

## **THIRD REMINDER**

THIS ANNOUNCEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR UNITS OF THE EXCHANGE TRADED FUNDS DESCRIBED BELOW.

IF YOU ARE IN ANY DOUBT ABOUT THIS ANNOUNCEMENT, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL FINANCIAL ADVISER.

**If you have sold or transferred** all your Units in ComStage 1 DAX® UCITS ETF and/or ComStage 1 DivDAX® UCITS ETF, you should at once hand this Announcement to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Commerz Funds Solutions S.A. (the "**Management Company**"), the Management Company of ComStage 1, accepts full responsibility for the accuracy of the information contained in this Announcement as at the date of publication, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as at the date of publication, there are no other facts the omission of which would make any statement misleading.

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

## **ComStage 1** (the "Fund")

(an umbrella Sondervermögen UCITS established in Germany and authorised under section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)

### **ComStage 1 DAX® UCITS ETF**

**Stock Code: 03171**

### **ComStage 1 DivDAX® UCITS ETF**

**Stock Code: 03177**

(each a "**Sub-Fund**", collectively the "**Sub-Funds**")

## **ANNOUNCEMENT OF THE PROPOSED CESSATION OF TRADING OF THE HONG KONG UNITS OF THE SUB-FUNDS ON SEHK, PROPOSED TERMINATION OF THE HONG KONG UNITS, PROPOSED VOLUNTARY DEAUTHORISATION OF THE FUND AND THE SUB-FUNDS, PROPOSED DELISTING OF THE SUB-FUNDS IN HONG KONG AND NON-APPLICABILITY OF CERTAIN PROVISIONS OF THE CODE ON UNIT TRUSTS AND MUTUAL FUNDS**

**IMPORTANT:** Investors are strongly advised to consider the contents of this Announcement. This Announcement is important and requires your immediate attention. It concerns the proposed cessation of trading of the units of Class (II) (i.e. the only class of Units of the Sub-Funds which is listed and traded in Hong Kong and which is available to Hong Kong investors) of each of the Sub-Funds which are listed and traded on SEHK (collectively, the "Hong Kong Units"), the proposed termination of the Hong Kong Units, the proposed voluntary deauthorisation of the Fund and the Sub-Funds, the proposed delisting of the Sub-Funds in Hong Kong and the non-applicability of certain provisions of the Code on Unit Trusts and Mutual Funds (the

"Code") for the period from and including 15 February 2020 (the "Trading Cessation Date") up until the date of Deauthorisation (as defined below). In particular, investors should note that:

- Having taken into account the interests of the Unitholders of the Hong Kong Units and after considering various factors, including the low Net Asset Value of the Hong Kong Units, the Management Company is of the view that the proposed Cessation of Trading, Termination, Deauthorisation and Delisting (each as further described below) would be in the best interest of the Unitholders of the Hong Kong Units. The proposed termination arrangement will not prejudice the Unitholders of the Hong Kong Units as compared to Unitholders of other Unit classes of the Sub-Funds which are available in other jurisdictions.
- Each of the Fund and the Sub-Funds is a German *Sondervermögen* UCITS, which is a contractual non-body corporate entity and does not have any legal personality. Given the special nature of *Sondervermögen* under German law, the Management Company has (on behalf of the Fund and the Sub-Funds), by means of a resolution of the Board of Directors of the Management Company dated 27 March 2019, resolved to (a) seek the cessation of trading of the Hong Kong Units of the Sub-Funds on SEHK ("Cessation of Trading"), (b) terminate the Hong Kong Units (the "Termination"), (c) apply to the SFC for the voluntary withdrawal of the authorisation of (i) the Sub-Funds, (ii) the Fund, (iii) the Hong Kong Prospectus (as defined below) and (iv) the product key facts statements of the Sub-Funds under section 106 of the Securities and Futures Ordinance ("SFO") ((i) to (iv) above, the "Deauthorisation"), and (d) apply to SEHK for the withdrawal of listing of the Sub-Funds on SEHK (the "Delisting"). The proposed Deauthorisation and Delisting will be subject to the respective approvals of the SFC and SEHK.
- The last trading day of the Hong Kong Units of the Sub-Funds on SEHK in the secondary market will be 14 February 2020 ("Last Trading Day"), i.e. the last day on which investors may buy or sell Hong Kong Units of the Sub-Funds on SEHK. This is also the last day on which subscription (by Hong Kong Participating Dealers for market making activities of the SEHK Market Makers to provide liquidity of the trading of the Hong Kong Units on the SEHK) and redemption of Hong Kong Units in the Sub-Funds in the primary market may be made in accordance with the usual trading arrangements currently in place.
- The Hong Kong Units of the Sub-Funds will cease trading on SEHK with effect from the Trading Cessation Date. From and including the Trading Cessation Date, the Sub-Funds will only be operated in a limited manner in Hong Kong in the sense that (i) the Sub-Funds shall no longer be marketed or offered to the public in Hong Kong, (ii) no further buying or selling of the Hong Kong Units of the Sub-Funds on SEHK will be possible, and (iii) no further subscription and redemption of Hong Kong Units in the Sub-Funds in the primary market will be accepted. For the avoidance of doubt, the Fund and the Sub-Funds will maintain their authorisation status with the SFC, and the Sub-Funds will maintain its listing status with the SEHK, in each case up until the completion of the Deauthorisation and Delisting.
- Given the Fund and the Sub-Funds will no longer be marketed to the public and have limited operations after they cease trading, pursuant to 8.6(t) of the Code and

paragraph 13 of the Frequently Asked Questions on Exchange Traded Funds and Listed Funds (the "ETF FAQs"), the Fund and the Sub-Funds will continue to maintain their authorisation status with the SFC without the need to strictly comply with certain provisions of the Code for the period from and including the Trading Cessation Date up until the date of Deauthorisation, provided that the specific conditions and requirements imposed by the SFC are met. Such conditions and requirements are described in the section headed "9. Non-applicability of certain provisions of the Code" below.

- Until the completion of the proposed Deauthorisation and Delisting, the Management Company confirms that the Fund and the Management Company will continue to comply with the Fund's constitutive documents, all the other applicable provisions of the Code, the applicable provisions in the "Overarching Principles Section" of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products (the "Handbook"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws and regulations save for the particular provisions of the Code set out in the section headed "9. Non-applicability of certain provisions of the Code" below.
- The Management Company will proceed to the Termination by liquidating all the investments attributable to the Hong Kong Units with effect from 19 February 2020. BNP Paribas Securities Services S.C.A., Zweigniederlassung Frankfurt am Main (the "Custodian") will provide the necessary oversight and technical support which are reasonably expected from a UCITS depository (*OGAW-Verwahrstelle*) in accordance with the German Investment Code (Kapitalanlagegesetzbuch) ("KAGB") to the Management Company during the Termination process, including facilitating the payment of the liquidation proceeds to the Unitholders of the Hong Kong Units upon receiving the Management Company's instructions.
- The Hong Kong Record Date (as defined in section 5 below) in respect of any payment of liquidation proceeds resulting from such liquidation is 19 February 2020. The liquidation proceeds will be paid to Unitholders of the Hong Kong Units as of the Hong Kong Record Date on or before 27 February 2020 (the "Hong Kong Payment Date").
- All costs, charges and expenses associated with the proposed Cessation of Trading, Termination, Deauthorisation and Delisting will be borne by the Management Company or its affiliate and will not be borne by the Fund, the Sub-Funds, the Hong Kong Units, the Custodian or the Unitholders.
- After the payment of the liquidation proceeds to the Unitholders of the Hong Kong Units, the Management Company does not expect or anticipate there will be any further amount payable to any Unitholder of the Hong Kong Units. However, in the unlikely event there is any further amount payable to the Unitholders of the Hong Kong Units, the Management Company will issue an announcement on or before 4 March 2020 informing the investors of the amount and the payment date. For the avoidance of doubt, after the payment of the liquidation proceeds to the Unitholders of the Hong Kong Units, in the unlikely event that there is any

unexpected outstanding liability in respect of the Hong Kong Units, it will be borne by the Management Company or its affiliate.

- Any unclaimed liquidation proceeds will at the completion of the Termination procedure be deposited with the local court in Germany for 30 years, and upon expiration of such 30-year period any claims for such proceeds shall expire and the proceeds shall be allocated to the federal state where the German local court is situated.
- On the date that the Management Company and the Custodian form an opinion that the Hong Kong Units cease to have any outstanding contingent or actual assets or liabilities, the Management Company and the Custodian will commence the completion of the Termination (i.e. the Termination Date). The Termination Date is expected to fall on or before 13 March 2020.
- The Management Company expects that the Deauthorisation and Delisting will take effect on a date (the "Deauthorisation and Delisting Date") which falls either on the Termination Date or shortly after the Termination Date.
- After the Deauthorisation of the Fund and Sub-Funds in Hong Kong, the Fund and the Sub-Funds will no longer be subject to the regulation by the SFC. (Please note that any product documentation for the Sub-Funds and/or the Fund previously issued to investors including the Hong Kong Prospectus and the KFS in respect of each Sub-Fund should be retained for personal use only and not for public circulation.)
- The Management Company accepts full responsibility for the accuracy of the information contained in this Announcement as at the date of publication, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as at the date of publication, there are no other facts the omission of which would make any statement misleading.
- Investors should pay attention to and consider the risk factors as set out in the section headed "10. Risk Factors relating to the proposed Cessation of Trading, Termination, Deauthorisation and Delisting" below (including additional trading risk, fluctuation of EUR and HKD exchange rate, tracking errors during the period from the date of this Announcement to the Last Trading Day risk, Net Asset Value downward adjustment risk and delay in payment of liquidation proceeds and any further amount payable risk). Investors should exercise caution and consult with their professional and financial advisers before dealing in the Hong Kong Units of the Sub-Funds or otherwise deciding on any course of action to be taken.

**Financial intermediaries are urged to:**

- ❖ forward a copy of this Announcement to their clients holding Hong Kong Units of the Sub-Funds, and inform them of the contents of this Announcement as soon as possible;

- ❖ assist their clients who want to dispose of Hong Kong Units of the Sub-Funds on or before the Last Trading Day; and
- ❖ inform their clients as soon as possible if any earlier dealing deadline, additional fees or charges, and/or other terms and conditions will be applicable in respect of the provision of their services in connection with any disposal of Hong Kong Units of the Sub-Funds.

If investors are in doubt about the contents of this Announcement, they should contact their independent financial intermediaries or professional advisers to seek their professional advice, or direct their queries to the Hong Kong Representative (please refer to section headed "15. Enquiries" below for further information).

Reminder announcements to Unitholders of the Hong Kong Units will be issued on a monthly basis from the date of this Announcement to the Last Trading Day, informing and reminding Unitholders of the Hong Kong Units of the Last Trading Day, the Trading Cessation Date and the Hong Kong Record Date. In addition, further announcements will be issued in due course to inform Unitholders of the Hong Kong Units of the Hong Kong Payment Date, the amount of liquidation proceeds per Unit, whether there will be any further amount payable to the Unitholders of the Hong Kong Units after the payment of the liquidation proceeds to the Unitholders of the Hong Kong Units, the Termination Date, the Deauthorisation and Delisting Date and any changes to the schedule of proposed key dates set out in Annex I, as and when appropriate in accordance with the applicable regulatory requirements.

Unless otherwise defined in this Announcement, capitalised terms used in this Announcement shall have the same meaning as defined in the Hong Kong Prospectus of the Fund and the Sub-Funds dated 30 July 2019 (the "**Hong Kong Prospectus**").

## 1. Introduction

Having taken into account the interests of the Unitholders of the Hong Kong Units and after considering various factors, including the low Net Asset Value of the Hong Kong Units of each of the Sub-Funds (i.e. the only class of Units of the Sub-Funds which is listed and traded in Hong Kong and which is available to Hong Kong investors), the Management Company is of the view that the proposed Cessation of Trading, Termination, Deauthorisation and Delisting would be in the best interest of the Unitholders of the Hong Kong Units. The proposed termination arrangement will not prejudice the Unitholders of the Hong Kong Units as compared to Unitholders of other Unit classes of the Sub-Funds which are available in other jurisdictions.

Each of the Fund and the Sub-Funds is a German *Sondervermögen* UCITS, which is a contractual non-body corporate entity and does not have any legal personality. Given the special nature of *Sondervermögen* under German law, the Management Company has (on behalf of the Fund and the Sub-Funds), by means of a resolution of the Board of Directors of the Management Company dated 27 March 2019, resolved to:

- (a) seek the Cessation of Trading (whereby the Hong Kong Units of the Sub-Funds will cease to trade on SEHK) with effect from 15 February 2020;

- (b) commence the completion of the termination of the Hong Kong Units (the “**Termination**”) on the date that the Management Company and the Custodian form an opinion that the Hong Kong Units cease to have any outstanding contingent or actual assets or liabilities; and
- (c) apply to the SFC for the Deauthorisation and to apply to SEHK for the Delisting, in each case either on the Termination Date or shortly after the Termination Date. The proposed Deauthorisation and Delisting will be subject to the respective approvals of the SFC and SEHK.

The Management Company confirms that such resolution is effective under German law.

The Net Asset Value of the Sub-Funds, the Net Asset Value of the Hong Kong Units and the Net Asset Value per Unit of the Hong Kong Units of each of the Sub-Funds as of 12 August 2019 were as follows:

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<b>Net Asset Value of the Sub-Fund</b>	<b>Net Asset Value of the Hong Kong Units</b>	<b>Net Asset Value per Unit of the Hong Kong Units</b>
EUR 82,014,129.28	EUR 5,781,328.11	EUR 11.43

*ComStage 1 DivDAX® UCITS ETF*

<b>Net Asset Value of the Sub-Fund</b>	<b>Net Asset Value of the Hong Kong Units</b>	<b>Net Asset Value per Unit of the Hong Kong Units</b>
EUR 35,205,396.19	EUR 5,528,995.19	EUR 15.80

The Custodian has no objection to the Cessation of Trading, Termination, Deauthorisation and Delisting, and acknowledges the non-applicability of certain provisions of the Code as referred to in this Announcement.

## **2. Proposed Last Trading Day and Cessation of Trading**

The Management Company has applied to the Listing Committee of SEHK for the Hong Kong Units of the Sub-Funds to formally cease trading on SEHK, which is expected to be from 15 February 2020 (i.e. the Trading Cessation Date).

14 February 2020 is expected to be the Last Trading Day when investors may buy or sell the Hong Kong Units on the SEHK in accordance with the usual trading arrangements currently in place, and no subscription and redemption of Hong Kong Units through Hong Kong Participating Dealers will be allowed after such date. Subscription and redemption of Hong Kong Units by Hong Kong Participating Dealers will continue to be permitted until the Last Trading Day. Subscriptions of Hong Kong Units will be limited to the subscription of Hong Kong Units by Hong Kong Participating Dealers for market making activities of the SEHK Market Makers to provide liquidity of the trading of the Hong Kong Units on the SEHK. There will be no subscription of Hong Kong Units for other purposes after the publication of this Announcement.

## **3. What will happen and what can investors do on or before the Last Trading Day?**

### **3.1 Subscription for Hong Kong Units**

After the publication of this Announcement, subscriptions for Hong Kong Units in the Sub-Funds (other than by Hong Kong Participating Dealers for market making activities) cannot be made through the Hong Kong Participating Dealer in the primary market. In other words, after the publication of this Announcement, Hong Kong Units in the Sub-Funds cannot be acquired by investors in Hong Kong in the primary market by way of subscription via the Hong Kong Participating Dealer.

### **3.2 Redemption of Hong Kong Units**

Requests for redemption of Hong Kong Units in the Sub-Funds in the primary market through the Hong Kong Participating Dealer may be made in accordance with the usual trading arrangement in place (except that any redemption fee will be waived) until 14 February 2020 (i.e. the Last Trading Day). From and including 15 February 2020 (i.e. the Trading Cessation Date), no further requests for any redemption of Hong Kong Units in the primary market will be accepted. In other words, with effect from 15 February 2020 (i.e. the Trading Cessation Date), Hong Kong Units in the Sub-Funds cannot be disposed of by investors in Hong Kong in the primary market by way of redemption via the Hong Kong Participating Dealer.

### **3.3 Trading of Hong Kong Units of the Sub-Funds on SEHK**

On any trading day up to and including the Last Trading Day, an investor may continue to buy or sell Hong Kong Units of the Sub-Funds on SEHK in accordance with the usual trading arrangements currently in place during the trading hours of SEHK and based on the prevailing market prices. The Management Company expects that the SEHK Market Maker(s) of the Sub-Funds will continue to perform its market making functions in accordance with the Trading Rules of the SEHK until the Trading Cessation Date.

Please note that the Fund does not charge any redemption fee for the sale of Hong Kong Units of the Sub-Funds on SEHK. Orders to sell Hong Kong Units of the Sub-Funds on SEHK can be placed via a stockbroker. However, Unitholders of the Hong Kong Units should note that such orders in the secondary market may incur costs

(such as brokerage, transaction levy (0.0027% of the total consideration for the Hong Kong Units, payable by each of the buyer and the seller) and trading fee (0.005% of the total consideration for the Hong Kong Units, payable by each of the buyer and the seller)) over which the Management Company has no control and to which the disapplication of the redemption fee described in section 3.2 does not apply.

No charge to stamp duty will arise in Hong Kong in respect of the sale or purchase of Hong Kong Units of the Sub-Funds on SEHK.

The trading price of Hong Kong Units of each of the Sub-Funds may be below or above the respective Net Asset Value per Hong Kong Units of the Sub-Funds.

#### **4. What will happen on or after the Trading Cessation Date?**

##### **4.1 Cessation of Trading**

Effective from the Trading Cessation Date, the Hong Kong Units of the Sub-Funds will cease trading on SEHK. Accordingly, no further buying or selling of the Hong Kong Units of the Sub-Funds on SEHK will be possible from and including the Trading Cessation Date. In addition, no further requests for subscription or redemption of Hong Kong Units in the Sub-Funds in the primary market will be accepted from and including the Trading Cessation Date.

##### **4.2 Limited operation of the Sub-Funds in Hong Kong**

From and including the Trading Cessation Date, the Sub-Funds will only be operated in a limited manner in Hong Kong in the sense that (a) the Sub-Funds shall no longer be marketed or offered to the public in Hong Kong, (b) no further buying or selling of the Hong Kong Units of the Sub-Funds on SEHK will be possible, and (c) no further requests for subscription or redemption of Hong Kong Units in the Sub-Funds in the primary market will be accepted.

#### **5. Liquidation of investments attributable to the Hong Kong Units**

The Management Company will proceed to the Termination of the Hong Kong Units by liquidating all the investments attributable to the Hong Kong Units with effect from 19 February 2020. The Custodian will provide the necessary oversight and technical support which are reasonably expected from a UCITS depository (*OGAW-Verwahrstelle*) in accordance with the KAGB to the Management Company during the Termination process, including facilitating the payment of the liquidation proceeds to the Unitholders of the Hong Kong Units upon receiving the Management Company's instructions.

The liquidation proceeds from the disposal of the investments attributable to the Hong Kong Units will be converted from EUR to HKD based on the bid market rate at 4:00 p.m. (CET time) on 19 February 2020. Such conversion will be consistent with the best execution standards. The liquidation proceeds will then be distributed among the Unitholders of the Hong Kong Units as of the Hong Kong Record Date who shall be entitled to payment of the liquidation proceeds in HKD in proportion to the Units held by them in the Sub-Fund.



The Hong Kong Record Date<sup>1</sup> in respect of any payment of liquidation proceeds resulting from such liquidation is 19 February 2020. The liquidation proceeds will be paid to the Unitholders of the Hong Kong Units as of the Hong Kong Record Date on or before 27 February 2020 (the "**Hong Kong Payment Date**"). The Management Company will issue an announcement on or before 24 February 2020 informing the investors of the liquidation proceeds to be distributed before the Hong Kong Payment Date.

Any unclaimed liquidation proceeds will at the completion of the termination procedure be deposited with the local court in Germany for 30 years, and upon expiration of such 30-year period any claims for such proceeds shall expire and the proceeds shall be allocated to the federal state where the German local court is situated.

After the payment of the liquidation proceeds to the Unitholders of the Hong Kong Units, the Management Company does not expect or anticipate there will be any further amount payable to any Unitholder of the Hong Kong Units. However, in the unlikely event there is any further amount payable to the Unitholders of the Hong Kong Units, the Management Company will issue an announcement on or before 4 March 2020 informing the investors of the amount and the payment date. For the avoidance of doubt, after the payment of the liquidation proceeds to the Unitholders of the Hong Kong Units, in the unlikely event that there is any unexpected outstanding liability in the Hong Kong Units, it will be borne by the Management Company or its affiliate.

## **6. Proposed Termination, Deauthorisation and Delisting**

### **6.1 Continued Authorisation and Listing Status**

During the period from and including the Trading Cessation Date up until the completion of the Deauthorisation and Delisting:

- (a) the Fund and the Sub-Funds will continue to maintain their authorisation status with the SFC and the Sub-Funds will continue to maintain its listing status with SEHK, although the Hong Kong Units of the Sub-Funds cannot be bought or sold on SEHK and the Sub-Funds shall no longer be marketed or offered to the public in Hong Kong;
- (b) the Sub-Funds will be operated only in a limited manner in Hong Kong (in the sense described in section 4.2 above); and
- (c) the Fund and the Sub-Funds will continue to comply with the Fund's constitutive documents, all the other applicable provisions of the Code, the applicable provisions in the "Overarching Principles Section" of the Handbook, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws and regulations save for the

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<sup>1</sup> For the purposes of this announcement, the Hong Kong Record Date means the date on which the Management Company will identify the Unitholders of the Hong Kong Units based on the names appearing on the records of the Central Clearing and Settlement System ("**CCASS**") established and operated by Hong Kong Securities Clearing Company Limited. For these purposes, the Hong Kong Record Date will be the third trading day following the Last Trading Day, the latter being 14 February 2020.

particular provisions of the Code set out in the section headed "9. Non-applicability of certain provisions of the Code" below.

## 6.2 Termination

On the date that the Management Company and the Custodian form an opinion that the Hong Kong Units cease to have any outstanding contingent or actual assets or liabilities, the Management Company and the Custodian will commence the completion of the Termination (i.e. the Termination Date). The Termination Date is expected to fall on or before 13 March 2020.

## 6.3 Deauthorisation and Delisting

Subject to the respective approvals of the SFC and SEHK of the Deauthorisation and Delisting, the Deauthorisation and Delisting are expected to take effect on a date (i.e. the Deauthorisation and Delisting Date) which falls either on the Termination Date or shortly after the Termination Date. The Management Company expects, subject to SEHK's approval, that the Delisting will only take place at or around the same time as the Deauthorisation.

Following the Deauthorisation, the Fund and the Sub-Funds will no longer be an SFC-authorized scheme. The Fund and the Sub-Funds will no longer be subject to regulation by the SFC and shall not be marketed or offered to the public in Hong Kong. The cessation of regulation by the SFC in respect of the Fund and the Sub-Funds means that, amongst others, any future changes to the Fund will not be subject to any requirement under the Code or the "Overarching Principles Section" of the Handbook.

In addition, following the Deauthorisation, any Hong Kong Prospectus, product key facts statements and other product documentation relating to the Sub-Funds or the Fund such as factsheets and marketing materials previously issued to investors should be retained for personal use only and should not be circulated to the public in Hong Kong. Further, stockbrokers, financial intermediaries and investors must not circulate any marketing or other product information relating to the Sub-Funds to the public in Hong Kong as this may be in breach of the SFO.

Following the Deauthorisation and Delisting, the Sub-Funds will no longer be tradeable in the secondary market on SEHK, and the Fund the Sub-Funds will not be authorised by the SFC. This means that the Fund and the Sub-Funds will no longer be a Hong Kong exchange traded fund.

For the avoidance of doubt, the Fund and the Sub-Funds will not be terminated following the Deauthorisation and Delisting. The Management Company shall continue to manage the Fund and the Sub-Funds in accordance with applicable laws and regulations as well as the Fund's constitutive documents and the Fund and the Sub-Funds will continue to be regulated by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

## 7. Further Announcements

Reminder announcements to Unitholders of the Hong Kong Units will be issued on a monthly basis from the date of this Announcement to the Last Trading Day, informing and reminding Unitholders of the Hong Kong Units of the Last Trading Day, the Trading Cessation Date and the Hong Kong Record Date. In addition, further announcements will be issued in due course to inform Unitholders of the Hong Kong

Units of the Hong Kong Payment Date, the amount of liquidation proceeds per Hong Kong Unit, whether there will be any further amount payable to the Unitholders of the Hong Kong Units after the payment of the liquidation proceeds to the Unitholders of the Hong Kong Units, the Termination Date, the Deauthorisation and Delisting Date and any changes to the schedule of proposed key dates set out in Annex I, as and when appropriate in accordance with the applicable regulatory requirements.

Please refer to Annex I for the schedule of the proposed key dates.

All financial intermediaries are urged to forward a copy of this Announcement, together with any further announcements, to their clients holding Hong Kong Units of the Sub-Funds, and inform them of the contents of this Announcement, and any further announcements, as soon as possible. They should assist their clients who want to dispose of Hong Kong Units of the Sub-Funds on or before the Last Trading Day and inform their clients as soon as possible if any earlier dealing deadline, additional fees or charges, and/or other terms and conditions will be applicable in respect of the provision of their services in connection with any disposal of Hong Kong Units of the Sub-Funds.

**IMPORTANT NOTE: Investors should pay attention to and consider the risk factors as set out in the section headed "10. Risk Factors relating to the proposed Cessation of Trading, Termination, Deauthorisation and Delisting" below (including additional trading risk, fluctuation of EUR and HKD exchange rate, tracking errors during the period from the date of this Announcement to the Last Trading Day risk, Net Asset Value downward adjustment risk and delay in payment of liquidation proceeds and any further amount payable risk). If Unitholders of the Hong Kong Units dispose of their holdings in the Hong Kong Units of the Sub-Funds at any time on or before the Last Trading Day, they will not, in any circumstances, be entitled to any portion of the liquidation proceeds or any further amount payable resulting from the liquidation in respect of any such Units so disposed. Investors should exercise caution and consult with their professional and financial advisers before dealing in the Hong Kong Units of the Sub-Funds or otherwise deciding on any course of action to be taken.**

## **8. Costs**

Any orders to buy or sell Hong Kong Units of the Sub-Funds on SEHK on or before the Last Trading Day may incur costs (such as brokerage, transaction levy and trading fee) over which the Management Company has no control.

Any redemption fee for redemption of Hong Kong Units of the Sub-Funds through the Hong Kong Participating Dealer prior to the Trading Cessation Date will be waived. However, the Hong Kong Participating Dealer may impose other fees and charges which would increase the cost of investment and/or reduce the redemption proceeds. Investors are advised to check with the Hong Kong Participating Dealer as to the relevant fees and charges.

The All-In Fee<sup>2</sup> and any other fees and expenses will continue to accrue daily in accordance with the Hong Kong Prospectus up to and including the date on which the liquidation of the investments attributable to the Hong Kong Units is completed.

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<sup>2</sup> The All-In Fee of the Hong Kong Units covers the costs and expenses as described in the "All-in Fee" sub-section in the General section of the Hong Kong Prospectus such as remuneration of Custodian and auditor's

The All-In Fee of the Hong Kong Units of ComStage 1 DAX® UCITS ETF and ComStage 1 DivDAX® UCITS ETF for the year ended 31 December 2018 were 0.15% and 0.25% per annum respectively, and they are also capped at 0.15% and 0.25% per annum respectively. Since the All-In-Fee is the same as the ongoing charges, the ongoing charges are also capped at the same percentage. The Management Company confirmed that it will continue to cap the ongoing charges at the same percentage until the Termination Date.

The figures of ongoing charges shown above are calculated in accordance with the guidance under the SFC circular titled "Disclosure of the ongoing charges figure and past performance information in the Product Key Facts Statements", and represents the ongoing expenses expressed as a percentage of the respective Sub-Fund's average Net Asset Value over the same period. Such figures of ongoing charges exclude any costs, charges and expenses associated with the proposed Cessation of Trading, Termination, Deauthorisation and Delisting.

Notwithstanding the disclosure in the Hong Kong Prospectus that the All-in Fees include costs arising from "the termination of the Units' listing on the stock exchange", all costs, charges and expenses associated with the proposed Cessation of Trading, Termination, Deauthorisation and Delisting will be borne by the Management Company or its affiliate and will not be borne by the Fund, the Sub-Funds, the Hong Kong Units, the Custodian or the Unitholders. As such, no provision will be set aside for the ongoing charges.

The proposal set out in this Announcement is not expected to impact the figure of ongoing charges disclosed above.

As of the date of this Announcement, there are no unamortised preliminary expenses or contingent liabilities (such as outstanding litigation) attributable to the Hong Kong Units.

## **9. Non-applicability of certain provisions of the Code**

### **9.1 General**

As mentioned above, although the trading of the Hong Kong Units of the Sub-Funds on SEHK will cease with effect from the Trading Cessation Date, the Fund and the Sub-Funds will maintain their authorisation status with the SFC and the Sub-Funds will maintain its listing status with SEHK up until the completion of the Deauthorisation and Delisting.

However, from and including the Trading Cessation Date, the Sub-Funds will only be operated in a limited manner in Hong Kong in the sense that (a) the Sub-Funds shall no longer be marketed or offered to the public in Hong Kong, (b) no further buying or selling of the Hong Kong Units of the Sub-Funds on SEHK will be possible, and (c) no further requests for subscription and redemption of Hong Kong Units in the Sub-Funds in the primary market will be accepted.

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fees. However, it does not cover costs arising in connection with the acquisition and sale of assets (transaction costs).

Given the Fund and the Sub-Funds will no longer be marketed to the public and have limited operations after they cease trading, pursuant to 8.6(t) of the Code and paragraph 13 of the ETF FAQs, the Fund and the Sub-Funds will continue to maintain their authorisation status with the SFC without the need to strictly comply with certain provisions of the Code for the period from and including the Trading Cessation Date up until the date of Deauthorisation, provided that the specific conditions and requirements imposed by the SFC are met. Such conditions and requirements are described in this section 9.

## 9.2 Updating of the Hong Kong Prospectus and KFS in respect of the Sub-Funds

Under Chapters 6.1 and 11.1B of the Code, the Hong Kong Prospectus and the KFS in respect of the Sub-Funds must be up-to-date and must be updated to incorporate any relevant changes to the Sub-Funds.

The Management Company will continue to manage the Sub-Funds without updating the Hong Kong Prospectus and the KFS in respect of the Sub-Funds as required under 6.1 and 11.1B of the Code from the Trading Cessation Date to the Deauthorisation Date, subject to the following conditions and requirements imposed by the SFC and which the Management Company has undertaken to meet:

- (a) the Management Company shall promptly notify investors of any changes to the Sub-Funds or to the Hong Kong Prospectus or the KFS of the Sub-Funds by means of publishing further announcement(s) on the website [www.comstage.com.hk](http://www.comstage.com.hk) and the HKEX's website (each, a **"Relevant Future Announcement"**); and
- (b) the Management Company shall ensure that each Relevant Future Announcement shall include a statement to refer investors to read this Announcement together with the Hong Kong Prospectus, the KFS of the Sub-Funds, and any other Relevant Future Announcement(s).

## 9.3 Provision of real time or near-real time indicative Net Asset Value per Unit and last Net Asset Value

Under 8.6(u)(i) and (ii) of the Code, the Management Company is required to provide real time or near-real time indicative Net Asset Value per Unit of the Sub-Funds (updated at least every 15 seconds during trading hours) and last Net Asset Value per Unit and last Net Asset Value of the Sub-Funds (updated on a daily basis) on the ETF website or such other channels as the SFC considers appropriate.

The Management Company will continue to manage the Sub-Funds without strict compliance with 8.6(u)(i) and (ii) of the Code from the Trading Cessation Date to the Deauthorisation Date, subject to the following conditions and requirements imposed by the SFC and which the Management Company has undertaken to meet:

- (a) the Management Company shall ensure the Net Asset Value per Unit of each Sub-Fund as of 14 February 2020 (i.e. the Last Trading Day), which will be the latest Net Asset Value per Unit of each Sub-Fund, will be published on the website [www.comstage.com.hk](http://www.comstage.com.hk); and
- (b) the Management Company shall update the latest available Net Asset Value per Unit of each of the Sub-Funds on the website [www.comstage.com.hk](http://www.comstage.com.hk) as soon as practicable should there be any other change to the Net Asset Value of each Sub-Fund, including but not limited to changes arising from (i) the payment of liquidation proceeds (please see further in section 5 above); (ii) further distribution (if any); (iii)

any deduction of transaction costs or taxes relating to the liquidation of assets attributable to the Hong Kong Units; and (iv) any change in market value of the scrip dividend receivable by the Sub-Funds (if any) of the underlying stocks.

#### 9.4 Publication of suspension of dealing

Under 10.7 of the Code, the Management Company is required to: (a) immediately notify the SFC if dealing in Hong Kong Units in the Sub-Funds ceases or is suspended; and (b) publish the fact that dealing is suspended immediately following the decision to suspend and at least once a month during the period of suspension in an appropriate manner.

The Management Company will continue to manage the Fund and the Sub-Funds without strict compliance with 10.7 of the Code from the Trading Cessation Date to the Deauthorisation Date, subject to the condition that a statement shall be posted in a prominent position of the website [www.comstage.com.hk](http://www.comstage.com.hk) from the Trading Cessation Date to the Deauthorisation Date to notify investors that the Hong Kong Units of the Sub-Funds have ceased trading on SEHK from 15 February 2020 (i.e. the Trading Cessation Date), and draw investors' attention to this Announcement, the subsequent reminder announcements and all other relevant announcements.

As the Sub-Funds will maintain their listing status with SEHK during the period from and including the Trading Cessation Date up until the date of Delisting, investors may continue to access further announcements in relation to the Fund and the Sub-Funds via the website [www.comstage.com.hk](http://www.comstage.com.hk) and HKEX's website during such period.

The Management Company confirms that the Fund and the Management Company will continue to comply with the Fund's constitutive documents, all the other applicable provisions of the Code, the applicable provisions in the "Overarching Principles Section" of the Handbook, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws and regulations save for the particular provisions of the Code set out in this section 9.

### 10. **Risk Factors relating to the proposed Cessation of Trading, Termination, Deauthorisation and Delisting**

As a consequence of the proposed Cessation of Trading, Termination, Deauthorisation and Delisting, investors should pay attention to and consider the following risks:

#### *Liquidity risk*

Trading of Hong Kong Units on the SEHK from the date of this Announcement may become less liquid.

#### *Units trading at a discount or premium and SEHK Market Maker's inefficiency risk*

The Hong Kong Units in the Sub-Funds may trade at a discount or premium of their Net Asset Value. Although the Management Company expects that, up to (and including) the Last Trading Day, the SEHK Market Maker will continue to perform its market making functions in respect of the Sub-Funds in accordance with the Trading Rules of the SEHK, the Hong Kong Units in the Sub-Funds may trade at a discount compared to their Net Asset Value in extreme market situations. This is because many investors may want to sell their Hong Kong Units in the Sub-Funds after the proposal of Deauthorisation, Delisting and Termination has been announced but there

may not be many investors in the market who are willing to purchase the Hong Kong Units. On the other hand, it is also possible that the Hong Kong Units in the Sub-Funds may trade at a premium, and consequently the divergence between the supply of and demand for the Hong Kong Units of the Sub-Funds may be larger than usual. In particular, should there be a large demand for Hong Kong Units before the Trading Cessation Date, the SEHK Market Maker may not be able to effectively perform its market making activities to provide liquidity of the trading of Hong Kong Units of the Sub-Funds on the SEHK in these extreme market situations. As a result, the price volatility of the Hong Kong Units of the Sub-Funds may be higher than usual from the date of this Announcement up to (and including) the Last Trading Day.

*Fluctuation of EUR and HKD exchange rate risk*

Although both the Sub-Funds and the Reference Index are denominated / calculated in EUR, the Hong Kong Units are traded in HKD. The liquidation proceeds will also be paid to Unitholders of the Hong Kong Units in HKD. Accordingly, Unitholders of Hong Kong Units will be exposed to exchange rate risk between EUR/HKD.

*Tracking errors during the period from the date of this Announcement to the Last Trading Day risk*

It is possible that the size of the Hong Kong Units may drop drastically before the Last Trading Day. This may impair the Management Company's ability to achieve the investment objective of the Hong Kong Units and result in increased tracking error.

*Net Asset Value downward adjustment risk*

Changes in economic environment, consumption pattern and investors' expectations may have significant impact on the value of the investments and there may be significant drop in value of the investments. Such market movements may result in substantial downward adjustment of the Net Asset Value per Unit before the Last Trading Day.

*Delay in distribution risk*

The Management Company will aim to realise all of the assets attributable to the Hong Kong Units and proceed with the distribution and further distribution (if any) as soon as practicable. However, the Management Company may not be able to realise all of the assets in a timely manner during certain periods of time, for example, when trading on the relevant stock exchanges is restricted or suspended or when the official clearing and settlement depository of the relevant market is closed. In this case, the payment of distribution or further distribution (if any) may be delayed.

*Delay in payment of liquidation proceeds and any further amount payable risk*

The payment of the liquidation proceeds may be delayed if there are any specific local statutory provisions or events of force majeure which are beyond the Management Company's control which make it impossible to transfer the liquidation proceeds or to proceed with such payment within the normal delay. Such payment shall be made as soon as reasonably practicable thereafter but without interest.

In the unlikely event that, after the payment of the liquidation proceeds to the Unitholders of the Hong Kong Units, there is any further amount payable to any Unitholder of the Hong Kong Units, such payment may also be delayed in

circumstances which are beyond the Management Company's control. Such payment shall also be made as soon as reasonably practicable thereafter but without interest.

Investors' attention is also drawn to the risks disclosed in the Hong Kong Prospectus of the Fund and the Sub-Funds (see the section headed "Risk Factors" in the Hong Kong Prospectus).

## **11. Tax implications**

No tax will be payable by Unitholders in Hong Kong in respect of any capital gains arising on a sale, realisation, redemption or other disposal of Hong Kong Units in the Sub-Funds, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong.

No tax should generally be payable by Unitholders in Hong Kong in respect of dividends or other income distributions of a Sub-Fund.

Investors should inform themselves of, and where appropriate take advice from their professional tax advisers on, the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription, purchase, holding, selling (via an exchange or otherwise) and redemption of Hong Kong Units in the country in which they are subject to tax.

## **12. Potential Conflicts of Interest**

Commerzbank AG, the Investment Manager, currently owns certain amount of Hong Kong Units of each of the Sub-Funds.

Each of the Investment Manager and the calculation agent are presently part of the same Commerzbank group. On the other hand, each of the Management Company, the Hong Kong Representative, the Hong Kong Participating Dealer and the SEHK Market Maker are presently part of the same Société Générale group. Although operationally independent, conflicts of interest in respect of the Sub-Funds may arise from time to time amongst any of them. The Management Company and the Investment Manager will vigorously manage any such conflict in the best interest of investors.

Save as the above, no other Connected Person (of the Management Company, the Investment Manager and the Custodian) is involved in any transaction in relation to the Hong Kong Units of the Sub-Funds nor holds any interest in the Hong Kong Units of the Sub-Funds as of the date of this Announcement.

## **13. Documents available for inspection**

Copies of the following documents may be inspected free of charge during usual business hours on any business day in Hong Kong at the registered office of the Hong Kong Representative and for making of copies thereof upon the payment of a reasonable fee:

- (a) the General Investment Terms and Conditions of the Fund (in English translation);
- (b) the Special Investment Terms and Conditions of each of the Sub-Funds (in English translation);



- (c) the Investment Management Agreement (in English translation);
- (d) the Depositary and Information Agreement (in English translation);
- (e) the Service Agreement with regard to the outsourcing of the fund administration (in English translation);
- (f) the Hong Kong Participating Agreement;
- (g) the Hong Kong Representative Agreement;
- (h) the Service Agreements;
- (i) the Risk Management Policy of the Management Company;
- (j) the most recent financial reports of the Fund; and
- (k) the Hong Kong Prospectus and product key facts statements of the Sub-Funds.

**14. Other Information**

The authorisation of the Hong Kong Prospectus of the Fund and the product key facts statement of each of the Sub-Funds will be withdrawn on the Deauthorisation and Delisting Date.

The Management Company accepts full responsibility for the accuracy of the information contained in this Announcement as at the date of publication, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as at the date of publication, there are no other facts the omission of which would make any statement misleading.

**15. Enquiries**

If you have any queries, please direct these to your financial adviser or alternatively the Hong Kong Representative (see below):

SG Securities (HK) Limited

Address: Level 38 Three Pacific Place, 1 Queen's Road East, Hong Kong

Telephone number: +852 2166 4276

**Commerz Funds Solutions S.A.  
as Management Company of the Fund and Sub-Funds  
14 August 2019**

## Annex I

### Schedule of the proposed key dates

Subject to the respective approvals of the SFC and SEHK for the proposed arrangements set out in this Announcement, it is anticipated that the expected important dates in respect of the Fund and the Sub-Funds will be as follows:

<p>Dispatch of this Announcement</p> <p>No further request for subscription of Hong Kong Units in the Sub-Funds by investors in Hong Kong in the primary market via the Hong Kong Participating Dealer (other than by Hong Kong Participating Dealers for market making activities) after the publication of this Announcement</p>	14 August 2019
<p>Last day on which requests for subscription by Hong Kong Participating Dealer for market making activities and redemption of Hong Kong Units in the Sub-Funds in the primary market may be accepted</p> <p>Last trading day in the Hong Kong Units of the Sub-Funds on SEHK in the secondary market (i.e. the Last Trading Day)</p>	14 February 2020
<p>No further requests for subscription and redemption of Hong Kong Units in the Sub-Funds in the primary market will be accepted</p> <p>Cessation of trading in the Hong Kong Units of the Sub-Funds on SEHK in the secondary market (i.e. the Trading Cessation Date)</p> <p>The Sub-Funds shall no longer be marketed or offered to the public in Hong Kong</p>	15 February 2020
<p>The record date for determining the eligibility of entitlement for the payment of liquidation proceeds resulting from the liquidation (i.e. the Hong Kong Record Date)</p>	By close of business on 19 February 2020
<p>The date with effect from which the Management Company proceeds to the Termination of the Hong Kong Units by liquidating all the investments attributable to the Hong Kong Units</p>	19 February 2020
<p>Dispatch of the announcement informing the investors of the distributed amount of liquidation proceeds</p>	24 February 2020
<p>The liquidation proceeds resulting from the liquidation (converted into HKD) paid to Unitholders of the Hong Kong Units as of the Hong Kong Record Date on or before this date (i.e. the Hong Kong Payment Date)</p>	On or before 27 February 2020
<p>In the unlikely event there is any further amount payable to the Unitholders of the Hong Kong Units as of the Hong Kong Record Date after the payment of the liquidation proceeds to such Unitholders, dispatch of an announcement to inform investors of the amount and payment date</p>	On or before 4 March 2020

Payment of further amount (if any) to the Unitholders of the Hong Kong Units as of the Hong Kong Record Date as mentioned in the preceding paragraph	On or before 10 March 2020
Termination of the Hong Kong Units	On or before 13 March 2020, which is the date on which the Management Company and the Custodian form an opinion that the Hong Kong Units cease to have any outstanding contingent or actual assets or liabilities
Deauthorisation and Delisting of the Fund and the Sub-Funds	<p>On or before 13 March 2020, which is the date on which the SFC and SEHK approve the Deauthorisation and Delisting respectively</p> <p>The Management Company expects that the Deauthorisation and Delisting will take place either on the Termination Date or shortly after the Termination Date</p>

**If there is any change to the schedule of proposed key dates above, an announcement will be issued by the Management Company as and when appropriate in accordance with the applicable regulatory requirements.**