

# PRODUCT KEY FACTS

## ComStage 1

### ComStage 1 DivDAX® UCITS ETF

Issuer: Lyxor Funds Solutions S.A.

18 November 2019

*This is a passive exchange traded fund.*

*This statement provides you with key information about this product.*

*This statement is a part of the Hong Kong Prospectus.*

*You should not invest in this product based on this statement alone.*

#### Quick facts

**Stock code:** 3177

**Trading lot size:** 20 Units

**Management Company:** Lyxor Funds Solutions S.A.

**Custodian:** BNP Paribas Securities Services S.C.A., Zweigniederlassung Frankfurt am Main

**Investment Manager:** Lyxor International Asset Management S.A.S. Deutschland (internal delegation)

**Base currency:** Euro

**Ongoing charges over a year<sup>#</sup>:** 0.25%

**Trading currency:** HKD

**Tracking difference of the last calendar year<sup>###</sup>:** 0.043%

**Underlying Index:**  
DivDAX® Index (price index) (the “**Index**”)

**Financial year end of this fund:**  
30 June

**Dividend policy:** Annually in Euro, subject to the Management Company’s discretion. There is no guarantee of regular distribution and, if distribution is made, the amount being distributed. Please refer to “Distribution related risk” on page 5

**ETF Hong Kong website:**  
<http://www.eng.comstage.com.hk/DE000ETF8027>

#### What is this product?

ComStage 1 DivDAX® UCITS ETF (the “**Sub-Fund**”) is a sub-fund of ComStage 1, an umbrella fund established in the form of *Sondervermögen* in Germany and approved under the UCITS regulations. The Sub-Fund is a passively-managed exchange traded fund (an “**ETF**”) falling within Chapter 8.6 of the Code on Unit Trusts and Mutual Funds issued by the SFC (the “**Code**”). The units of the Sub-Fund are listed on The Stock Exchange of Hong Kong Limited (the “**SEHK**”). These units are traded on the SEHK like listed stocks. The Sub-Fund is domiciled in Germany and its home regulator is BaFin – German Federal Financial Supervisory Authority.

The Sub-Fund is also primarily listed on the Frankfurt Stock Exchange.

# The ongoing charges figure is an annualised figure based on expenses reported in the Sub-Fund’s Semi-Annual Report for the period ended 31 December 2018, expressed as a percentage of the

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average Net Asset Value of the Sub-Fund (the “NAV”) over the same period. This figure may vary from year to year.

## This is the actual tracking difference of the last calendar year. Investors should refer to the Sub-Fund’s website for more up-to-date information on actual tracking difference.

## Objective and investment strategy

### Objective

The investment objective of the Sub-Fund is to deliver a return to investors that, before fees and expenses, closely corresponds to the performance of the DivDAX® Index (price index) (the “**Index**”).

### Strategy

The Management Company intends to adopt primarily a full replication strategy to achieve the investment objective of the Sub-Fund. The Management Company may however, in the appropriate circumstances, choose to use a representative sampling strategy.

When the Sub-Fund adopts the replication strategy, it will invest in all or substantially all the Index securities constituting the Index in substantially the same weightings (i.e. proportions) as these Index securities have in the Index.

When the Sub-Fund adopts the representative sampling strategy, it will invest in a portfolio featuring high correlation with the Index and/or in other securities that are not index components if the portfolio matches the characteristics of the Index.

Investors should note that the Management Company may switch between the full replication and representative sampling strategies without notice to investors and in its absolute discretion.

There is no current intention for the Sub-Fund to:

- (a) invest in any financial derivative instruments for non-hedging (i.e. investment) purposes; or
- (b) engage in securities lending, repurchase transactions or other similar over-the-counter transactions

but this may change in light of market circumstances and where the Sub-Fund does engage in these types of transactions, prior approval shall be obtained from the SFC and no less than 1 month’s prior notice will be given to the unitholders.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in the Hong Kong Prospectus.

### Underlying Index

The Index, which is compiled and published by Deutsche Börse AG, contains the 15 companies in the German benchmark DAX® Index with the highest dividend yields. The dividend yield is calculated by dividing the dividend paid by the closing price of the stock on the day prior to distribution. The Index is an index weighted by free-float market capitalisation, with each stock being subject to a maximum weighting of 10%.

The Index of the Sub-Fund is calculated as a price return index. A price return index calculates the performance of the index constituents on the basis that any dividends or distributions are not included in the index returns.

The Index was launched on 1 March 2005 and had a base level of 100 on 20 September 1999. The Index is denominated in Euro.

The Management Company (and each of its Connected Persons) is independent of Deutsche Börse AG, the index provider.

The constituents of the Index and their respective weightings are available on <http://www.eng.comstage.com.hk/DE000ETF8027>.

For details (including the latest index level, index constituents, index methodology and other important news), please refer to the index website at [www.dax-indices.com](http://www.dax-indices.com).

## Use of derivatives/Investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.

## What are the key risks?

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### 1. Eurozone risk

- In light of ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the Sub-Fund's investments in the region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of EU members from the Eurozone, may have a negative impact on the value of the Sub-Fund.

### 2. Concentration risk

- The exposure of the Sub-Fund is concentrated in Germany and may be more volatile than funds adopting a more diversified strategy.
- The Index may have only a limited number of index constituents, in which case, the Index would be more easily affected by the price movements of any one index constituent than an index which has a larger number of index constituents.

### 3. Foreign exchange risk

- The units of the Sub-Fund listed on the SEHK are traded in HKD, but the NAV of the Sub-Fund and the Index are calculated in Euro and the underlying investments or distributions of a Sub-Fund are denominated in Euro. Accordingly, unitholders will be exposed to foreign exchange currency risks arising from the fluctuations of HKD and Euro. Unitholders may suffer a loss if Euro depreciates against HKD, irrespective of the positive performance of the Index.

### 4. Reliance on the same group and conflicts of interests risk

- Although operationally independent, each of the Management Company, the Investment Manager, the Hong Kong Participating Dealer, the SEHK Market Maker and the Hong Kong Representative are presently part of the same Société Générale group. In the event of a financial catastrophe or the insolvency of any member of the group, the NAV and liquidity of the Sub-Fund may be adversely affected and their operation may be disrupted.
- Given that the Management Company, the Investment Manager, the Hong Kong Participating Dealer, the SEHK Market Maker and the Hong Kong Representative are presently part of the same Société Générale group, conflicts of interest in respect of the Sub-Fund may arise from time to time amongst members of the same group. The Management Company and the Investment Manager will vigorously manage any such conflict in the best interest of investors.

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**5. Investment risk**

- The Sub-Fund is an investment fund. There is no guarantee of the repayment of principal. Therefore your investment in the Sub-Fund may suffer losses.

**6. Passive investment risk**

- The Sub-Fund is passively managed and the Management Company will not have the discretion to adapt to market changes due to the inherent investment nature of the Sub-Fund. Falls in the Index are expected to result in corresponding falls in the value of the Sub-Fund.

**7. Management Risk**

- Because there can be no guarantee that the Sub-Fund's performance is identical to that of the Index, it is subject to management risk. This is the risk that the Investment Manager's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Investment Manager has absolute discretion to exercise unitholders' rights with respect to securities comprising the Sub-Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of the Sub-Fund being achieved.

**8. Tracking error risk**

- The Sub-Fund may be subject to tracking error risk, which is the risk that its performance may not track that of the Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Management Company will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

**9. Index-related risk**

- There may be errors in Index data which may not be identified or corrected for a period of time. This may have an adverse impact on the Sub-Fund and its unitholders. Index provider may change the securities which comprise the Index from time to time and the securities may be delisted. The SFC may withdraw authorisation of the Sub-Fund if the Index is no longer considered acceptable.

**10. Trading risk**

- The trading price of the units on the SEHK is driven by market factors such as the demand and supply of the units. Therefore, the units may trade at a substantial premium or discount to the Sub-Fund's NAV.
- As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell units on the SEHK, investors may pay more than the NAV per unit when buying units on the SEHK, and may receive less than the NAV per unit when selling units on the SEHK.

**11. Trading differences risk**

- As the Frankfurt Stock Exchange may be open when units in the Sub-Fund are not priced, the value of the securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund's units.
- Differences in trading hours between the Frankfurt Stock Exchange and the SEHK may also increase the level of premium or discount of the unit price to its NAV.

**12. Termination risk**

- The Sub-Fund may be terminated early under certain circumstances, for example, the Management Company has the right to terminate its management of a Sub-Fund. Investors may not be able to recover their investments and suffer a loss when the Sub-Fund is terminated.

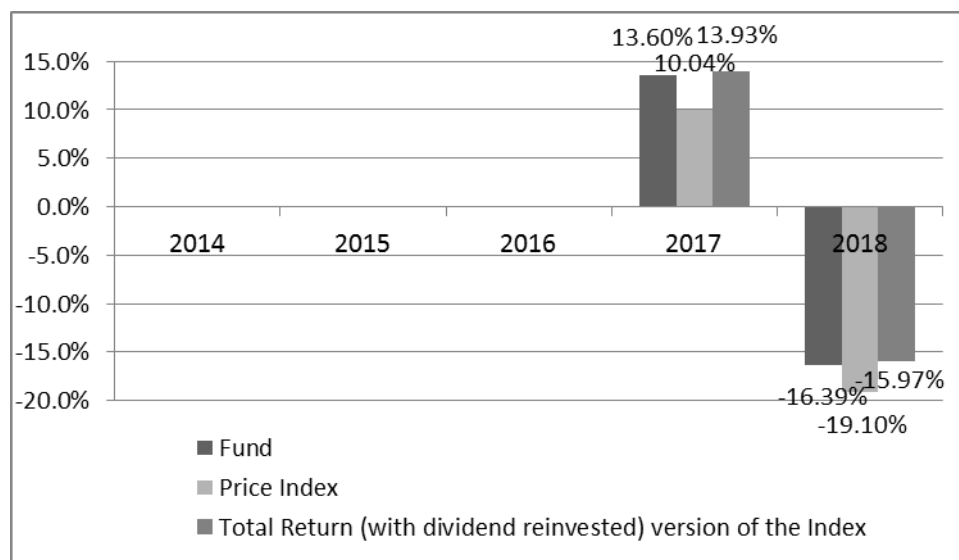
### 13. Reliance on SEHK Market Maker risks

- Although the Management Company will use its best endeavours to put in place arrangements so that at least one SEHK Market Maker will maintain a market for the units and that at least one SEHK Market Maker gives not less than 3 months' notice prior to terminating market making arrangement under the relevant market maker agreement, liquidity in the market for the units may be adversely affected if there is no or only one SEHK Market Maker. There is also no guarantee that any market making activity will be effective.

### 14. Distributions related risk

- There is no assurance that the Sub-Fund will declare to pay distributions. Investors may not receive any distributions. All Units will receive distributions in Euro. In the event that the relevant unitholder has no Euro account, the unitholder may have to bear the fees and charges associated with the conversion of such distribution from Euro into HKD or any other currency. Unitholders are advised to check with their brokers for arrangements concerning distributions.
- The Management Company may amend the distribution policy of the Sub-Fund subject to the SFC's prior approval and by giving not less than one month prior notice to investors.

## How has the Sub-Fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in EUR including ongoing charges and excluding trading costs on SEHK you might have to pay.

- Where no past performance is shown there was insufficient data available in that year to provide performance.
- **ComStage 1 DivDAX® UCITS ETF (II)** Unit class launch date: 18 May 2016.

## Is there any guarantee?

The Sub-Fund does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the Sub-Fund on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
SFC Transaction Levy	0.0027% of the trading price
SEHK Trading Fee	0.005% of the trading price
Stamp Duty	Nil

### Ongoing fees payable by the Sub-Fund

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the NAV of the Sub-Fund which may affect the trading price.

	Annual rate (as a % of the Sub-Fund's value)
All-in fee (covers the remuneration to the Management Company, Investment Manager, Custodian and Administrator and other fees and expenses as disclosed in the Hong Kong Prospectus)	Up to 0.25% p.a.
Performance fee	Nil

### Other fees

You may have to pay other fees when dealing in the Units. Please refer to the Hong Kong Prospectus for details of other fees and expenses applicable to the subscription or redemption, or dealing in Units.

## Additional information

You can find the following information on the Sub-Fund at the following website: <http://www.eng.comstage.com.hk/DE000ETF8027>:

- the Hong Kong Prospectus and the product key facts statement (as revised from time to time);
- the latest audited annual report and unaudited semi-annual report (English language only);
- any notices and any announcements, including information with regard to the Sub-Fund and the Index, relating to changes in fees, material alteration or addition to the Hong Kong Prospectus or the constitutive documents of ComStage 1 and the Sub-Fund, suspension and resumption of (i)

- subscriptions and redemptions of Units; (ii) trading of Units; and (iii) calculation of the NAV;
- (d) the near real time estimated NAV per Unit updated every 15 seconds throughout each valuation day in HKD;
  - (e) the last NAV and the last NAV per Unit in Euro and HKD (updated on a daily basis);
  - (f) the composition of the Sub-Fund (updated on a daily basis);
  - (g) the latest list of the Hong Kong Participating Dealers and SEHK Market Makers; and
  - (h) the ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the Sub-Fund.

The last NAV and the last NAV per Unit in HKD under (e) are indicative and for reference only. They are calculated using the last NAV and the last NAV per Unit in Euro respectively multiplied by the mid-rate exchange rate provided by Bloomberg for HKD at 4:00 p.m. (London time) as of the same valuation day.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.