements.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2017

1. GENERAL

Samsung KOSPI 200 Daily (2x) Leveraged Product, Samsung KOSPI 200 Daily (-1x) Inverse Product, Samsung TOPIX Daily (2x) Leveraged Product, Samsung TOPIX Daily (-1x) Inverse Product, Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product, sub-funds of Samsung Leveraged and Inverse Investment Product Series (the "Trust"), are established under a trust deed dated 27 May 2016 (the "Trust Deed"). The Trust is an umbrella unit trust and the terms of the Trust Deed are governed by the laws of Hong Kong. The Trust and sub-funds are authorised under the Section 104 of the Hong Kong Securities and Futures Ordinance (the "SFO") and the sub-funds are funds falling under Chapter 8.4A, 8.6 and Appendix I of the Hong Kong Code on Unit Trusts and Mutual Funds (the "SFC Code").

As at 31 March 2017, the Trust has established eight sub-funds with the dates of commencement of operations and listing on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") set out below.

| | <u>Date of commencement of operations</u> | <u>Date of listing on Hong Kong Stock Exchange</u> |
|--|---|--|
| Samsung KOSPI 200 Daily (2x) Leveraged Product | 7 June 2016 | 13 June 2016 |
| Samsung KOSPI 200 Daily (-1x) Inverse Product | 7 June 2016 | 13 June 2016 |
| Samsung TOPIX Daily (2x) Leveraged Product | 7 June 2016 | 13 June 2016 |
| Samsung TOPIX Daily (-1x) Inverse Product | 7 June 2016 | 13 June 2016 |
| Samsung HSI Daily (2x) Leveraged Product | 13 March 2017 | 14 March 2017 |
| Samsung HSI Daily (-1x) Inverse Product | 13 March 2017 | 14 March 2017 |
| Samsung HSCEI Daily (2x) Leveraged Product | 13 March 2017 | 14 March 2017 |
| Samsung HSCEI Daily (-1x) Inverse Product | 13 March 2017 | 14 March 2017 |

These financial statements relate to Samsung KOSPI 200 Daily (2x) Leveraged Product, Samsung KOSPI 200 Daily (-1x) Inverse Product, Samsung TOPIX Daily (2x) Leveraged Product and Samsung TOPIX Daily (-1x) Inverse Product (collectively referred to as the "Sub-Funds"). The financial information about Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product has not been included in this annual report but will be included in the annual report for the period ending 31 March 2018.

The investment activities of the Trust are managed by Samsung Asset Management (Hong Kong) Limited (the "Manager") and the trustee of the Trust is delegated to HSBC Institutional Trust Services (Asia) Limited (the "Trustee").

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]

1. GENERAL - continued

The financial statements of each of the Sub-Funds are presented in Hong Kong dollars ("HKD"), which is also the functional currency of each of the Sub-Funds. The Manager considers HKD as the currency that most faithfully represents the primary economic environment in which each of the Funds operates and the economic effects of the underlying transactions, events and conditions.

These financial statements are prepared in respect of each of the Sub-Funds including Samsung KOSPI 200 Daily (2x) Leveraged Product, Samsung KOSPI 200 Daily (-1x) Inverse Product, Samsung TOPIX Daily (2x) Leveraged Product and Samsung TOPIX Daily (-1x) Inverse Product on a standalone basis.

Samsung KOSPI 200 Daily (2x) Leveraged Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the KOSPI 200 Index. The KOSPI 200 Index is a price return, free float-adjusted market capitalisation weighted index on 200 blue chip companies listed on the Korean Stock Exchange. The Manager adopts a futures-based replication investment strategy through investing directly in the nearest month KOSPI 200 futures contracts to obtain required exposure to the index.

The Manager anticipates that no more than 30% of the net assets value of the Sub-Fund from time to time will be used as margin to acquire the KOSPI 200 futures contracts. Not less than 70% of the net assets value of the Sub-Fund will be invested in HKD denominated investment products, such as deposits with banks in Hong Kong and Hong Kong Securities and Futures Commission ("SFC") authorised money market funds.

Samsung KOSPI 200 Daily (-1x) Inverse Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of the KOSPI 200 Index. The Manager adopts a futures-based replication investment strategy through investing directly in the nearest month KOSPI 200 futures contracts to obtain required exposure to the index.

The Manager anticipates that no more than 15% of the net assets value of the Sub-Fund from time to time will be used as margin to acquire the KOSPI 200 futures contracts. Not less than 85% of the net assets value of the Sub-Fund will be invested in HKD denominated investment products, such as deposits with banks in Hong Kong and SFC authorised money market funds.

Samsung TOPIX Daily (2x) Leveraged Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the Tokyo Stock Price Index ("TOPIX"). The TOPIX, is a price return, free-float adjusted market capitalisation weighted index that is calculated based on all the domestic common stocks listed on the First Section of the Tokyo Stock Exchange, Inc. The Manager adopts a futures-based replication investment strategy through investing directly in the nearest month TOPIX futures contracts to obtain required exposure to the index.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES#

1. GENERAL - continued

Samsung TOPIX Daily (2x) Leveraged Product - continued

The Manager anticipates that no more than 20% of the net assets value of the Sub-Fund from time to time will be used as margin to acquire the TOPIX futures contracts. Not less than 80% of the net assets value of the Sub-Fund will be invested in HKD denominated investment products, such as deposits with banks in Hong Kong and SFC authorised money market funds.

Samsung TOPIX Daily (-1x) Inverse Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of the Tokyo Stock Price Index ("TOPIX"). The Manager adopts a futures-based replication investment strategy through investing directly in the nearest month futures TOPIX futures contracts to obtain required exposure to the index.

The Manager anticipates that no more than 10% of the net assets value of the Sub-Fund from time to time will be used as margin to acquire the TOPIX futures contracts. Not less than 90% of the net assets value of the Sub-Fund will be invested in HKD denominated investment products, such as deposits with banks in Hong Kong and SFC authorised money market funds.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and amendments to IFRSs in issue but not yet effective

The Sub-Funds have not early applied the following new and amendments to IFRSs that have been issued but are not yet effective to each of the Sub-Funds:

| | |
|----------------------------------|--|
| IFRS 9 | Financial instruments ¹ |
| IFRS 15 | Revenue from contracts with customers and the related amendments ¹ |
| IFRS 16 | Leases ² |
| IFRS 17 | Insurance contracts ⁶ |
| IFRIC 22 | Foreign currency transactions and advance consideration ¹ |
| IFRIC 23 | Uncertainty over Income Tax Treatments ² |
| Amendments to IFRS 2 | Classification and measurement of share-based payment transactions ¹ |
| Amendments to IFRS 4 | Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts ¹ |
| Amendments to IFRS 10 and IAS 28 | Sale or contribution of assets between an investor and its associate or joint venture ³ |
| Amendments to IAS 7 | Disclosure initiative ⁴ |
| Amendments to IAS 12 | Recognition of deferred tax assets for unrealised losses ⁴ |
| Amendments to IAS 40 | Transfers of investment property ¹ |
| Amendments to IFRSs | Annual improvements to IFRSs 2014 - 2016 cycle ⁵ |

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and amendments to IFRSs in issue but not yet effective - continued

- ¹ Effective for annual periods beginning on or after 1 January 2018
- ² Effective for annual periods beginning on or after 1 January 2019
- ³ Effective for annual periods beginning on or after a date to be determined
- ⁴ Effective for annual periods beginning on or after 1 January 2017
- ⁵ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate
- ⁶ Effective for annual periods beginning on or after 1 January 2021

Except as described below, the Manager and the Trustee of the Sub-Funds anticipate that the application of the other new and amendments to IFRSs will have no material impact on the financial statements of each of the Sub-Funds for the current period and/or on the disclosures set out in these financial statements.

IFRS 9 Financial instruments

IFRS 9 introduced new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of IFRS 9 which are relevant to each of the Sub-Funds:

- all recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("FVTOCI"). All other financial assets are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires each of the Sub-Funds to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Manager and the Trustee anticipate that the application of the IFRS 9 will have no material impact on the financial statements of the Sub-Funds.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements of each of the Sub-Funds have been prepared in accordance with IFRSs, the relevant disclosure provisions of the Trust Deed and the SFC Code issued by the Hong Kong Securities and Futures Commission.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Sub-Funds take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES[#]

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of preparation - continued

As disclosed in the Announcement and Notice of the Proposed Cessation of Trading, Termination, Voluntary Deauthorisation and Delisting and Waiver from Strict Compliance of Certain Provisions with the Code (the "Termination Announcement") issued by the Manager of the Trust on 29 June 2017, the Manager of the Trust decided to terminate each of the Sub-Funds and voluntarily seek deauthorisation and delisting on or around 29 September 2017. The Manager of the Trust will bear the termination expenses of each of the Sub-Funds.

In the opinion of the Manager of the Trust, the going concern basis is no longer applicable for the preparation of the financial statements for each of the Sub-Funds. Accordingly, the financial statements for each of the Sub-Funds have been prepared on a basis other than that of a going concern. The financial statements of each of the Sub-Funds do not include any provision for future losses or liabilities for which there was no present legal or constructive obligation at the end of the reporting period.

The financial statements of the Sub-Funds cover from 7 June 2016 (date of commencement of operations) to 31 March 2017, which is the first reporting period. Therefore, no comparative figures are available.

The principal accounting policies are set out below.

Revenue recognition

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Sub-Funds and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Sub-Funds become a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Sub-Fund's financial assets are mainly financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade-date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial assets - continued

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis.

Financial assets at fair value through profit or loss

The Sub-Funds' financial assets at FVTPL are held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that each of the Sub-Funds manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Derivative financial assets of the Sub-Funds are classified as FVTPL, are recognised on a trade-date basis, which is the date when the Sub-Funds become a party to the relevant contracts, and are initially measured at fair value, with any gains or losses arising on re-measurement recognised in the statement of comprehensive income. The net gain or loss is recognised in the statement of comprehensive income.

Loans and receivables

Loans and receivables, including interest receivable, due from a broker, expense reimbursement receivable, bank balances and fixed deposits, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any identified impairment losses.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets - continued

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Debts and units issued by each of the Sub-Funds are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity. Puttable financial instruments include contractual obligations for the Sub-Funds to repurchase or redeem the related instruments for cash or another financial asset on exercise of the put. As an exception to the definition of financial liability, a unit includes such obligation is classified as equity if the unit has all the following features:

- it entitles the holder to a pro rata share of the Sub-Funds' net assets in the event of the Sub-Funds' liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- apart from the contractual obligation for the Sub-Funds to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds over the life of the instrument.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial liabilities and equity - continued

In addition to the redeemable units meeting all of the above conditions, the Sub-Funds must have no other financial instrument or contract that has:

- total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds; and
- the effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Sub-Funds' redeemable units meet these conditions and are classified as equity. Units issued by the Sub-Funds are recognised at the proceeds received, net of direct issue costs, if any.

Financial liabilities at fair value through profit or loss

The Sub-Funds' financial liabilities at FVTPL are held for trading.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that each of the Sub-Funds manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Derivative financial liabilities of the Sub-Funds are classified as FVTPL, are recognised on a trade-date basis, which is the date when the Sub-Funds become a party to the relevant contracts, and are initially measured at fair value, with any gains or losses arising on re-measurement recognised in the statement of comprehensive income. The net gain or loss is recognised in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities including management fee payable, trustee fee payable and other payables are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Derecognition

The Sub-Funds derecognise a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Sub-Funds derecognise financial liabilities when, and only when, the Sub-Funds' obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by each of the Sub-Funds in the management of short-term commitments.

Taxation

No provision for Hong Kong Profits Tax has been made as each of the Sub-Funds is authorised as a collective investment scheme constituted as a unit trust under Section 104 of the SFO and are therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance of Hong Kong.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction effects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Expenses

All expenses are recognised in statement of comprehensive income on an accrual basis.

Establishment costs

Establishment costs are recognised as an expense in the period in which they are incurred.

Reimbursement of expenses

Reimbursement of expenses are recognised in statement of comprehensive income on an accrual basis.

Distributions to unitholders

Distributions to unitholders are recognised as liabilities in the statement of financial position in the period in which the distributions are approved by the Manager.

Subscriptions and redemptions

Units are issued and redeemed on the day following the dealing date on which the subscription application or redemption application is received and accepted.

Foreign currencies

Foreign currency transactions during the period are translated into the functional currency of each of the Sub-Funds at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into the functional currency of each of the Sub-Funds at the foreign exchange rates ruling at the reporting date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in profit or loss.

Foreign currency exchange differences relating to monetary items including cash and cash equivalents are presented separately in statement of comprehensive income. Foreign currency exchange differences relating to non-monetary items at fair value through profit or loss are included in net gains or losses on trading.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
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4. TRANSACTIONS WITH THE RELATED PARTIES/CONNECTED PERSON

For disclosure purpose of note 4, parties are considered to be related if one party provide key management personnel services to the other party or to the parent of the other party.

The following is a summary of significant related party balances/transactions entered into during the period from 7 June 2016 (date of commencement of operations) to 31 March 2017 between each of the Sub-Funds, the Manager (also a connected person), the Trustee and the holding company of the Trustee. Connected persons is defined in the SFC Code. All transactions entered into during the period from 7 June 2016 (date of commencement of operations) to 31 March 2017 were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, each of the Sub-Funds does not have any other significant transactions with its related parties/connected person except for those disclosed below.

Reimbursement of expenses from Manager

Pursuant to an announcement by the Manager dated 30 September 2016, the total expenses ratio of each of the Sub-Funds have been capped at a maximum of 1.05% of the average net assets attributable to unitholders. The total expenses ratio are calculated under the accounting basis as indicated in the Trust's prospectus, details of the basis of certain expenses are disclosed in note 10. During the period, the Manager has made reimbursement of expenses to the Sub-Funds in order to maintain the total expenses ratio of each of the Sub-Funds below 1.05% of the average net assets attributable to unitholders. The reimbursement of expenses are calculated and accrued on each dealing day. The reimbursement of expenses from Manager for the period from 7 June 2016 (date of commencement of operations) to 31 March 2017 and the expense reimbursement receivable as at 31 March 2017 are as follows.

| | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ |
|--|--|---|--|---|
| Reimbursement of expenses from Manager | 462,094 | 455,094 | 521,053 | 509,054 |
| Expense reimbursement receivable | <u>37,094</u> | <u>49,095</u> | <u>36,053</u> | <u>60,054</u> |

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
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4. TRANSACTIONS WITH THE RELATED PARTIES/CONNECTED PERSON - continued

Management fee

The Manager is entitled to receive a management fee at 0.65% per annum on the net assets value of each of the Sub-Funds. The management fee is calculated and accrued on each dealing day and payable in monthly in arrears. The management fee for the period from 7 June 2016 (date of commencement of operations) to 31 March 2017 and the management fee payable as at 31 March 2017 are as follows.

| | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ |
|------------------------|--|---|--|---|
| Management fee | 173,142 | 130,604 | 178,572 | 171,469 |
| Management fee payable | <u>19,376</u> | <u>14,011</u> | <u>18,146</u> | <u>19,664</u> |

Trustee fee

The Trustee is entitled to receive a trustee fee at 0.12% per annum on the net assets value of each of the Sub-Funds, subject to a monthly minimum of HK\$78,000. The minimum charge is waived for the first 12 months from the listing date for each of the Sub-Funds. The trustee fee is calculated and accrued on each dealing day and payable in monthly in arrears. The trustee fee for the period from 7 June 2016 (date of commencement of operations) to 31 March 2017 and the trustee fee payable as at 31 March 2017 are as follows.

| | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ |
|---------------------|--|---|--|---|
| Trustee fee | 31,965 | 24,111 | 32,967 | 31,656 |
| Trustee fee payable | <u>3,577</u> | <u>2,587</u> | <u>3,350</u> | <u>3,630</u> |

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
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4. TRANSACTIONS WITH THE RELATED PARTIES/CONNECTED PERSON - continued

Accounting and professional fees

The Sub-Funds have engaged the Trustee for accounting and professional services. The accounting and professional fees for the period from 7 June 2016 (date of commencement of operations) to 31 March 2017 and the accounting and professional fees payable as at 31 March 2017 are as follows.

| | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ |
|--|--|---|--|---|
| Accounting and professional fees | 46,800 | 46,800 | 46,800 | 46,800 |
| Accounting and professional fees payable | <u>46,800</u> | <u>46,800</u> | <u>46,800</u> | <u>46,800</u> |

Bank balances and fixed deposits

Certain cash at banks were maintained with a holding company of the Trustee, i.e. The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), which carry interests at normal commercial rates. The bank balances, fixed deposits and interest receivable of each of the Sub-Funds held with HSBC as at 31 March 2017 and the interest income earned on these bank balances during the period from 7 June 2016 (date of commencement of operations) to 31 March 2017 are as follows.

| | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$ | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$ | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$ | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$ |
|------------------------|---|--|---|--|
| Bank balances | 5,861,412 | 2,657,907 | 6,797,718 | 6,809,073 |
| Fixed deposits | 21,000,000 | 20,000,000 | 23,000,000 | 27,000,000 |
| Interest receivable | 2,858 | 2,690 | 3,177 | 7,141 |
| Interest income earned | <u>19,118</u> | <u>16,423</u> | <u>21,239</u> | <u>28,151</u> |

5. TAXATION

No provision for Hong Kong Profits Tax has been made for each of the Sub-Funds as they are authorised as collective investment schemes under Section 104 of the SFO and are therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance of Hong Kong.

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]**

6. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

| | SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT | SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT | SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT | SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT |
|---|--|---|--|---|
| | <u>2017 (Note)</u> HK\$ | <u>2017 (Note)</u> HK\$ | <u>2017</u> HK\$ | <u>2017</u> HK\$ |
| Derivative financial assets | | | | |
| Future contracts | - | - | - | 541,638 |
| Derivative financial liabilities | | | | |
| Future contracts | - | - | (989,385) | (348) |

Note: According to the terms and conditions of the relevant contracts, the fair values of the open position of Samsung KOSPI 200 Daily (2x) Leveraged Product and Samsung KOSPI 200 Daily (-1x) Inverse Product are settled through the current account with the broker on a daily basis.

7. DUE FROM A BROKER

| | SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT | SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT | SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT | SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT |
|------------------------|--|---|--|---|
| | <u>2017</u> HK\$ | <u>2017</u> HK\$ | <u>2017</u> HK\$ | <u>2017</u> HK\$ |
| Deposits with a broker | 9,439,222 | 2,560,222 | 3,050,887 | 2,085,604 |

8. SOFT COMMISSION ARRANGEMENTS

The Manager confirms that there has been no soft commission arrangements existing during the period from 7 June 2016 (date of commencement of operations) to 31 March 2017 in relation to directing transactions of each of the Sub-Funds through a broker or dealer.

9. INVESTMENT LIMITATIONS

Each of the Sub-Funds does not have constituent security that individually accounted for more than 10% of its respective net assets value. Each of the Sub-Funds has maintained at least 30% of its respective net assets value in deposits that are not used for margin requirements.

The Manager has applied to the SFC, and the SFC has granted, a waiver in respect of each of the Sub-Funds from the requirements under Chapter 8.4A (e) of the SFC Code that each of the Sub-Funds may not hold open positions in any futures contract month for which the combined margin requirements represents 5% or more of the net assets value of each of the Sub-Funds.

The Manager and Trustee confirm that each of the Sub-Funds has complied with this limit during the period from 7 June 2016 (date of commencement of operations) to 31 March 2017 as applicable.

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]**

10. UNITS ISSUED AND REDEEMED

| | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> 07/06/2016 (date of commencement of operations) to <u>31/03/2017</u> HK\$ |
|--|--|---|--|---|
| Units issued | 2,700,000 | 2,400,000 | 3,000,000 | 3,900,000 |
| Units redeemed | <u>(300,000)</u> | <u>-</u> | <u>(900,000)</u> | <u>(300,000)</u> |
| Number of units in issue at the end of the period | <u>2,400,000</u> | <u>2,400,000</u> | <u>2,100,000</u> | <u>3,600,000</u> |

As disclosed in note 3 to the financial statements, establishment costs are expensed as incurred. However, establishment costs of each of the Sub-Funds are required to be amortised over the first five financial years according to the provisions of the Trust's prospectus. Accordingly, the net assets attributable to unitholders reported in the financial statements was different from the net assets attributable to unitholders calculated under the accounting basis indicated in the Trust's prospectus. A reconciliation of the net assets attributable to unitholders is provided below:

| | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> <u>2017</u> HK\$ | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> <u>2017</u> HK\$ | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> <u>2017</u> HK\$ | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> <u>2017</u> HK\$ |
|---|--|---|--|---|
| <u>As at 31 March 2017</u> | | | | |
| Net assets attributable to unitholders as reported in the statement of financial position | 35,523,349 | 24,459,032 | 31,096,525 | 35,699,199 |
| Adjustments for unamortised establishment costs | <u>565,948</u> | <u>565,948</u> | <u>565,948</u> | <u>565,948</u> |
| Net asset value calculated under accounting basis indicated in the Trust's prospectus | <u>36,089,297</u> | <u>25,024,980</u> | <u>31,662,473</u> | <u>36,265,147</u> |
| Net assets attributable to unitholders per unit as reported in the statement of financial position | <u>14.8014</u> | <u>10.1913</u> | <u>14.8079</u> | <u>9.9164</u> |
| Net assets attributable to unitholders per unit calculated under accounting basis indicated in the Trust's prospectus | <u>15.0372</u> | <u>10.4271</u> | <u>15.0774</u> | <u>10.0737</u> |

11. DISTRIBUTIONS

During the period from 7 June 2016 (date of commencement of operations) to 31 March 2017, no distributions were made to the unitholders of each of the Sub-Funds.

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]**

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Sub-Funds maintain investment portfolios as dictated by their respective investment management strategies. The Sub-Funds' investment objectives are disclosed in note 1 to the financial statements and the Sub-Funds' investment portfolios mainly comprise futures contracts.

The Sub-Funds' investing activities expose them to various types of risks that are associated with the financial instruments and markets in which they invest. The Manager and the Trustee have set out below the most important types of financial risks inherent in each type of financial instruments. The Manager and the Trustee would like to highlight that the following list of associated risks only sets out some of the risks but does not purport to constitute an exhaustive list of all the risks inherent in the investments in each of the Sub-Funds. Unitholders should note that additional information in respect of risks associated with financial instruments in the Sub-Funds can be found in the Trust's prospectus.

The assets allocation is determined by the Sub-Funds' Manager who manages and monitors the composition of the assets to achieve the investment objectives.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Sub-Funds are discussed below.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Each of the Sub-funds are exposed to a price risk arising from changes in market prices. Price risk is managed by the Manager on an ongoing basis in accordance with the investment objectives of each of the Sub-Funds.

Sensitivity analysis

As at 31 March 2017, if the market price of the futures contracts had been 10% higher and all other variables were held constant, the profit for the period of each of the Sub-Funds would have been increased (decreased) by:

| | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> |
|---|---|--|---|--|
| | <u>2017</u> HK\$ | <u>2017</u> HK\$ | <u>2017</u> HK\$ | <u>2017</u> HK\$ |
| Increase (decrease) in profit for the period | <u>7,144,000</u> | <u>(2,446,000)</u> | <u>6,304,000</u> | <u>(3,572,000)</u> |

If the market price of the futures contracts had been 10% lower and all other variables were held constant, there would be an equal and opposite impact on the Sub-Fund's profit for the period.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Interest rate risk

Interest rate risk arises from change in interest rates which may affect the value of interest bearing assets and therefore result in potential gain or loss to each of the Sub-Funds. Each of the Sub-Funds' interest rate risk is managed on an ongoing basis by the Manager.

As at 31 March 2017, the major financial assets bearing variable interest that are subject to cash flow interest rate risk are bank balances in saving accounts.

| | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> |
|----------------------------------|---|--|---|--|
| | <u>2017</u> HK\$ | <u>2017</u> HK\$ | <u>2017</u> HK\$ | <u>2017</u> HK\$ |
| Bank balances in saving accounts | <u>5,861,412</u> | <u>2,657,907</u> | <u>6,797,718</u> | <u>6,809,073</u> |

Sensitivity analysis

As at 31 March 2017, if the interest rate had been 50 basis points higher with all other variables held constant, the profit for the period of each of the Sub-Funds would have been increased by:

| | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> |
|-----------------------------------|---|--|---|--|
| | <u>2017</u> HK\$ | <u>2017</u> HK\$ | <u>2017</u> HK\$ | <u>2017</u> HK\$ |
| Increase in profit for the period | <u>29,307</u> | <u>13,290</u> | <u>33,989</u> | <u>34,045</u> |

If interest rate had been 50 basis points lower with all other variables held constant, there would be an equal and opposite impact on the Sub-Fund's profit for the period.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The functional currency of each of the Sub-Funds is HKD. Each of the Sub-Funds is exposed to currency risk primarily through recognised financial assets or liabilities that are denominated in Korean Won ("KOW") or Japanese Yen ("JPY").

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
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12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Currency risk - continued

The following table details the currency risk exposure of each of the Sub-Funds at the end of the reporting period. For presentation purposes, the amounts of the exposure are in HKD.

| | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> Net assets/(liabilities) position <u>2017</u> HK\$ | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> Net assets/(liabilities) position <u>2017</u> HK\$ | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> Net assets/(liabilities) position <u>2017</u> HK\$ | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> Net assets/(liabilities) position <u>2017</u> HK\$ |
|-----|--|---|--|---|
| KOW | (114,117) | 39,081 | - | - |
| JPY | - | - | (1,232,437) | 654,574 |

Sensitivity analysis

As at 31 March 2017, if the KOW and JPY had been strengthened by 5% in relation to the functional currency of each of the Sub-Funds with all other variables held constant, the profit for the period of each of the Sub-Funds would have been increased/(decreased) approximately by:

| | SAMSUNG KOSPI 200 DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$ | SAMSUNG KOSPI 200 DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$ | SAMSUNG TOPIX DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$ | SAMSUNG TOPIX DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$ |
|-----|---|--|---|--|
| KOW | (6,000) | 2,000 | - | - |
| JPY | - | - | (62,000) | 33,000 |

If the KOW and JPY had been weakened by 5% in relation to the functional currency of each of the Sub-Funds with all other variables held constant, there would be an equal and opposite impact on the Sub-Fund's profit for the period.

Credit risk

Each of the Sub-Funds' maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Credit risk arising from transactions with a broker relates to transactions awaiting settlements, if any, and deposits placed in a broker. The risk relating to unsettled transactions and deposits placed in a broker is considered low due to the short settlement period and high credit ratings of a broker assigned by international credit rating agencies.

All of the fixed deposits and cash held by each of the Sub-Funds are deposited with HSBC. Bankruptcy or insolvency of the banks may cause each of the Sub-Funds' rights with respect to the fixed deposits and cash at banks to be delayed or limited. As the banks have credit ratings of Aa3 (2016: Aa3) or better as determined by a well-known international credit rating agency, the Manager considers that the credit risk is minimal.

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Credit risk - continued

Substantially all of the assets of each of the Sub-Funds are held by HSBC Institutional Trust Services (Asia) Limited ("the Custodian"). Bankruptcy or insolvency of the Custodian may cause the Sub-Funds' rights with respect to assets held by the Custodian to be delayed or limited. The Manager monitors the credit quality and financial position of the Custodian on an ongoing basis. The Custodian is a group company of HSBC, which has a credit rating of A1 (2016: A1) as determined by a well-known international credit rating agency. As such, the Manager considers credit risk is considered insignificant.

The Manager considers that none of these assets are impaired nor past due as at 31 March 2017.

Liquidity risk

Liquidity risk is the risk that each of the Sub-Funds will encounter difficulty in meeting obligations arising from their respective financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to each of the Sub-Funds. Each of the Sub-Funds is exposed to daily liquidity risk on redemption of units.

The Sub-Funds' policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and deposits placed in a broker to meet their liquidity requirements in the short and longer term.

The Sub-Funds' investments are considered to have insignificant exposure to liquidity risk as they are all readily realisable under normal market conditions.

As at 31 March 2017, each of the Sub-Funds' financial liabilities are due within three months.

Capital management

Each of the Sub-Funds' capital as at the end of the reporting period is represented by their net assets attributable to unitholders.

The Sub-Funds' objective in managing the capital is to ensure a stable and strong base to maximise returns to all unitholders, and to manage liquidity risk arising from the redemptions. The Manager manages the capital of each of the Sub-Funds in accordance with the Sub-Funds' respective investment objectives and policies stated in the respective offering documents. Under certain circumstance, the Manager may suspend the issuance and redemption of units of each of the Sub-Funds as disclosed in the Trust's prospectus.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
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12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Specific instruments

Futures contracts are commitments either to purchase or sell a designated financial instrument, currency, commodity or index at a specified future date for a specified price and may be settled in cash. Futures are standardised exchange-traded contracts. Initial margin requirements for futures are met in cash or other instruments, and changes in future contract values are marked to market daily. Futures contracts have lower credit risk because the counterparties are futures exchanges.

Futures contracts result in exposure to market risk based on changes in market prices relative to contracted prices. Market risks arise due to the possible movements in foreign currency exchange rates, indices, and securities' values underlying these instruments. In addition, because of the low margin deposits normally required in relation to notional contract sizes, a high degree of leverage may be typical of a futures contract and may result in substantial losses to each of the Sub-Funds.

The following is the open position of futures contracts as at 31 March 2017.

Samsung KOSPI 200 Daily (2x) Leveraged Product

| <u>Type of contract</u> | <u>Expiration</u> | <u>Notional amount</u> HK\$ | <u>Underlying</u> | <u>Fair value assets</u> <u>(liabilities)</u> HK\$ |
|-------------------------|-------------------|--------------------------------|-------------------|--|
| Futures - Long | June 2017 | <u>71,437,010</u> | KOSPI 200 Index | <u>-</u> |

Samsung KOSPI 200 Daily (-1x) Inverse Product

| <u>Type of contract</u> | <u>Expiration</u> | <u>Notional amount</u> HK\$ | <u>Underlying</u> | <u>Fair value assets</u> <u>(liabilities)</u> HK\$ |
|-------------------------|-------------------|--------------------------------|-------------------|--|
| Futures - Short | June 2017 | <u>24,464,730</u> | KOSPI 200 Index | <u>-</u> |

Samsung TOPIX Daily (2x) Leveraged Product

| <u>Type of contract</u> | <u>Expiration</u> | <u>Notional amount</u> HK\$ | <u>Underlying</u> | <u>Fair value liabilities</u> HK\$ |
|-------------------------|-------------------|--------------------------------|-------------------|---------------------------------------|
| Futures - Long | June 2017 | <u>63,039,469</u> | TOPIX Index | <u>(989,385)</u> |

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Specific instruments - continued

Samsung TOPIX Daily (-1x) Inverse Product

| <u>Type of contract</u> | <u>Expiration</u> | <u>Notional amount</u> HK\$ | <u>Underlying</u> | <u>Fair value assets (liabilities)</u> HK\$ |
|-------------------------|-------------------|--------------------------------|-------------------|--|
| Futures - Short | June 2017 | <u>34,671,708</u> | TOPIX Index | <u>541,638</u> |
| Futures - Short | June 2017 | <u>1,050,658</u> | TOPIX Index | <u>(348)</u> |

Fair value

The financial instruments held by each of the Sub-Funds are measured at their fair values on the reporting date. Fair value estimates are made at a specified point in time, based on market conditions and information about the financial instruments. Fair values can usually be reliably determined within a reasonable range of estimates.

Valuation of financial instruments

The accounting policy of each of the Sub-Funds on fair value measurements is detailed in the significant accounting policies in note 3 to the financial statements.

The following analyses derivative financial assets (liabilities) measured at FVTPL on the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised.

Samsung KOSPI 200 Daily (2x) Leveraged Product

| | <u>Level 1</u> HK\$ (Note) | <u>Level 2</u> HK\$ | <u>Level 3</u> HK\$ | <u>Total</u> HK\$ |
|---|----------------------------------|------------------------|------------------------|----------------------|
| Derivative financial assets (liabilities) | | | | |
| - Futures contracts | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Samsung KOSPI 200 Daily (-1x) Inverse Product

| | <u>Level 1</u> HK\$ (Note) | <u>Level 2</u> HK\$ | <u>Level 3</u> HK\$ | <u>Total</u> HK\$ |
|---|----------------------------------|------------------------|------------------------|----------------------|
| Derivative financial assets (liabilities) | | | | |
| Futures contracts | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Note: According to the terms and conditions of the relevant contracts, the fair values of the open position of Samsung KOSPI 200 Daily (2x) Leveraged Product and Samsung KOSPI 200 Daily (-1x) Inverse Product are settled through the current account with the broker on a daily basis.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Fair value - continued

Valuation of financial instruments - continued

Samsung TOPIX Daily (2x) Leveraged Product

| | <u>Level 1</u> HK\$ | <u>Level 2</u> HK\$ | <u>Level 3</u> HK\$ | Total HK\$ |
|----------------------------------|------------------------|------------------------|------------------------|---------------|
| Derivative financial liabilities | | | | |
| - Futures contracts | (989,385) | - | - | (989,385) |

Samsung TOPIX Daily (-1x) Inverse Product

| | <u>Level 1</u> HK\$ | <u>Level 2</u> HK\$ | <u>Level 3</u> HK\$ | Total HK\$ |
|----------------------------------|------------------------|------------------------|------------------------|---------------|
| Derivative financial assets | | | | |
| - Futures contracts | 541,638 | - | - | 541,638 |
| Derivative financial liabilities | | | | |
| - Futures contract | (348) | - | - | (348) |

For the period from 7 June 2016 (date of commencement of operations) to 31 March 2017, there were no transfers of financial instruments between fair value hierarchy levels.

As at 31 March 2017, except for derivative financial instruments as disclosed in the financial statements which are classified as the financial assets/liabilities at FVTPL, all other financial assets and financial liabilities are carried at amortised costs. The carrying values of the financial assets and liabilities are considered by the Manager to approximate to their fair values.

Offsetting

As at 31 March 2017, each of the Sub-Funds does not hold financial assets and liabilities that are eligible for offset in the statement of financial position but does hold those which are subject to a master netting arrangement or similar agreements that create the right of set-off of recognised amounts in the event of default, insolvency or bankruptcy of each of the Sub-Funds or its respective counterparties. Accordingly, the financial assets and liabilities of each of the Sub-Funds have been recognised in the statement of financial position on a gross basis.

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES[#]**

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Offsetting - continued

The following table presents each of the Sub-Funds' financial assets and liabilities with respect to a single broker that are subject to enforceable master netting agreements in the event of default, insolvency or bankruptcy at the reporting date.

| | SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT | SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT | SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT | SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT |
|----------------------------------|--|---|--|---|
| | 2017 HK\$ | 2017 HK\$ | 2017 HK\$ | 2017 HK\$ |
| Financial assets | | | | |
| Derivative financial assets | - | - | - | 541,638 |
| Due from a broker | 9,439,222 | 2,560,222 | 3,050,887 | 2,085,604 |
| Financial liabilities | | | | |
| Derivative financial liabilities | - | - | (989,385) | (348) |
| Net position | <u>9,439,222</u> | <u>2,560,222</u> | <u>2,061,502</u> | <u>2,626,894</u> |

13. SEGMENT INFORMATION

The Manager makes the strategic resource allocations on behalf of each of the Sub-Funds and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that each of the Sub-funds has a single operating segment which is investments in futures contracts and fixed deposits. The investment objectives of each of the Sub-Funds are disclosed in note 1 to the financial statements.

The internal financial information used by the Manager for each of the Sub-Funds' assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Funds are domiciled in Hong Kong. Each of the Sub-Funds has no non-current assets. As at 31 March 2017, each of the Sub-Funds has invested fixed deposits which account for more than 10% of each of the Sub-Funds' net assets value.

14. SUBSEQUENT EVENT

As disclosed in the Termination Announcement on 29 June 2017, the Manager of the Trust decided to terminate each of the Sub-Funds and voluntarily seek deauthorisation and delisting on or around 29 September 2017. The Manager of the Trust will bear the termination expenses of each of the Sub-Funds.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Manager and the Trustee on 31 July 2017.

SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 MARCH 2017

| | <u>Maturity date</u> | | <u>Market value</u> HK\$ | <u>% of total net assets attributable to unitholders</u> |
|--|------------------------|------------------|-----------------------------|--|
| Bank deposits | | | | |
| The Hongkong and Shanghai Banking Corporation Limited | 3 April 2017 | | 13,000,000 | 36.60 |
| The Hongkong and Shanghai Banking Corporation Limited | 10 April 2017 | | <u>8,000,000</u> | <u>22.52</u> |
| Total bank deposits | | | <u>21,000,000</u> | <u>59.12</u> |
| | <u>Expiration date</u> | <u>Contracts</u> | | |
| Futures contracts | | | | |
| KOSPI2 0617 KMM7 | 8 June 2017 | 146 | <u>-</u> | <u>-</u> |
| Total futures contracts | | | <u>-</u> | <u>-</u> |
| Total investments | | | 21,000,000 | 59.12 |
| Other net assets | | | <u>14,523,349</u> | <u>40.88</u> |
| Net assets attributable to unitholders | | | <u>35,523,349</u> | <u>100.00</u> |

SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2017

| <u>Investments</u> | Holdings as at <u>07/06/2016</u> | <u>Additions</u> | <u>Disposals</u> | Holdings as at <u>31/03/2017</u> |
|---|--|------------------|------------------|--|
| Bank deposits | | | | |
| The Hongkong and Shanghai Banking Corporation Limited | - | HK\$21,000,000 | - | HK\$21,000,000 |
| Futures contracts | | | | |
| KOSPI 200 Index Future 08/09/2016 | - | 4,632 | (4,632) | - |
| KOSPI 200 Index Future 08/12/2016 | - | 4,655 | (4,655) | - |
| KOSPI 200 Index Future 09/03/2017 | - | 4,569 | (4,569) | - |
| KOSPI 200 Index Future 08/06/2017 | - | 1,906 | (1,760) | 146 |

SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUND (UNAUDITED)
FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2017

| | <u>Performance</u> % |
|--|-------------------------|
| Sub-Fund | |
| Samsung KOSPI 200 Daily (2x) Leveraged Product | 25.31% |
| Index | |
| KOSPI 200 Index | 13.23% |

Source: Unit-prices are provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of Samsung KOSPI 200 Daily (2x) Leveraged Product is provided by the Manager. Index information is provided by Korea Exchange.

Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

SAMSUNG KOSPI 200 DAILY (2X) LEVERAGED PRODUCT
 (A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
 INVESTMENT PRODUCT SERIES)

PERFORMANCE RECORD (UNAUDITED)
 FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
 TO 31 MARCH 2017

(a) Price record (Net assets value per unit)

| | <u>Lowest</u> HK\$ | <u>Highest</u> HK\$ |
|----------------------------|-----------------------|------------------------|
| Period ended 31 March 2017 | <u>10.9300</u> | <u>15.2911</u> |

Note: The net assets value per unit is calculated under the accounting basis indicated in the Trust's prospectus.

(b) Net assets value

| | <u>Net assets value</u> HK\$ |
|---------------------|---------------------------------|
| As at 31 March 2017 | <u>35,523,349</u> |

(c) Net assets value per unit

| | HK\$ |
|---------------------|----------------|
| As at 31 March 2017 | <u>14.8014</u> |

SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 MARCH 2017

| | <u>Maturity date</u> | | <u>Market value</u> HK\$ | <u>% of total net assets attributable to unitholders</u> |
|--|------------------------|------------------|-----------------------------|--|
| Bank deposits | | | | |
| The Hongkong and Shanghai Banking Corporation Limited | 3 April 2017 | | 12,000,000 | 49.06 |
| The Hongkong and Shanghai Banking Corporation Limited | 10 April 2017 | | <u>8,000,000</u> | <u>32.71</u> |
| Total bank deposits | | | <u>20,000,000</u> | <u>81.77</u> |
| | <u>Expiration date</u> | <u>Contracts</u> | | |
| Futures contracts | | | | |
| KOSPI2 0617 KMM7 | 8 June 2017 | 50 | <u>-</u> | <u>-</u> |
| Total futures contracts | | | <u>-</u> | <u>-</u> |
| Total investments | | | - | - |
| Other net assets | | | <u>4,459,032</u> | <u>18.23</u> |
| Net assets attributable to unitholders | | | <u>24,459,032</u> | <u>100.00</u> |

SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT
 (A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
 INVESTMENT PRODUCT SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO HOLDINGS (UNAUDITED)
 FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
 TO 31 MARCH 2017

| <u>Investments</u> | Holdings as at <u>07/06/2016</u> | <u>Additions</u> | <u>Disposals</u> | Holdings as at <u>31/03/2017</u> |
|---|--|------------------|------------------|--|
| Bank deposits | | | | |
| The Hongkong and Shanghai Banking Corporation Limited | - | HK\$21,000,000 | (HK\$1,000,000) | HK\$20,000,000 |
| Futures contracts | | | | |
| KOSPI 200 Index Future 08/09/2016 | - | 1,761 | (1,761) | - |
| KOSPI 200 Index Future 08/12/2016 | - | 1,684 | (1,684) | - |
| KOSPI 200 Index Future 09/03/2017 | - | 1,743 | (1,743) | - |
| KOSPI 200 Index Future 08/06/2017 | - | 615 | (565) | 50 |

SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUNDS (UNAUDITED)
FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2017

| | <u>Performance</u> % |
|---|-------------------------|
| Sub-Fund | |
| Samsung KOSPI 200 Daily (-1x) Inverse Product | (13.11)% |
| Index | |
| KOSPI 200 Index | 13.23% |

Source: Unit-prices are provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of the Samsung KOSPI 200 Daily (-1x) Inverse Product is provided by the Manager. Index information is provided by Korea Exchange.

Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

SAMSUNG KOSPI 200 DAILY (-1X) INVERSE PRODUCT
 (A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
 INVESTMENT PRODUCT SERIES)

PERFORMANCE RECORD (UNAUDITED)
 FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
 TO 31 MARCH 2017

(a) Price record (Net assets value per unit)

| | <u>Lowest</u> HK\$ | <u>Highest</u> HK\$ |
|----------------------------|-----------------------|------------------------|
| Period ended 31 March 2017 | <u>10.3373</u> | <u>12.5065</u> |

Note: The net assets value per unit is calculated under the accounting basis indicated in the Trust's prospectus.

(b) Net assets value

| | <u>Net assets value</u> HK\$ |
|---------------------|---------------------------------|
| As at 31 March 2017 | <u>24,459,032</u> |

(c) Net assets value per unit

| | HK\$ |
|---------------------|----------------|
| As at 31 March 2017 | <u>10.1913</u> |

SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 MARCH 2017

| | <u>Maturity date</u> | | <u>Market value</u> HK\$ | <u>% of total net assets attributable to unitholders</u> |
|--|------------------------|------------------|-----------------------------|--|
| Bank deposits | | | | |
| The Hongkong and Shanghai Banking Corporation Limited | 3 April 2017 | | 15,000,000 | 48.24 |
| The Hongkong and Shanghai Banking Corporation Limited | 10 April 2017 | | <u>8,000,000</u> | <u>25.73</u> |
| Total bank deposits | | | <u>23,000,000</u> | <u>73.97</u> |
| | <u>Expiration date</u> | <u>Contracts</u> | | |
| Futures contracts | | | | |
| TOPIX FT 0617 TPM7 | 8 June 2017 | 60 | <u>(989,385)</u> | <u>(3.18)</u> |
| Total futures contracts | | | <u>(989,385)</u> | <u>(3.18)</u> |
| Total investments | | | 22,010,615 | 70.79 |
| Other net assets | | | <u>9,085,910</u> | <u>29.21</u> |
| Net assets attributable to unitholders | | | <u>31,096,525</u> | <u>100.00</u> |

SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2017

| <u>Investments</u> | Holdings as at <u>07/06/2016</u> | <u>Additions</u> | <u>Disposals</u> | Holdings as at <u>31/03/2017</u> |
|---|--|------------------|------------------|--|
| Bank deposits | | | | |
| The Hongkong and Shanghai Banking Corporation Limited | - | HK\$30,000,000 | (HK\$7,000,000) | HK\$23,000,000 |
| Futures contracts | | | | |
| TOPIX Index Future 08/09/2016 | - | 105 | (105) | - |
| TOPIX Index Future 08/12/2016 | - | 106 | (106) | - |
| TOPIX Index Future 09/03/2017 | - | 105 | (105) | - |
| TOPIX Index Future 08/06/2017 | - | 64 | (4) | 60 |

SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUNDS (UNAUDITED)
FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2017

| | <u>Performance</u> % |
|--|-------------------------|
| Sub-Fund | |
| Samsung TOPIX Daily (2x) Leveraged Product | 25.65% |
| Index | |
| TOPIX Index | 12.82% |

Source: Unit-prices are provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of Samsung TOPIX Daily (2x) Leveraged Product is provided by the Manager. Index information is provided by the Tokyo Stock Exchange, Inc..

Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

SAMSUNG TOPIX DAILY (2X) LEVERAGED PRODUCT
 (A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
 INVESTMENT PRODUCT SERIES)

PERFORMANCE RECORD (UNAUDITED)
 FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
 TO 31 MARCH 2017

(a) Price record (Net assets value per unit)

| | <u>Lowest</u> HK\$ | <u>Highest</u> HK\$ |
|----------------------------|-----------------------|------------------------|
| Period ended 31 March 2017 | <u>9.7421</u> | <u>16.1934</u> |

Note: The net assets value per unit is calculated under the accounting basis indicated in the Trust's prospectus.

(b) Net assets value

| | <u>Net assets value</u> HK\$ |
|---------------------|---------------------------------|
| As at 31 March 2017 | <u>31,096,525</u> |

(c) Net assets value per unit

| | HK\$ |
|---------------------|----------------|
| As at 31 March 2017 | <u>14.8079</u> |

SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 MARCH 2017

| | <u>Maturity date</u> | | <u>Market value</u> HK\$ | <u>% of total net assets attributable to unitholders</u> |
|--|------------------------|------------------|-----------------------------|--|
| Bank deposits | | | | |
| The Hongkong and Shanghai Banking Corporation Limited | 3 April 2017 | | 10,000,000 | 28.01 |
| The Hongkong and Shanghai Banking Corporation Limited | 10 April 2017 | | 7,000,000 | 19.61 |
| The Hongkong and Shanghai Banking Corporation Limited | 15 May 2017 | | <u>10,000,000</u> | <u>28.01</u> |
| Total bank deposits | | | <u>27,000,000</u> | <u>75.63</u> |
| | <u>Expiration date</u> | <u>Contracts</u> | | |
| TOPIX FT 0617 TPM7 | 8 June 2017 | 33 | 541,638 | 1.52 |
| TOPIX FT 0617 TPM7 | 8 June 2017 | 1 | <u>(348)</u> | <u>0.00</u> |
| Total futures contracts | | | <u>541,290</u> | <u>1.52</u> |
| Total investments | | | 27,541,290 | 77.15 |
| Other net assets | | | <u>8,157,909</u> | <u>22.85</u> |
| Net assets attributable to unitholders | | | <u>35,699,199</u> | <u>100.00</u> |

SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
 (A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
 INVESTMENT PRODUCT SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO HOLDINGS (UNAUDITED)
 FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
 TO 31 MARCH 2017

| <u>Investments</u> | Holdings as at <u>07/06/2016</u> | <u>Additions</u> | <u>Disposals</u> | Holdings as at <u>31/03/2017</u> |
|---|--|------------------|------------------|--|
| Bank deposits | | | | |
| The Hongkong and Shanghai Banking Corporation Limited | - | HK\$32,000,000 | (HK\$5,000,000) | HK\$27,000,000 |
| Futures contracts | | | | |
| TOPIX Index Future 08/09/2016 | - | 47 | (47) | - |
| TOPIX Index Future 08/12/2016 | - | 53 | (53) | - |
| TOPIX Index Future 09/03/2017 | - | 44 | (44) | - |
| TOPIX Index Future 08/06/2017 | - | 38 | (4) | 34 |

SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUNDS (UNAUDITED)
FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2017

| | <u>Performance</u> % |
|---|-------------------------|
| Sub-Fund | |
| Samsung TOPIX Daily (-1x) Inverse Product | (16.05)% |
| Index | |
| Tokyo Stock Price Index | 12.82% |

Source: Unit-prices are provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of Samsung TOPIX Daily (-1x) Inverse Product is provided by the Manager. Index information is provided by the Tokyo Stock Exchange, Inc..

Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

SAMSUNG TOPIX DAILY (-1X) INVERSE PRODUCT
 (A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
 INVESTMENT PRODUCT SERIES)

PERFORMANCE RECORD (UNAUDITED)
 FOR THE PERIOD FROM 7 JUNE 2016 (DATE OF COMMENCEMENT OF OPERATIONS)
 TO 31 MARCH 2017

(a) Price record (Net assets value per unit)

| | <u>Lowest</u> HK\$ | <u>Highest</u> HK\$ |
|----------------------------|-----------------------|------------------------|
| Period ended 31 March 2017 | <u>9.7275</u> | <u>13.0928</u> |

Note: The net assets value per unit is calculated under the accounting basis indicated in the Trust's prospectus.

(b) Net assets value

| | <u>Net assets value</u> HK\$ |
|---------------------|---------------------------------|
| As at 31 March 2017 | <u>35,699,199</u> |

(c) Net assets value per unit

| | HK\$ |
|---------------------|---------------|
| As at 31 March 2017 | <u>9.9164</u> |
