IMPORTANT: If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for independent financial advice.

Samsung S&P GSCI Crude Oil ER Futures ETF (the "Sub-Fund") is a futures-based exchange traded fund. Investment in the Sub-Fund is only suitable to those investors who are in a financial position to assume the risks involved in futures investments.

Futures investments are subject to certain key risks including leverage, counterparty and liquidity risks. Movement in the prices of futures may be highly volatile. The Sub-Fund may not be suitable for all investors. It is possible that the entire value of your investment could be lost.

Please refer to the "Risk Factors" section in this Prospectus as well as the "Risk factors specific to the Sub-Fund" section in each Appendix.

SAMSUNG ETFS TRUST

(a Hong Kong umbrella unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)

Samsung S&P GSCI Crude Oil ER Futures ETF

HKD Counter Stock Code: 03175

Samsung NYSE FANG+ ETF

HKD Counter Stock Code: 02814
USD Counter Stock Code: 09814

Samsung Bloomberg Global Semiconductor ETF

HKD Counter Stock Code: 03132

PROSPECTUS

Manager
Samsung Asset Management (Hong Kong) Limited
三星資產運用（香港）有限公司

Investment Adviser
Samsung Asset Management Co., Limited

Listing Agent
Altus Capital Limited

22 October 2021

Hong Kong Exchanges and Clearing Limited ("HKEx"), The Stock Exchange of Hong Kong Limited (the "SEHK"), Hong Kong Securities Clearing Company Limited ("HKSCC") and the Hong Kong Securities and Futures Commission (the "SFC") take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. The Trust and the Sub-Fund have each been authorised as collective investment schemes by the SFC. 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.

IMPORTANT INFORMATION

This Prospectus relates to the offer in Hong Kong of units (the "Units") in the Samsung ETFs Trust (the "Trust"), an umbrella unit trust established under Hong Kong law by a trust deed dated 13 January 2015, as amended from time to time (the "Trust Deed") between Samsung Asset Management (Hong Kong) Limited 三星資產運用（香港）有限公司 (the "Manager") and HSBC Institutional Trust Services (Asia) Limited (the "Trustee"). The Trust may have one or more sub-funds (the "Sub-Funds" or individually a "Sub-Fund") which are exchange traded funds.

The information contained in this Prospectus has been prepared to assist potential investors in making an informed decision in relation to investing in the Sub-Funds. It contains important facts about the Sub-Funds whose Units are offered in accordance with this Prospectus. A product key facts statement which contains the key features and risks of each of the Sub-Funds is also issued by the Manager and such product key facts statement shall form part of this Prospectus, and shall be read, in conjunction with, this Prospectus.

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and the Product Key Facts Statement of each Sub-Fund and confirms having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this Prospectus or any Product Key Facts Statement misleading. The Manager also confirms that this Prospectus includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Code on Unit Trusts and Mutual Funds (the "Code") and the "Overarching Principles" of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products for the purposes of giving information with regard to the Units. The Trustee is not responsible for the preparation of this Prospectus and shall not be held liable to any person for any information disclosed in this Prospectus, except for the information regarding the Trustee itself under the paragraph headed "The Trustee and Registrar" in the section on "Management of the Trust".

Currently the only Sub-Fund is a collective investment scheme falling within Chapters 8.6 and 8.8 of the Code. The Trust and each Sub-Fund are authorised by the SFC in Hong Kong under Section 104 of the Securities and Futures Ordinance. The SFC takes no responsibility for the financial soundness of the Trust, any Sub-Fund or for the correctness of any statements made or opinions expressed in this Prospectus. 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.

You should consult your financial adviser or your tax advisers and take legal advice as appropriate as to whether any governmental or other consents are required, or other formalities need to be observed, to enable you to acquire Units as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable and to determine whether any investment in a Sub-Fund is appropriate for you.

Dealings in the Units of Samsung S&P GSCI Crude Oil ER Futures ETF and Samsung NYSE FANG+ ETF on The Stock Exchange of Hong Kong Limited (the "SEHK") have already commenced. The Units of Samsung S&P GSCI Crude Oil ER Futures ETF and Samsung NYSE FANG+ ETF have been accepted as eligible securities by Hong Kong Securities Clearing Company Limited ("HKSCC") for deposit, clearing and settlement in the Central Clearing and Settlement System ("CCASS").

Application has been made to the SEHK for the listing of, and permission to deal in the Units of Samsung Bloomberg Global Semiconductor ETF. Subject to compliance with the admission requirements of HKSCC, the Units of Samsung Bloomberg Global Semiconductor ETF will be accepted as eligible securities by HKSCC for deposit, clearing and settlement in the CCASS with effect from the date of commencement of dealings in the Units of Samsung Bloomberg Global Semiconductor ETF on the SEHK or such other date as may be determined by HKSCC.

Settlement of transactions between participants of the SEHK is required to take place in CCASS on the second CCASS Settlement Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No action has been taken to permit an offering of Units or the distribution of this Prospectus in any jurisdiction other than Hong Kong and, accordingly, this Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The Units have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any other United States Federal or State law and, except in a transaction which does not violate the US Securities Act, may not be directly or indirectly offered to or sold in the United States of America or any of its territories or for the benefit of a US Person (as defined in Regulation S of the US Securities Act). The Trust and the Sub-Funds have not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended. Units may not be acquired or owned by (i) an employee benefit plan, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), that is subject to Title I of ERISA, (ii) a plan, as defined in Section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), that is subject to Section 4975 of the Internal Revenue Code, (iii) a plan that is subject to any other law, regulation, rule or restriction that is substantially similar to ERISA or Section 4975 of the Internal Revenue Code ("Similar Law") or (iv) an entity whose assets are deemed to include the assets of such an employee benefit plan or plan for purposes of ERISA, Section 4975 of the Internal Revenue Code or Similar Law, unless the purchase, holding and disposition of units will not constitute a violation under ERISA, Section 4975 of the Internal Revenue Code and any applicable Similar Law.

Furthermore, distribution of this Prospectus shall not be permitted unless it is accompanied by a copy of the latest annual financial statements of the Sub-Fund(s) (where existing) and, if later, its most recent interim report.

You should note that any amendment or addendum to this Prospectus will only be posted on the Manager's website (www.samsungetfhk.com) the contents of which, and of any other websites referred to in this Prospectus, have not been reviewed by the SFC. This Prospectus may refer to information and materials included in websites. Such information and materials do not form part of this Prospectus and they have not been reviewed by the SFC or any regulatory body. Investors should note that the information provided in websites may be updated and changed periodically without any notice to any person.

Questions and Complaints

Investors may raise any questions on or make any complaints about the Trust (including the Sub-Funds) by contacting the Manager at its address as set out in the Directory of this Prospectus or calling the Manager on +852 2115 8710 during normal office hours.

DIRECTORY

Manager
Samsung Asset Management (Hong Kong) Limited
三星資產運用（香港）有限公司
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
Korea

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

Listing Agent
Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

*Participating Dealers**
Please refer to the relevant Appendix of each Sub-Fund

*Market Makers**
Please refer to the relevant Appendix of each Sub-Fund

Auditors
Ernst & Young
27/F, One Taikoo Place
979 King's Road
Hong Kong

Legal Counsel to the Manager
Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

Service Agent
HK Conversion Agency Services Limited
8th Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

* *Please refer to the Manager's website for the latest lists of Market Makers and Participating Dealers for each of the Sub-Funds.*

CONTENTS

PART 1 – GENERAL INFORMATION RELATING TO THE TRUST AND SUB-FUNDS

Part 1 of this Prospectus includes information relevant to the Trust and all Sub-Funds established under the Trust and listed on the SEHK.

The information presented in this Part 1 should be read in conjunction with the information presented in the relevant Appendix in Part 2 of this Prospectus in respect of a particular Sub-Fund. Where the information in Part 2 of this Prospectus conflicts with the information presented in this Part 1, the information in the relevant Appendix in Part 2 prevails, however, it is applicable to the specific Sub-Fund of the relevant Appendix only. Please refer to Part 2 "Specific Information Relating to Each Sub-Fund" for further information.

DEFINITIONS

In this Prospectus (including the relevant Appendix for any Sub-Fund), unless the context requires otherwise, the following expressions have the meanings set out below. Other capitalised terms used, but not defined, have the meaning given to those terms in the Trust Deed.

"After Listing" means the period which commences on the Listing Date and continues until the Sub-Fund(s) is/are terminated.

"Appendix" means an appendix to this Prospectus that sets out specific information applicable to a Sub-Fund.

"Application" means an application by a Participating Dealer for the creation or redemption of Units in accordance with the procedures for creation and redemption of Units set out in the Operating Guidelines, the relevant Participation Agreement and the terms of the Trust Deed.

"Application Unit" means, in relation to each Sub-Fund, such number of Units or whole multiples thereof as specified in this Prospectus or such other number of Units from time to time determined by the Manager, approved by the Trustee and notified by the Manager to the Participating Dealers.

"Business Day" in respect of the Sub-Fund(s), means, unless the Manager and the Trustee otherwise agree, a day on which (a)(i) the SEHK is open for normal trading; and (ii) the relevant market on which Securities and/or Futures Contracts, as the case may be, are traded is open for normal trading, or (iii) if there is more than one such market, the market designated by the Manager is open for normal trading, and (b) the Index is compiled and published, or such other day or days as the Manager and the Trustee may agree from time to time provided that if on any such day, the period during which the relevant securities market is open for normal trading is reduced as a result of a Number 8 Typhoon Signal, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Manager and the Trustee otherwise agree.

"Cancellation Compensation" means an amount payable by a Participating Dealer for the account of a Sub-Fund in respect of a Default or a cancellation of Creation Application or Redemption Application in accordance with the Trust Deed, as set out in the Trust Deed and in the Operating Guidelines applicable at the time the relevant Creation Application or Redemption Application is made.

"CCASS" means the Central Clearing and Settlement System established and operated by HKSCC or any successor system operated by HKSCC or its successors.

"CCASS Settlement Day" means the term "Settlement Day" as defined in the General Rules of CCASS.

"CFTC" means Commodity Futures Trading Commission of the United States or its successors.

"Code" means the Code on Unit Trusts and Mutual Funds issued by the SFC (as amended or replaced from time to time).

"Connected Person" has the meaning as set out in the Code which at the date of this Prospectus means in relation to a company:

(a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20% or more of the total votes in that company; or

(b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or

(c) any member of the group of which that company forms part; or

(d) any director or officer of that company or of any of its connected persons as defined in (a),

(b) or (c).

"Creation Application" means an application by a Participating Dealer for the creation and issue of Units in an Application Unit size in accordance with the Operating Guidelines and the Trust Deed.

"Dealing Day" means each Business Day during the continuance of the relevant Sub-Fund, and/or such other day or days as the Manager may from time to time determine with the approval of the Trustee.

"Dealing Deadline" in relation to any particular place and any particular Dealing Day, means the time on each Dealing Day specified in the "The Offering Phases" section of this Prospectus or such other time or day as the Manager may from time to time determine with the approval of the Trustee.

"Default" means a failure by a Participating Dealer in respect of:

(a) a Creation Application to deliver the requisite Securities and/or relevant cash amount; or

(b) a Redemption Application to deliver the Units the subject of the Redemption Application and/or relevant cash amount.

"Deposited Property" means, in respect of each Sub-Fund, all the assets (including Income Property), received or receivable by the Trustee, for the time being held or deemed to be held upon the trusts and subject to the terms of the Trust Deed for the account of the Sub-Fund(s) but excluding (i) the Income Property standing to the credit of the distribution account of such Sub-Fund (other than interest earned thereon) and (ii) any such other amount for the time being standing to the credit of the distribution account of such Sub-Fund.

"Duties and Charges" means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Deposited Property or the increase or decrease of the Deposited Property or the creation, issue, transfer, cancellation or redemption of Units or the acquisition or disposal of Securities and/or Futures Contracts (as the case may be) or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing and including but not limited to, in relation to an issue of Units or redemption of Units, a charge (if any) of such amount or at such rate as is determined by the Manager or the Trustee to be made for the purpose of compensating or reimbursing the Trust for the difference between (a) the prices used when valuing the Securities and/or Futures Contracts (as the case may be) in the Trust Fund for the purpose of such issue or redemption of Units and (b) (in the case of an issue of Units) the prices which would be used when acquiring the same Securities and/or Futures Contracts (as the case may be) if they were acquired by the Trust with the amount of cash received by the Trust upon such issue of Units and (in the case of a redemption of Units) the prices which would be used when selling the same Securities and/or Futures Contracts (as the case may be) if they were sold by the Trust in order to realise the amount of cash required to be paid out of the Trust Fund upon such redemption of Units.

"Encumbrance" means any mortgage, charge, pledge, lien, third party right or interest, any other encumbrance or security interest of any kind or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect other than any such encumbrance or security interest imposed by the terms of the relevant clearing system/depositary or otherwise created by the terms of the Participation Agreement, the Trust Deed or any agreement between the Manager, the Trustee and the relevant Participating Dealer.

"Entities within the Same Group" means entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognised accounting standards.

"Extension Fee" means the fee payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.

"FDIs" means financial derivative instruments.

"Futures Contract" means any futures contract which is traded on any Futures Exchange.

"Futures Exchange" means the Hong Kong Futures Exchange Limited.

"Government and other Public Securities" has the meaning as set out in the Code.

"HKD" means Hong Kong dollars, the lawful currency of Hong Kong.

"HKEx" means Hong Kong Exchanges and Clearing Limited or its successors.

"HKSCC" means the Hong Kong Securities Clearing Company Limited or its successors.

"IFRS" means International Financial Reporting Standards.

"Income Property" means, in respect of each Sub-Fund, (a) all interest, dividends and other sums deemed by the Trustee, (after consulting the auditors either on a general or case by case basis), to be in the nature of income (including taxation repayments, if any) received or receivable by the Trustee in respect of the Deposited Property of the relevant Sub-Fund (whether in cash or, without limitation, by warrant, cheque, money, credit or otherwise or the proceeds of sale or transfer of any Income Property received in a form other than cash); (b) all interest and other sums received or receivable by the Trustee in respect of (a), (c) or (d) of this definition; (c) all cash payments received or receivable by the Trustee for the account of the relevant Sub-Fund in respect of an Application; and (d) all Cancellation Compensation received by the Trustee for the account of the relevant Sub-Fund; and (e) any payments to be received or are receivable by the Trustee under any contractual agreements in the nature of investments for the benefit of the relevant Sub-Fund but excluding (i) the Deposited Property; (ii) any amount for the time being standing to the credit of the distribution account for the account of the relevant Sub-Fund(s) or previously distributed to Unitholders; (iii) gains for the account of the relevant Sub-Fund arising from the realisation of Securities and/or Futures Contracts (as the case may be); and (iv) any sums applied towards payment of the fees, costs and expenses payable by the Trust from the Income Property of the relevant Sub-Fund;

"Index" means, in respect of a Sub-Fund, the index or benchmark, if any, against which a Sub-Fund may be benchmarked or may otherwise be referenced as set out in the relevant Appendix.

"Index Provider" means, in respect of a Sub-Fund, the person responsible for compiling the Index against which the relevant Sub-Fund benchmarks its investments and who holds the right to licence the use of such Index to the relevant Sub-Fund as set out in the relevant Appendix.

"Initial Issue Date" means the date of the first issue of Units, which shall be, unless otherwise specified in the relevant Appendix, the Business Day immediately before the Listing Date.

"Initial Offer Period" means, in respect of each Sub-Fund(s) the period before the relevant Listing Date as set out in the relevant Appendix.

"Insolvency Event" occurs in relation to a person where (i) an order has been made or an effective resolution passed for the liquidation or bankruptcy of the person; (ii) a receiver or similar officer has been appointed in respect of the person or of any of the person's assets or the person becomes subject to an administration order; (iii) the person enters into an arrangement with one or more of its creditors or is deemed to be unable to pay its debts; (iv) the person ceases or threatens to cease to carry on its business or substantially the whole of its business or makes or threatens to make any material alteration to the nature of its business; or (v) the Manager in good faith believes that any of the above is likely to occur.

"Investment Adviser" means in respect of each Sub-Fund, unless otherwise stated in the relevant Appendix, Samsung Asset Management Co., Limited.

"Issue Price" means the price at which Units may be issued, determined in accordance with the Trust Deed.

"Listing Date" means, in respect of a Sub-Fund, the date on which the Units are first listed and from which dealings therein are permitted to take place on SEHK, the expected date of which is set out in the relevant Appendix for the Sub-Fund.

"Manager" means Samsung Asset Management (Hong Kong) Limited 三星資產運用（香港）有限公司 or such other person or persons for the time being duly appointed pursuant to the Trust Deed as manager of the Trust in succession thereto being approved by the SFC under the Code.

"Market" means in any part of the world:

(a) in relation to any Security: the SEHK or such other stock exchange from time to time determined by the Manager; and

(b) in relation to any futures contract: the Hong Kong Futures Exchange Limited or such other futures exchange from time to time determined by the Manager.

"Market Maker" means a broker or dealer permitted by the SEHK to act as such by making a market for the Units in the secondary market on the SEHK.

"Money Market Instrument" refers to Securities normally dealt in on the money markets, for example, government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptance etc., and subject to the applicable provisions of the Code, may include asset-backed securities such as asset-backed commercial papers.

"Multi Counter" means the facility by which the Units of a Sub-Fund traded in HKD, RMB and/or USD (as the case may be) are each assigned separate stock codes on the SEHK and are accepted for deposit, clearing and settlement in CCASS in more than one eligible currency (HKD, RMB and/or USD) as described in the relevant Appendix of this Prospectus.

"Net Asset Value" means the net asset value of a Sub-Fund or, as the context may require, the net asset value of a Unit calculated under the Trust Deed.

"NYMEX" means the New York Mercantile Exchange.

"OECD" means the Organisation for Economic Cooperation and Development, whose member states include all countries listed on the OECD website: http://www.oecd.org.

"Operating Guidelines" means, in respect of a Sub-Fund, the guidelines for the creation and redemption of Units as set out in the schedule to each Participation Agreement as amended from time to time by the Manager with the approval of the Trustee and following consultation, to the extent reasonably practicable, with the relevant Participating Dealers subject always, in respect of the relevant Operating Guidelines for a Participating Dealer, any amendment being notified in writing by the Manager in advance to the relevant Participating Dealer. Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the Sub-Fund(s) applicable at the time of the relevant Application.

"Participant" means a person admitted for the time being by HKSCC as a participant of CCASS.

"Participating Dealer" means any licensed broker or dealer and who has entered into a Participation Agreement in form and substance acceptable to the Manager and the Trustee.

"Participation Agreement" means an agreement entered into between the Trustee, the Manager and a Participating Dealer setting out, (amongst other things), the arrangements in respect of the issue of Units and the redemption and cancellation of Units.

"PBOC" means the People's Bank of China.

"PRC" means the People's Republic of China, excluding for the purposes of interpretation of this Prospectus only, Hong Kong, Macau and Taiwan.

"Recognised Futures Exchange" means an international futures exchange which is recognised by the SFC or which is approved by the Manager.

"Recognised Stock Exchange" means an international stock exchange which is recognised by the SFC or which is approved by the Manager.

"Redemption Application" means an application by a Participating Dealer for the redemption of Units in Application Unit size in accordance with the Operating Guidelines and the Trust Deed.

"Redemption Value" means, in respect of a Unit, the price per Unit at which such Unit is redeemed, calculated in accordance with the Trust Deed.

"Registrar" means the HSBC Institutional Trust Services (Asia) Limited or such other person appointed as registrar of the Sub-Fund(s) to keep the register of the Unitholders of the Sub-Fund(s).

"Reverse Repurchase Transactions" means transactions whereby a Sub-Fund purchases Securities from a counterparty of Sale and Repurchase Transactions and agrees to sell such Securities back at an agreed price in the future.

"RMB" or "Renminbi" means Renminbi Yuan, the lawful currency of the PRC.

"SAFE" means the State Administration of Foreign Exchange of the PRC.

"Sale and Repurchase Transactions" means transactions whereby a Sub-Fund sells its Securities to a counterparty of Reverse Repurchase Transactions and agrees to buy such Securities back at an agreed price with a financing cost in the future.

"Securities" means any shares, stocks, debentures, loan stocks, bonds, securities, commercial paper, acceptances, trade bills, warrants, participation notes, certificates, structured products, treasury bills, instruments or notes of, or issued by or under the guarantee of, any body, whether incorporated or unincorporated, and whether listed or unlisted, or of any government or local government authority or supranational body, whether paying interest or dividends or not and whether fully-paid, partly paid or nil paid and includes (without prejudice to the generality of the foregoing):

(a) any right, option or interest (howsoever described) in or in respect of any of the foregoing, including units in any unit trust (as defined in the Trust Deed);

(b) any certificate of interest or participation in, or temporary or interim certificate for, receipt for or warrant to subscribe or purchase, any of the foregoing;

(c) any instrument commonly known or recognised as a security;

(d) any receipt or other certificate or document evidencing the deposit of a sum of money, or any rights or interests arising under any such receipt, certificate or document; and

(e) any bill of exchange and any promissory note.

"Securities Lending Transactions" means transactions whereby a Sub-Fund lends its Securities to a security-borrowing counterparty for an agreed fee.

"SEHK" means The Stock Exchange of Hong Kong Limited or its successors.

"Service Agent" means HK Conversion Agency Services Limited or such other person as may from time to time be appointed to act as service agent in relation to the Sub-Fund(s).

"Service Agent's Fee" means the fee which may be charged for the benefit of the Service Agent to each Participating Dealer on each book-entry deposit or book-entry withdrawal transaction made by the relevant Participating Dealer, the maximum level of which shall be determined by the Service Agent and set out in this Prospectus.

“Service Agreement” means each agreement by which the Service Agent provides its services in respect of a Sub-Fund entered amongst the Trustee and Registrar, the Manager, the Participating Dealer, the Service Agent and the Hong Kong Securities Clearing Company Limited.

“Settlement Day” means the Business Day which is 2 Business Days after the relevant Dealing Day (or such other Business Day as is permitted in relation to such Dealing Day (including the Dealing Day itself) pursuant to the Operating Guidelines) or such other number of Business Days after the relevant Dealing Day as determined by the Manager in consultation with the Trustee from time to time and notified to the relevant Participating Dealers or as otherwise described in the relevant Appendix.

“SFC” means the Securities and Futures Commission of Hong Kong or its successors.

“SFO” means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

“Sub-Fund(s)” means a segregated pool of assets and liabilities into which the Trust Fund is divided, established under the Trust Deed and the relevant supplemental deed as a separate trust as described in the relevant Appendix.

“Substantial Financial Institution” has the same meaning as in the Code.

“Transaction Fee” means the fee, in respect of a Sub-Fund, which may be charged for the benefit of the Service Agent, the Registrar and/or the Trustee to each Participating Dealer on each Dealing Day upon which an Application has been or Applications have been made by the relevant Participating Dealer.

“Trust” means the umbrella unit trust constituted by the Trust Deed and called Samsung ETFs Trust or such other name as the Manager may from time to time determine, upon prior notice to the Trustee.

“Trust Deed” means the trust deed dated 13 January 2015 between the Manager and the Trustee constituting the Trust (as amended from time to time).

“Trust Fund” means all the property held by the Trustee in respect of each Sub-Fund, including the Deposited Property and Income Property attributable to the relevant Sub-Fund(s), except for amounts to be distributed, in accordance with the Trust Deed.

“Trustee” means HSBC Institutional Trust Services (Asia) Limited or such other person or persons for the time being duly appointed as trustee or trustees hereof in succession thereto in accordance with the Trust Deed.

“Unit” means a unit representing an undivided share in a Sub-Fund.

“Unitholder” means a person for the time being entered on the register of holders as the holder of Units including, where the context so admits, persons jointly registered.

“USD” means United States dollars, the lawful currency of the United States of America.

“Valuation Point” means, in respect of a Sub-Fund, unless otherwise specified in the relevant Appendix of a Sub-Fund, the official close of trading on the Market on which the Securities or Futures Contracts constituting the Index are listed on each Dealing Day or if more than one, the official close of trading on the last relevant Market to close or such other time or times as determined by the Manager in consultation with the Trustee from time to time provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the creation and redemption of Units.

“VWAP” means, in respect of a Futures Contract, the volume weighted average price.

“WTI” means West Texas Intermediate, a grade of crude oil used as a benchmark in oil pricing.

“WTI Futures Contracts” means West Texas Intermediate crude oil (also known as Texas light sweet crude oil) Futures Contract traded on NYMEX.

INTRODUCTION

The Trust

The Trust is an umbrella unit trust created by the Trust Deed between the Manager and the Trustee made under Hong Kong law. The Trust and each Sub-Fund is authorised as a collective investment scheme by the SFC under Section 104 of the SFO and each Sub-Fund falls within Chapter 8.6 of the Code. Certain Sub-Funds may also be subject to additional Chapters of the Code. SFC authorisation is not a recommendation or endorsement of a Sub-Fund nor does it guarantee the commercial merits of a Sub-Fund or its performance. It does not mean that a Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Sub-Fund(s)

The Trust may issue different classes of Units and the Trustee shall establish a separate pool of assets under the Trust Deed as separate trusts (each such separate pool of assets a "Sub-Fund") to which one or more class of Units shall be attributable. The assets of a Sub-Fund will be invested and administered separately from the other assets of the Trust. All Sub-Funds will be exchange traded funds listed on the SEHK.

The Manager and the Trustee reserve the right to establish additional Sub-Funds and/or issue further classes of Units relating to a Sub-Fund or Sub-Funds in the future in accordance with the provisions of the Trust Deed. Where indicated in the relevant Appendix, Units in a Sub-Fund may be available for trading on the SEHK using a Multi Counter. Each Sub-Fund will have its own Appendix.

THE OFFERING PHASES

Initial Offer Period

During the Initial Offer Period, Participating Dealers (acting for themselves or for their clients) may apply for Units (to be available for trading on the Listing Date) by means of Creation Applications on each Dealing Day for themselves and/or their clients by transferring cash and/or Securities in accordance with the Operating Guidelines.

To be dealt with during the Initial Offer Period, the relevant Participating Dealer must submit the Creation Applications to the Trustee (with a copy to the Manager) on a Business Day no later than 3 Business Days prior to the Listing Date unless otherwise stated in the relevant Appendix.

If a Creation Application is received by the Trustee after 3 Business Days prior to the Listing Date, that Creation Application shall be carried forward and deemed to be received at the opening of business on the first Dealing Day commencing on the Listing Date, which shall be the Dealing Day for the purposes of that Creation Application.

Creation Applications must be made in Application Unit size or whole multiples thereof, which is the number of Units specified in the relevant Appendix. Participating Dealers (acting for themselves or for their clients) can apply for Units on each Dealing Day at the Issue Price.

Please refer to the section on "Creations and Redemptions (Primary Market)" for the operational procedures in respect of Creation Applications.

After Listing

The After Listing phase commences on the Listing Date and continues until the Sub-Fund(s) is/are terminated.

You can acquire or dispose the Units in either of the following two ways:

(a) buy and sell Units on the SEHK; or

(b) apply for creation and redemption of Units through Participating Dealers.

Buying and selling of Units on the SEHK

After Listing, all investors can buy and sell Units in Trading Board Lot Size (as described in the section "Key Information" in the relevant Appendix) or whole multiples thereof like ordinary listed stocks through an intermediary such as a stockbroker or through any of the share dealing services offered by banks or other financial advisers at any time the SEHK is open.

However, please note that transactions in the secondary market on the SEHK will occur at market prices which may vary throughout the day and may differ from Net Asset Value per Unit due to market demand and supply, liquidity and scale of trading spread for the Units in the secondary market. As a result, the market price of the Units in the secondary market may be higher or lower than Net Asset Value per Unit.

Please refer to the section on "Exchange Listing and Trading (Secondary Market)" for further information in respect of buying and selling of Units on the SEHK.

Creations and redemptions through Participating Dealers

Units will continue to be created and redeemed at the Issue Price and Redemption Value respectively through Participating Dealers in Application Unit size or multiples thereof. The Application Unit size is as set out in the relevant Appendix. Settlement for creation and redemption for all Units is in the base currency of the relevant Sub-Fund as set out in the relevant Appendix.

To be dealt with on a Dealing Day, the relevant Participating Dealer must submit the Creation Applications to the Trustee (with a copy to the Manager) before the Dealing Deadline on the relevant Dealing Day. If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. Participating Dealers are under no obligation to create or redeem generally or for their clients and may charge their clients such fee or fees as such Participating Dealers determine.

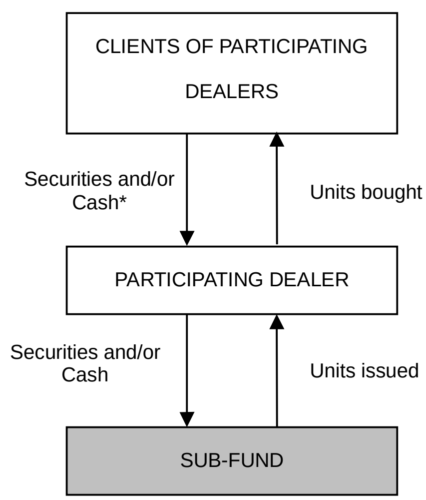
Settlement in cash for subscribing Units in cash is due by such time as agreed in the Operating Guidelines on the relevant Dealing Day or for redeeming Units is due 2 Business Days (unless as otherwise stated in the relevant Appendix) after the Dealing Day, unless the Manager agrees with the relevant Participating Dealer to accept later settlement generally or in any particular case. Notwithstanding any Multi Counter (if applicable) for Units, all settlement is in the base currency of the relevant Sub-Fund only as set out in the relevant Appendix.

After Listing, all Units will be registered in the name of HKSCC Nominees Limited on the register of the Trust. The register of the Trust is the evidence of ownership of Units. The beneficial interests in Units of any client of the Participating Dealers shall be established through such client's account with the relevant Participating Dealer or with any other Participants if the client is buying from the secondary market.

Diagrammatic illustration of investment in a Sub-Fund

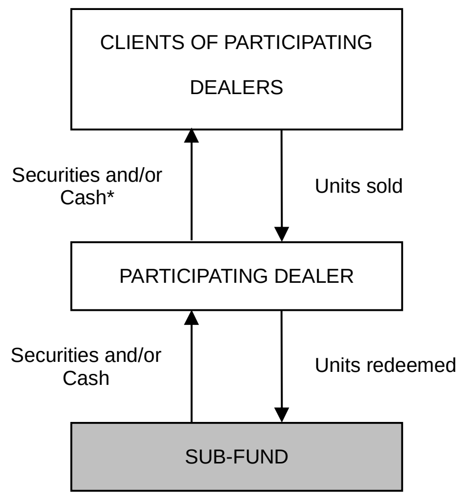
The diagrams below illustrate the issue or redemption and the buying or selling of Units:

(a) Issue and buying of Units in the primary market – Initial Offer Period and After Listing



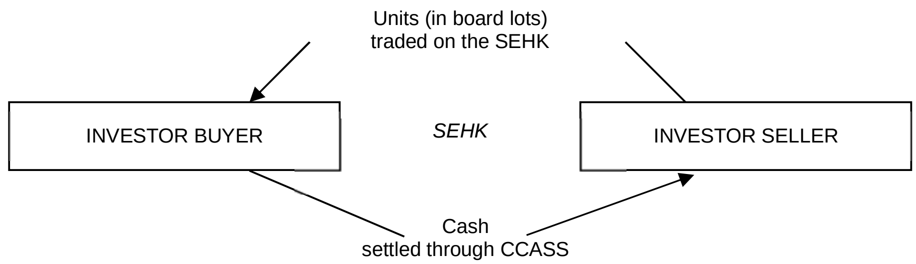
** Clients of the Participating Dealers may agree with the Participating Dealers settlement in a different currency to the creation currency.*

(b) Redemption and sale of Units in the primary market – After Listing



** Clients of the Participating Dealers may agree with the Participating Dealers settlement in a different currency to the redemption currency.*

(c) Buying or selling of Units in the secondary market on the SEHK – After Listing



Summary of offering methods and related fees

Initial Offer Period

Method of Offering**	**Minimum Number of Units (or multiple thereof)**	**Channel**	**Available to**	**Consideration, Fees and Charges***
Cash creation	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash Transaction Fee Any fees and charges imposed by the Participating Dealer Duties and Charges
In-kind creation	Application Unit size	Through Participating Dealers	Any person acceptable to the Participating	Portfolio of Securities Cash component

	(see relevant Appendix)		Dealer as its client	Transaction Fee Any fees and charges imposed by the Participating Dealer Duties and Charges

After Listing

Method of Acquisition or Disposal of Units**	**Minimum Number of Units (or multiple thereof)**	**Channel**	**Available to**	**Consideration, Fees and Charges***
Purchase and sale in cash through brokers on the SEHK (secondary market)	Board lot size (see relevant Appendix)	On the SEHK	Any investor	Market price of Units on SEHK Brokerage fees and Duties and Charges
Cash creation and cash redemption	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Cash Transaction Fee Any fees and charges imposed by the Participating Dealer Duties and Charges
In-kind creation and in-kind redemption	Application Unit size (see relevant Appendix)	Through Participating Dealers	Any person acceptable to the Participating Dealer as its client	Portfolio of Securities Cash component Transaction Fee Any fees and charges imposed by the Participating Dealer Duties and Charges

* *Please refer to "Fees and Expenses" for further details.*

** *The methods of creation available to the Participating Dealers in respect of each Sub-Fund, whether in-kind or in cash, are specified in the relevant Appendix.*

INVESTMENT OBJECTIVE, INVESTMENT STRATEGY, INVESTMENT RESTRICTIONS, SECURITIES FINANCING TRANSACTION AND BORROWING

Investment objective

The investment objective of each Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the relevant Index unless otherwise stated in the relevant Appendix.

Investment strategy

Each Sub-Fund will adopt either a full replication or a representative sampling strategy. The investment strategy of each Sub-Fund is stated in the relevant Appendix. No Sub-Fund is a "synthetic" exchange traded fund.

Investment restrictions

The Trustee will take reasonable care to ensure compliance with the investment and borrowing limitations set out in the constitutive documents and the conditions under which a Sub-Fund was authorised.

Unless otherwise specifically provided for in the relevant Appendix, the investment restrictions applicable to each Sub-Fund (that are included in the Trust Deed) are summarised below:

(a) the aggregate value of the Sub-Fund's investments in, or exposure to, any single entity (other than Government and other Public Securities) through the following may not exceed 10% of the Net Asset Value of the Sub-Fund, save as permitted by Chapter 8.6(h) and as varied by Chapter 8.6(h)(a) of the Code:

    (1) investments in Securities issued by such entity;

    (2) exposure to such entity through underlying assets of FDIs; and

    (3) net counterparty exposure to such entity arising from transactions of over-the-counter FDIs;

(b) subject to (a) above and Chapter 7.28(c) of the Code and unless otherwise approved by the SFC, the aggregate value of the Sub-Fund's investments in, or exposure to, Entities within the Same Group through the following may not exceed 20% of the Net Asset Value of the Sub-Fund:

    (1) investments in Securities issued by such entities;

    (2) exposure to such entities through underlying assets of FDIs; and

    (3) net counterparty exposure to such entities arising from transactions of over-the-counter FDIs;

(c) unless otherwise approved by the SFC, the value of the Sub-Fund's cash deposits made with the same entity or Entities within the Same Group may not exceed 20% of the Net Asset Value of the Sub-Fund, unless:

    (1) the cash is held before the launch of the Sub-Fund and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested;

    (2) the cash is proceeds from liquidation of investments prior to the merger or termination of a Sub-Fund, whereby the placing of cash deposits with various financial institutions may not be in the best interest of investors; or

(3) the cash is proceeds received from subscriptions pending investments and held for the settlement of redemption and other payment obligations, whereby the placing of cash deposits with various financial institutions is unduly burdensome and the cash deposits arrangement would not compromise investors' interests.

For the purpose of this paragraph (c), cash deposits generally refer to those that are repayable on demand or have the right to be withdrawn by a Sub-Fund and not referable to provision of property or services.

(d) ordinary shares issued by a single entity (other than Government and other Public Securities) held for the account of the Sub-Fund, when aggregated with other holdings of ordinary shares issued by same entity held for the account of all other Sub-Funds under the Trust collectively may not exceed 10% of the nominal amount of the ordinary shares issued by the entity;

(e) not more than 15% of the Net Asset Value of the Sub-Fund may be invested in Securities and other financial products or instruments that are neither listed, quoted nor dealt in on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such Securities are regularly traded;

(f) notwithstanding paragraphs (a), (b), (d) and (e) above, where direct investment by a Sub-Fund in a market is not in the best interests of investors, a Sub-Fund may invest through a wholly-owned subsidiary company established solely for the purpose of making direct investments in such market. In this case:

(1) the underlying investments of the subsidiary, together with the direct investments made by the Sub-Fund, must in aggregate comply with the requirements of Chapter 7 of the Code;

(2) any increase in the overall fees and charges directly or indirectly borne by the Unitholders or the Sub-Fund as a result must be clearly disclosed in the Prospectus; and

(3) the Sub-Fund must produce the reports required by the Code in a consolidated form to include the assets (including investment portfolio) and liabilities of the subsidiary company as part of those of the Sub-Fund.

(g) notwithstanding paragraphs (a), (b) and (d), not more than 30% of the Net Asset Value of a Sub-Fund may be invested in Government and other Public Securities of the same issue, except for a Sub-Fund which has been authorised by the SFC as an index fund, such limit may be exceeded with the approval of the SFC;

(h) subject to paragraph (g) above, the Sub-Fund may fully invest in Government and other Public Securities in at least six different issues, and subject to the approval of the SFC, a Sub-Fund which has been authorised by the SFC as an index fund may invest all of its assets in Government and other Public Securities in any number of different issues;

(i) unless otherwise approved by the SFC, the Sub-Fund may not invest in physical commodities;

(j) for the avoidance of doubt, exchange traded funds that are:

(1) authorised by the SFC under Chapter 8.6 or 8.10 of the Code; or;

(2) listed and regularly traded on internationally recognised stock exchanges open to the public (nominal listing not accepted) and (i) the principal objective of which is to track, replicate or correspond to a financial index or benchmark, which complies with the applicable requirements under Chapter 8.6 of the Code; or (ii) the investment objective, policy, underlying investments and product features of which are substantially in line with or comparable with those set out under Chapter 8.10 of the Code,

may either be considered and treated as (i) listed Securities for the purposes of and subject to the requirements in paragraphs (a), (b) and (d) above; or (ii) collective investment schemes for the purposes of and subject to the requirements in paragraph (k) below. However, the investments in exchange traded funds shall be subject to paragraph (e) above and the relevant investment limits in exchange traded funds by a Sub-Fund should be consistently applied and clearly disclosed in the Prospectus of a Sub-Fund;

(k) where the Sub-Fund invests in shares or units of other collective investment schemes ("<u>underlying schemes</u>"),

(1) the value of the Sub-Fund's investment in units or shares in underlying schemes which are non-eligible schemes (as determined by the SFC) and not authorised by the SFC, may not in aggregate exceed 10% of the Net Asset Value of the relevant Sub-Fund; and

(2) the Sub-Fund may invest in one or more underlying schemes which are either schemes authorised by the SFC or eligible schemes (as determined by the SFC), but the value of the Sub-Fund's investment in units or shares in each such underlying scheme may not exceed 30% of the Net Asset Value of the Sub-Fund, unless the underlying scheme is authorised by the SFC and its name and key investment information are disclosed in the Prospectus of the Sub-Fund

provided that in respect of (1) and (2) above:

(i) the objective of each underlying scheme may not be to invest primarily in any investment prohibited by Chapter 7 of the Code, and where that underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the Code, such investments may not be in contravention of the relevant limitation prescribed by Chapter 7 of the Code. For the avoidance of doubt, a Sub-Fund may invest in scheme(s) authorised by the SFC under Chapter 8 of the Code (except for hedge funds under Chapter 8.7 of the Code), eligible scheme(s) (as determined by the SFC) of which the net derivative exposure (as defined in the Code) does not exceed 100% of its total Net Asset Value, and exchange traded funds satisfying the requirements in paragraph (j) above in compliance with paragraphs (k)(1) and (k)(2) above;

(ii) where the underlying schemes are managed by the same management company as that of the Sub-Fund that invests in them, or by other companies within the same group that the Manager belongs to, then paragraphs (a), (b), (d) and (e) above are also applicable to the investments of the underlying scheme;

(iii) the objective of the underlying schemes may not be to invest primarily in other collective investment scheme(s);

(3) where an investment is made in any underlying scheme(s) managed by the Manager or any of its Connected Persons, all initial charges and redemption charges on the underlying scheme(s) must be waived; and

(4) the Manager or any person acting on behalf of the Sub-Fund or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or the manager of an underlying scheme, or quantifiable monetary benefits in connection with investments in any underlying scheme;

(l) a Sub-Fund may invest 90% or more of its total Net Assets Value in a single collective investment scheme and may be authorised as a feeder fund by the SFC. In this case:

(1) the underlying scheme ("<u>master fund</u>") must be authorised by the SFC;

(2) the relevant Appendix must state that:

(i) the Sub-Fund is a feeder fund into the master fund;

(ii) for the purpose of complying with the investment restrictions, the Sub-Fund and its master fund will be deemed a single entity;

(iii) the Sub-Fund's annual report must include the investment portfolio of the master fund as at the financial year end date; and

(iv) the aggregate amount of all the fees and charges of the Sub-Fund and its underlying master fund must be clearly disclosed;

(3) unless otherwise approved by the SFC, no increase in the overall total of initial charges, redemption charges, Manager's annual fee, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the Unitholders or by the Sub-Fund may result, if the master fund in which the Sub-Fund invests is managed by the same Manager or by its Connected Person; and

(4) notwithstanding paragraph (k)(iii) above, the master fund may invest in other collective investment scheme(s) subject to the investment restrictions as set out in paragraph (k); and

(m) if the name of the Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund should, under normal market circumstances, invest at least 70% of its Net Asset Value in Securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Sub-Fund represents.

Investment Prohibitions

A Sub-Fund shall not:

(a) invest in a Security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5% of the total nominal amount of all the issued Securities of that class or the directors and officers of the Manager collectively own more than 5% of those Securities;

(b) invest in any type of real estate (including buildings) or interests in real estate(including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts (REITs) and in the case of investments in such shares and REITs, they shall comply with the investment restrictions and limitations set out in paragraphs (a), (b), (d), (e) and (k) under the section entitled "Investment Restrictions" above, where applicable;

(c) make short sales if as a result the Sub-Fund would be required to deliver Securities exceeding 10% of the Net Asset Value of the Sub-Fund (for this purpose Securities sold short must be actively traded on a market where short selling is permitted), and for the avoidance of doubt, a Sub-Fund is prohibited to carry out any naked or uncovered short sale of Securities and short selling should be carried out in accordance with all applicable laws and regulations);

(d) subject to paragraph (e) under the section entitled "Investment Restrictions" above, lend or make a loan out of the assets of a Sub-Fund except to the extent that the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan;

(e) subject to paragraph (e) under the section entitled "Investment Restrictions" above, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, save and except for Reverse Repurchase Transactions in compliance with the Code;

(f) enter into any obligation on behalf of the Sub-Fund or acquire any asset or engage in any transaction for the account of the Sub-Fund which involves the assumption of any liability which is unlimited. For the avoidance of doubt, the liability of Unitholders is limited to their investment in the relevant Sub-Fund; or

(g) apply any part of the Sub-Fund in the acquisition of any investments which are for the time being nil paid or partly paid in respect of which a call is due to be made for any sum unpaid on such investments unless such call could be met in full out of cash or near cash forming part of the Sub-Fund whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transaction in FDIs or the purposes of Chapters 7.29 and 7.30 of the Code.

Note: The investment restrictions set out above apply to each Sub-Fund, subject to the following: A collective investment scheme authorised by the SFC under the Code is usually restricted from making investments which would result in the value of that collective investment scheme's holdings of the Securities of any single entity exceeding 10% of the collective investment scheme's total net asset value. Given the investment objective of each Sub-Fund and nature of the relevant Index, a Sub-Fund is allowed under Chapter 8.6(h) of the Code to hold investments in constituent Securities of any single entity exceeding 10% of the relevant Sub-Fund's latest available Net Asset Value if such constituent Securities account for more than 10% of the weighting of the Index and the relevant Sub-Fund's holding of any such constituent Securities does not exceed their respective weightings in the Index, except where the weightings are exceeded as a result of changes in the composition of the Index and the excess is only transitional and temporary in nature. However, the Manager may cause a Sub-Fund to deviate from the Index weighting (in pursuing a representative sampling strategy) under Chapter 8.6(h)(a) of the Code on the conditions that (i) the representative sampling strategy must be clearly disclosed in this Prospectus, (ii) the excess of weightings of the constituent securities held by the Sub-Fund over the weightings in the Index must be caused by the implementation of the representative sampling strategy and (iii) the maximum deviation from the index weighting of any constituent will not exceed the percentage as determined by the Manager after consultation with the SFC, as disclosed in the relevant Appendix. In determining this limit, the relevant Sub-Fund must consider the characteristics of the underlying constituent securities, their weightings and the investment objectives of the index and any other suitable factors. The Manager shall report to the SFC on a timely basis if there is any non-compliance with this limit. The annual and interim financial statements of the relevant Sub-Fund shall also disclose whether or not such limit has been complied with during such period and account for any non-compliance in those reports.

Securities Financing Transactions

Where indicated in the relevant Appendix, a Sub-Fund may enter into Securities Lending Transactions, Sale and Repurchase Transactions, Reverse Repurchase Transactions and other similar over-the-counter transactions ("**Securities Financing Transactions**"), provided that they are in the best interests of the Unitholders and the associated risks have been properly mitigated and addressed.

A Sub-Fund is subject to the following requirements when engaging in Securities Financing Transactions:

- it shall have at least 100% collateralisation in respect of the Securities Financing Transactions into which it enters to ensure there is no uncollateralised counterparty risk exposure arising from these transactions;

- it shall ensure that it is able at any time to recall the securities or the full amount of cash / collateral (as the case may be) subject to the Securities Financing Transactions or terminate the Securities Financing Transactions into which it has entered; and

- the counterparties to the Securities Financing Transactions must be financial institutions which are subject to ongoing prudential regulation and supervision.

Further, details of the arrangements are as follows:

(a) all Securities Financing Transactions will only be entered into with institutions of appropriate financial standing which are acceptable to the Manager. There are no requirements on the country of origin and minimum credit rating of the counterparty;

(b) the Sub-Fund will receive as collateral sufficient cash and/or liquid assets, the value of which, during the duration of the securities financing agreement, will be equal to at least 100% of the global valuation of the securities lent (interests, dividends and other eventual rights included), marked to market on a daily basis;

(c) the Trustee will be responsible for the safekeeping of such collateral received and held in custody;

(d) all the revenues arising from Securities Financing Transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the Securities Financing Transactions, should be returned to the relevant Sub-Fund;

(e) the cost relating to any Securities Financing Transaction will be borne by the borrower;

(f) the maximum and expected level of a Sub-Fund's assets available for these transactions will be as set out in the relevant Appendix; and

(g) where any Securities Financing Transaction has been arranged through the Trustee or a Connected Person of the Trustee or the Manager, such transaction shall be conducted at arm's length and executed on the best available terms, and the relevant entity shall be entitled to retain for its own use and benefit any fee or commission it receives on a commercial basis in connection with such arrangement; such transactions with Connected Persons of the Trustee or the Manager (including the fee retained by the Trustee or the Manager or their Connected Persons) will be disclosed in the connected party transaction section of the relevant Sub-Fund's annual financial reports.

Borrowing Policy

Subject always to the provisions of the Trust Deed and the Code, borrowing against the assets of each Sub-Fund is allowed up to a maximum of 10% of its total Net Asset Value. Where the Manager so determines, a Sub-Fund's permitted borrowing level may be a lower percentage as set out in the relevant Appendix. The Trustee may, at the request of the Manager concur to borrow for the account of a Sub-Fund any currency, and charge or pledge assets of that Sub-Fund for securing such borrowing for the account of that Sub-Fund, and interest thereon and expenses thereof), for the following purposes:

(a) facilitating the creation or redemption of Units or defraying operating expenses;

(b) enabling the Manager to acquire Securities for the account of such Sub-Fund; or

(c) for any other proper purpose as may be agreed by the Manager and the Trustee.

Financial Derivative Instruments

Subject always to the provisions of the Trust Deed and the Code, the Manager may on behalf of a Sub-Fund enter into any transactions in relation to swaps or other FDIs, for hedging or non-hedging (investment) purposes.

Where specified in the relevant Appendix, a Sub-Fund may acquire FDIs for hedging purposes. FDIs are generally considered as being acquired for hedging purpose if they meet all of the following criteria:

(a) they are not aimed at generating any investment return;

(b) they are solely intended for the purpose of limiting, offsetting or eliminating the probability of loss or risks arising from the investments being hedged;

(c) although they may not necessarily reference to the same underlying assets, they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and

(d) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions.

Hedging arrangement should be adjusted or re-positioned, where necessary and with due consideration on the fees, expenses and costs, to enable the Sub-Fund to meet its hedging objective in stressed or extreme market conditions.

Where specified in the relevant Appendix, a Sub-Fund may also acquire FDIs for non-hedging purposes ("investment purposes"), subject to the limit that the Sub-Fund's net exposure relating to these FDIs ("net derivative exposure") does not exceed 50% of its total Net Asset Value (unless otherwise approved by the SFC). For the avoidance of doubt:

(a) for the purpose of calculating net derivative exposure, the positions of FDIs acquired by a Sub-Fund for investment purposes are converted into the equivalent position in the underlying assets of the FDIs, taking into account the prevailing market value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions;

(b) the net derivative exposure should be calculated in accordance with the requirements and guidance issued by the SFC which may be updated from time to time; and

(c) FDIs acquired for hedging purposes will not be counted towards the 50% limit referred to in this paragraph so long as there is no residual derivative exposure arising from such hedging arrangement.

Subject to Chapters 7.26 and 7.28 of the Code, a Sub-Fund may invest in FDIs provided that the exposure to the underlying assets of the FDI, together with the other investments of the Sub-Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in the relevant provisions of Chapter 7 of the Code.

The FDIs invested by a Sub-Fund shall be either listed or quoted on a stock exchange, or dealt in over-the-counter market and comply with the following provisions:

(a) the underlying assets consist solely of shares in companies, debt Securities, Money Market Instruments, units/shares of collective investment schemes, deposits with Substantial Financial Institutions, Government and other Public Securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates, currencies or such other asset classes acceptable to the SFC, in which the Sub-Fund may invest according to its investment objectives and policies. Where a Sub-Fund invests in index-based FDIs, the underlying assets of such FDIs are not required to be aggregated for the purposes of the investment restrictions or limitations set out in (a), (b), (c) and (g) under the section entitled "Investment Restrictions" above provided that the relevant Index is in compliance with Chapter 8.6(e) of the Code;

(b) the counterparties to over-the-counter FDI transactions or their guarantors are Substantial Financial Institutions or such other entity acceptable to the SFC on a case-by-case basis;

(c) subject to paragraphs (a) and (b) under the section entitled "Investment Restrictions" above, the Sub-Fund's net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10% of the Net Asset Value of the Sub-Fund. The exposure of the Sub-Fund to a counterparty of over-the-counter FDIs may be lowered by the collateral received (if applicable) by the Sub-Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter FDIs with that counterparty, if applicable; and

(d) the valuation of the FDIs is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Manager or the Trustee or their nominee(s), agent(s) or delegate(s) independent of the issuer of the FDIs through measures such as the establishment of a valuation committee or engagement of third party services. The FDIs can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Sub-Fund. Further, the calculation agent/fund administrator should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the FDIs on a regular basis.

A Sub-Fund shall at all times be capable of meeting all its payment and delivery obligations incurred under transactions in FDIs (whether for hedging or for investment purposes). The Manager shall, as part of its risk management process, monitor to ensure that the transactions in FDIs are adequately covered on an ongoing basis. A transaction in FDIs which gives rise to a future commitment or contingent commitment of a Sub-Fund should also be covered as follows:

- in the case of FDI transactions which will, or may at the Sub-Fund's discretion, be cash settled, the Sub-Fund should at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and

- in the case of FDI transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Sub-Fund should hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation. Where it is holding alternative assets as cover, the Sub-Fund should apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

The above policies relating to FDIs apply to financial instruments which embed financial derivatives as well.

Collateral

Collateral received from counterparties shall comply with the following requirements:

- Liquidity – collateral must be sufficiently liquid and tradable that it can be sold quickly at a robust price that is close to pre-sale valuation;

- Valuation – collateral should be marked-to-market daily by using independent pricing source;

- Issuer credit quality – asset used as collateral must be of high credit quality and should be replaced immediately as soon as the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral;

- Haircut – collateral should be subject to prudent haircut policy which should be based on the market risks of the assets used as collateral in order to cover potential maximum expected decline in collateral values during liquidation before a transaction can be closed out with due consideration on stress period and volatile markets. For the avoidance of doubt the price volatility of the asset used as collateral should be taken into account when devising the haircut policy;

- Diversification – collateral must be appropriately diversified to avoid concentrated exposure to any single entity and/or Entities within the Same Group and a Sub-Fund's exposure to issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in Chapter 7 of the Code;

- Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the FDIs or the counterparty of Securities Financing Transactions in such a way that would undermine the effectiveness of the collateral. As such, securities issued by the counterparty or the issuer of the FDIs or the counterparty of Securities Financing Transactions or any of their related entities should not be used as collateral;

- Management of operational and legal risks – the Manager shall have appropriate systems, operational capabilities and legal expertise for proper collateral management;

- Independent custody – collateral must be held by the Trustee;

- Enforceability – collateral must be readily accessible/enforceable by the Trustee without further recourse to the issuer of the FDIs or the counterparty of the Securities Financing Transactions;

- Re-investment of collateral – any re-investment of cash collateral received for the account of the Sub-Fund shall be subject to the following requirements:

  (i) cash collateral received may only be reinvested in short-term deposits, high quality Money Market Instruments and money market funds authorised under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the Code. Non-cash collateral received may not be sold, re-invested or pledged. For this purpose, in assessing whether a Money Market Instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the Money Market Instruments must be taken into account;

  (ii) the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in Chapter 8.2(f) and (n) of the Code;

  (iii) cash collateral received is not allowed to be further engaged in any Securities Financing Transactions; and

  (iv) when the cash collateral received is reinvested into other investment(s), such investment(s) is/are not allowed to be engaged in any Securities Financing Transactions;

- Encumbrances – collateral should be free of prior encumbrances; and

- Collateral should generally not include (i) structured products whose payouts rely on embedded FDIs or synthetic instruments; (ii) securities issued by special purpose vehicles, special investment vehicles or similar entities; (iii) securitised products; or (iv) unlisted collective investment schemes.

Subject to the requirements above, below is a summary of the collateral policy and criteria adopted by the Manager:

- the Sub-Fund may accept cash and/or liquid assets as collateral;

- no maturity constraints will apply to the collateral received;

- collateral must be investment grade (i.e. BBB- or higher by Moody's or Standard & Poor's or equivalent);

- the issuer of collateral must be an independent counterparty approved by the Manager and is expected to have a minimum credit rating of BBB- or above (by Moody's or Standard & Poor's, or any other equivalent ratings by recognised credit rating agencies) or be a licensed corporation with the SFC or registered institution with the Hong Kong Monetary Authority when entering into such transactions. No constraint regarding the country of origin will apply;

- regular stress tests are carried out under normal and exceptional liquidity conditions to enable adequate assessment of the liquidity risks of the collateral received;

- the Manager’s haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the collateral policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the Manager's intention that any collateral received shall have a value (adjusted in light of the haircut policy) which equals or exceeds the relevant counterparty exposure where appropriate;

- the collateral should be sufficiently diversified in terms of country, markets and issuers with a limit to the maximum exposure to each given issuer. Where a Sub-Fund has exposure to different counterparties, different baskets of collateral (provided by different counterparties) will be aggregated to determine the Sub-Fund's exposure to a single issuer;

- the issuer of collateral will be independent from the counterparty of the relevant transaction and is expected not to display a high correlation with the performance of the relevant counterparty;

- collateral must be readily enforceable by the Trustee and may be subject to netting or set-off; and

- the Sub-Fund will not engage in any reinvestment of collateral received.

A description of holdings of collateral (including a description of the nature of collateral, identity of the counterparty providing the collateral, value of the Sub-Fund (by percentage) secured/covered by collateral with breakdown by asset class/nature and credit rating (if applicable)) will be disclosed in the Sub-Fund's annual and interim financial reports for the relevant period.

Structured Funds

The Sub-Funds seek to achieve their respective investment objective primarily through investment in FDIs. The Sub-Funds are passively managed and track the performance of an index and their net derivative exposure exceeds 50% of their respective Net Asset Value. As such the Sub-Funds are known as structured funds under the Code. The core requirements of Chapter 7 of the Code (as set out in the Trust Deed and summarised above under "Investment Restrictions") will apply with the modifications, exemptions or additional requirements as set out under Chapter 8.8 of the Code (as set out in the Trust Deed and summarised below):

(a) the Manager and the issuer of FDIs shall be independent of each other;

(b) the valuation of the FDIs shall meet the requirements set out in Chapter 7.28(d) of the Code;

(c) notwithstanding paragraph (c) under "Financial Derivative Instruments", such Sub-Fund should maintain full collateralisation and there should be no net exposure to any single counterparty of the over-the-counter FDIs;

(d) the collateral shall meet the requirements set out under "Collateral" in this section and the disclosure requirements set out under "Collateral" in this section; and

(e) the Manager shall put in place a detailed contingency plan regarding credit events such as significant downgrading of credit rating and the collapse of the issuer of FDIs.

If any of the investment restrictions applicable to a Sub-Fund is breached, the Manager shall take as a priority objective all steps as are necessary within a reasonable period of time to remedy the situation, taking due account the interests of Unitholders of the relevant Sub-Fund.

The Trustee will take reasonable care to ensure that the investment and borrowing limitations set out in the constitutive documents and the conditions under which a Sub-Fund was authorised are complied with.

CREATIONS AND REDEMPTIONS (PRIMARY MARKET)

Investment in a Sub-Fund

There are 2 methods of making an investment in a Sub-Fund and of disposing of Units to realise an investment in a Sub-Fund.

The first method is to create or to redeem Units at Net Asset Value directly with the Sub-Fund in the primary market through a Participating Dealer, being a licensed dealer that has entered into a Participation Agreement in respect of the relevant Sub-Fund. Where stated in the relevant Appendix, in-kind creations or in-kind redemptions may be permitted by the Manager. Where a Sub-Fund has a Multi Counter, Units which are created must be deposited in CCASS as HKD, RMB or USD counter Units as specified in the relevant Appendix (i.e. tradeable in HKD, RMB or USD only) initially, and all creation and redemption for all Units must be in the base currency of that Sub-Fund as specified in the relevant Appendix. Because of the size of the capital investment (i.e. Application Unit size) required either to create or redeem Units through the Participating Dealer in the primary market, this method of investment is more suitable for institutional investors and market professionals. Participating Dealers are under no obligations to create or redeem Units for their clients and may impose terms, including charges, for handling creation or redemption orders as they determine appropriate, as described in more detail in this section.

The second method is to buy or to sell Units in the secondary market on the SEHK which is more suitable for retail investors. The secondary market price of Units may trade at a premium or discount to the Net Asset Value of the relevant Sub-Fund.

This section of this Prospectus describes the first method of investment and should be read in conjunction with the Operating Guidelines and the Trust Deed. The section on "Exchange Listing and Trading (Secondary Market)" relates to the second method of investment.

Creation of Units through Participating Dealers

Any application for the creation of Units of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Unit size or whole multiple thereof as set out in the "Key Information" section. Investors cannot acquire Units directly from a Sub-Fund. Only Participating Dealers may submit Creation Applications to the Trustee (with a copy to the Manager).

Units in each Sub-Fund are continuously offered through a Participating Dealer, who may apply for them on any Dealing Day for its own account or for your account as their client(s), in accordance with the Operating Guidelines, by submitting a Creation Application to the Trustee (with a copy to the Manager).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit creation request(s) received from you as its client(s), subject always to (i) mutual agreement between the relevant initial Participating Dealer and you as to its fees for handling such request(s); (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to create Units for the relevant initial Participating Dealer on your behalf (please refer to the sub-section on "Creation process" below for the examples of exceptional circumstances under which the Manager shall have the right to reject a Creation Application); and (iv) mutual agreement between the relevant initial Participating Dealer and you as to the method of effecting such creation request(s).

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any creation request received from a client under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Units of the relevant Sub-Fund, (ii) the redemption of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or Futures Contracts in the relevant Index;

(c) where acceptance of the creation request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer and/or any of its Connected Persons; or

(d) circumstances outside the control of the Participating Dealer which make it for all practicable purposes impossible to process the creation request.

Requirements relating to creation requests by potential investors

The methods and currency of creation available to the Participating Dealers in respect of each Sub-Fund, whether in-kind (i.e. the creation of Units in exchange for a transfer of Securities) or in cash or both in-kind and in cash, are specified in the relevant Appendix. A Participating Dealer may in its absolute discretion require a creation request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Creation Application be effected in a particular method.

Notwithstanding a Multi Counter being adopted for a Sub-Fund, cash payable by a Participating Dealer in a Creation Application must be in the base currency of that Sub-Fund as set out in the relevant Appendix. Units which are created must be deposited in CCASS as RMB counter Units (i.e. tradeable in RMB only), HKD counter Units (i.e. tradeable in HKD only) or USD counter Units (i.e. tradeable in USD only) initially depending on the relevant Appendix.

A Participating Dealer may impose fees and charges in handling any creation request which would increase the cost of investment. Investors are advised to check with the Participating Dealer as to relevant fees and charges. Although the Manager has a duty to monitor the operations of each Sub-Fund closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such creation requests received from clients. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by a Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any creation request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Creation Application in respect of a Sub-Fund can be submitted by it to the Trustee (with a copy to the Manager). You are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

The Application Unit size for a Sub-Fund is the number of Units specified in the relevant Appendix. Creation Applications submitted in respect of Units other than in Application Unit size or whole multiples thereof will not be accepted. The minimum subscription for each Sub-Fund is one Application Unit.

Creation process

A Participating Dealer may from time to time submit Creation Applications in respect of a Sub-Fund to the Trustee (with a copy to the Manager), following receipt of creation requests from clients or where it wishes to create Units of the relevant Sub-Fund for its own account.

If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix of each Sub-Fund, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK are reduced. To be effective, a Creation Application must:

(a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Units and the class of Units (where applicable) which is the subject of the Creation Application; and

(c) include the certifications required in the Operating Guidelines (if any) in respect of creations of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable Securities and other laws in relation to the creation of Units which are the subject of the Creation Application.

The Manager shall have the right to reject, acting in good faith, any Creation Application under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Units of the relevant Sub-Fund, (ii) the redemption of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;

(b) where in the opinion of the Manager, acceptance of the Creation Application would have an adverse effect on the relevant Sub-Fund;

(c) where, if relevant to a Sub-Fund, in the opinion of the Manager, acceptance of the Creation Application would have a material impact on the market on which a Security and/or Futures Contract, as the case may be (that is a component of the Index of the relevant Sub-Fund) has its primary listing;

(d) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or Futures Contracts as the case may be in the Index;

(e) where acceptance of the Creation Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager necessary for compliance with applicable legal or regulatory requirements;

(f) circumstances outside the control of the Manager which make it for all practicable purposes impossible to process the Creation Application;

(g) any period when the business operations of the Manager or the Trustee or any delegate of the Manager or the Trustee in relation to or the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or

(h) an Insolvency Event occurs in respect of the relevant Participating Dealer.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the Trustee of its decision to reject such Creation Application in accordance with the Operating Guidelines. Where for any reason there is a limit to the number of Units which can be created, priority will be given to Participating Dealers and the relevant Creation Applications as set out in the

Operating Guidelines.

The Manager's right to reject a Creation Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any creation request received from a client of the Participating Dealer under exceptional circumstances. Notwithstanding a Participating Dealer has accepted creation requests from its clients and in that connection submitted an effective Creation Application, the Manager may exercise its rights to reject such Creation Application in the circumstances described herein.

Where the Manager accepts a Creation Application from a Participating Dealer, it shall instruct the Trustee to effect (i) for the account of the Sub-Fund(s), the creation of Units in Application Unit size in exchange for a transfer of cash and/or Securities; and (ii) the issue of Units to the Participating Dealer, both in accordance with the Operating Guidelines and the Trust Deed.

Issue of Units

Units will be issued at the Issue Price prevailing on the relevant Dealing Day, provided that the Trustee may add to such Issue Price such sum (if any) as represents an appropriate provision for Duties and Charges. Please refer to the section on "Issue Price and Redemption Value" for the calculation of the Issue Price.

On receipt of a Creation Application by a Participating Dealer for Units in a Sub-Fund during the relevant Initial Offer Period, the Manager shall procure the creation and issue of Units in that Sub-Fund on the relevant Initial Issue Date.

Units are denominated in the base currency of the relevant Sub-Fund (unless otherwise determined by the Manager) as set out in the relevant Appendix and no fractions of a Unit shall be created or issued by the Trustee.

The creation and issue of Units pursuant to a Creation Application shall be effected on the Dealing Day on which the Creation Application is received (or deemed received) and accepted in accordance with the Operating Guidelines but, for valuation purposes only, Units shall be deemed created and issued after the Valuation Point on the Dealing Day on which the relevant Creation Application was received or deemed received and the register will be updated on the relevant Settlement Day or the Dealing Day immediately following the Settlement Day if the settlement period is extended. If a Creation Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application. An Extension Fee may be payable in relation to such an extension. See the section on "Fees and Expenses" for further details.

The Trustee shall be entitled to refuse to enter (or allow to be entered) Units in the register if at any time the Trustee is of the opinion that the provisions as set out in the Trust Deed, the relevant Operating Guidelines or the relevant Participation Agreement, in regard to the issue of Units, are being infringed.

Fees relating to Creation Applications

The Service Agent, the Registrar and/or the Trustee may charge a Transaction Fee in respect of Creation Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the same Sub-Fund). The Transaction Fee shall be paid by or on behalf of the Participating Dealer applying for such Units. See the section on "Fees and Expenses" for further details.

In relation to cash creation of Units, the Manager reserves the right to require the Participating Dealer to pay an additional sum for the purpose of compensating or reimbursing a Sub-Fund for the difference between:

(a) the prices used when valuing the Securities and/or Futures Contracts, as applicable, of the relevant Sub-Fund for the purpose of such issue of Units; and

(b) the prices which would be used when acquiring the same Securities and/or Futures Contracts, as applicable, if they were acquired by the relevant Sub-Fund with the amount of cash received by the relevant Sub-Fund upon such issue of Units.

The Participating Dealer may pass on to the relevant investor such additional sum.

Any commission, remuneration or other sum payable by the Manager to any agent or other person in respect of the issue or sale of any Unit shall not be added to the Issue Price of such Unit and shall not be paid from the assets of any Sub-Fund.

Cancellation of Creation Applications

A Creation Application once given cannot be revoked or withdrawn without the consent of the Manager.

The Trustee, after consultation with the Manager may cancel a creation order in respect of any Units deemed created pursuant to a Creation Application if it has not received the full amount of the cash and/or Securities (including Subscription Amount, Transaction Fee, Duties and Charges) relating to the Creation Application by the Dealing Day, provided that the Manager may at its discretion extend the settlement period and such extension to be on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the Trustee or their respective Connected Persons or otherwise) as the Manager may determine and in accordance with the provisions of the Operating Guidelines.

In addition to the preceding circumstances, the Manager may also cancel any creation order of any Units if it determines by such time as it specifies in the Operating Guidelines that it is unable to invest the cash proceeds of any Creation Application.

Upon the cancellation of any creation order of any Units deemed created pursuant to a Creation Application as provided for above or if a Participating Dealer otherwise withdraws subject to the Manager's consent a Creation Application (other than in certain circumstances contemplated in the Trust Deed such as when the Manager declares a suspension of creations of Units), any cash and/or Securities received by or on behalf of the Trustee in connection with a Creation Application shall be redelivered to the Participating Dealer (without interest) as soon as practicable and the relevant Units shall be deemed for all purposes never to have been created and the Participating Dealer shall have no right or claim against the Manager, the Trustee and/or the Service Agent in respect of such cancellation provided that:

(a) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section on "Fees and Expenses" for further details);

(b) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the Sub-Fund(s), in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Value which would have applied in relation to each such Unit if the Participating Dealer had, on the date on which such Units are cancelled, made a Redemption Application, together with charges, expenses and losses incurred by the Sub-Fund(s) as a result of such cancellation;

(c) the Transaction Fee in respect of such Creation Application shall remain due and payable (notwithstanding that the Creation Application shall be deemed to never have been made) and once paid shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section on "Fees and Expenses" for further details); and

(d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of the cancellation of such Units.

Redemption of Units through Participating Dealers

Any application for the redemption of Units of a Sub-Fund must only be made through a Participating Dealer in respect of an Application Unit size or whole multiples thereof. Investors cannot redeem Units directly from the relevant Sub-Fund. Only Participating Dealers may submit Redemption Applications to the Trustee (with a copy to the Manager).

A Participating Dealer may redeem Units on any Dealing Day for its own account or for the account of its clients in accordance with the Operating Guidelines, by submitting a Redemption Application to the Trustee (with a copy to the Manager).

Each initial Participating Dealer has indicated to the Manager that it will generally accept and submit redemption request(s) received from you as its client(s), subject always to (i) mutual agreement between the relevant initial Participating Dealer and you as to its fees for handling such request(s); (ii) completion to its satisfaction of client acceptance procedures and requirements; (iii) no objection from the Manager to redeem Units for the relevant initial Participating Dealer on your behalf (please refer to the sub-section on “Redemption process” below for the examples of exceptional circumstances under which the Manager shall have the right to reject a Redemption Application); and (iv) mutual agreement between the relevant initial Participating Dealer and you as to the method of effecting such redemption request(s).

In addition, a Participating Dealer reserves the right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Units of the relevant Sub-Fund(s), (ii) the redemption of Units of the relevant Sub-Fund(s), and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;

(b) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or Futures Contracts in the Index;

(c) where acceptance of the redemption request would render the Participating Dealer in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Participating Dealer and/or any of its Connected Persons; or

(d) circumstances outside the control of the Participating Dealer make it for all practicable purposes impossible to process the redemption request.

Requirements relating to redemption requests by potential investors

The methods and currency of redemption available to the Participating Dealers in respect of each Sub-Fund, whether in-kind (i.e. the redemption of Units in exchange for a transfer of Securities plus any cash amount) or in cash only, are as set out in the relevant Appendix. A Participating Dealer may in its absolute discretion require a redemption request received from its client be effected in a particular method. The Manager nonetheless reserves its right to require a Redemption Application be effected in a particular method.

Any cash proceeds received by a Participating Dealer in a Redemption Application shall be paid in the base currency of that Sub-Fund as set out in the relevant Appendix. HKD traded Units, RMB traded Units or USD traded Units may be redeemed by way of a Redemption Application (through a Participating Dealer). Where a Participating Dealer wishes to redeem HKD traded Units the redemption process is the same as for RMB or USD traded Units.

A Participating Dealer may impose fees and charges in handling any redemption request which would increase the cost of investment and/or reduce the redemption proceeds. You are advised to check with the Participating Dealer as to relevant fees and charges. Although the Manager has a duty to monitor the operations of each Sub-Fund closely, neither the Manager nor the Trustee is empowered to compel a Participating Dealer to disclose its fees agreed with specific clients or other proprietary or confidential information to the Manager or the Trustee or to accept any such redemption requests received from clients. In addition, neither the Trustee nor the Manager can ensure effective arbitrage by a Participating Dealer.

A Participating Dealer may also impose timing deadlines for the submission by its clients of any redemption request and require any such clients to complete the relevant client acceptance procedures and requirements (including, where necessary, providing such documentation and certifications as required by the Participating Dealer) in order to ensure that an effective Redemption Application in respect of a Sub-Fund can be submitted by it to the Trustee (with a copy to the Manager). You are advised to check with the Participating Dealer as to the relevant timing deadlines and the client acceptance procedures and requirements.

Redemption process

A Participating Dealer may from time to time submit Redemption Applications in respect of a Sub-Fund to the Trustee (with a copy to the Manager), following receipt of redemption requests from clients or where it wishes to redeem Units of the relevant Sub-Fund for its own account.

If a Redemption Application is received on a day which is not a Dealing Day or is received after the relevant Dealing Deadline on a Dealing Day, that Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. The current Dealing Deadline After Listing on the relevant Dealing Day is specified in the relevant Appendix of each Sub-Fund, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK are reduced.

To be effective, a Redemption Application must:

(a) be given by a Participating Dealer in accordance with the Trust Deed, the relevant Participation Agreement and the relevant Operating Guidelines;

(b) specify the number of Units and the class of Units (where applicable) which is the subject of the Redemption Application; and

(c) include the certifications required in the Participation Agreement and Operating Guidelines (if any) in respect of redemptions of Units, together with such certifications and opinions of counsel (if any) as each of the Trustee and the Manager may separately consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of Units which are the subject of the Redemption Application.

The Manager shall have the right to reject, acting in good faith, any Redemption Application under exceptional circumstances, including without limitation the following circumstances:

(a) any period during which (i) the creation or issue of Units of the relevant Sub-Fund, (ii) the redemption of Units of the relevant Sub-Fund, and/or (iii) the determination of Net Asset Value of the relevant Sub-Fund is suspended;

(b) where in the opinion of the Manager, acceptance of the Redemption Application would have an adverse effect on the relevant Sub-Fund;

(c) where there is in existence any trading restriction or limitation such as the occurrence of a market disruption event, suspected market misconduct or the suspension of dealing in relation to any of the Securities and/or Futures Contracts in the relevant Index;

(d) where acceptance of the Redemption Application would render the Manager in breach of any regulatory restriction or requirement, internal compliance or internal control restriction or requirement of the Manager necessary for compliance with applicable legal and regulatory requirements;

(e) circumstances outside the control of the Manager make it for all practicable purposes impossible to process the Redemption Application; or

(f) the business operations of the Manager or the Trustee or delegate of the Manager or the Trustee in relation to the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

In the event of such rejection, the Manager shall notify the relevant Participating Dealer and the Trustee of its decision to reject such Redemption Application in accordance with the Operating Guidelines.

The Manager's right to reject a Redemption Application is separate and in addition to a Participating Dealer's right to reject, acting in good faith, any redemption request received from a client under exceptional circumstances. Notwithstanding a Participating Dealer has accepted redemption requests from clients and in that connection submitted an effective Redemption Application, the Manager may exercise its rights to reject such Redemption Application in the circumstances described herein.

Where the Manager accepts a Redemption Application from a Participating Dealer, it shall (i) effect the redemption and cancellation of the relevant Units; and (ii) require the Trustee to transfer to the Participating Dealer cash and/or Securities in accordance with the Operating Guidelines and the Trust Deed.

The Participating Dealer will then transfer the cash and/or Securities to the relevant client if the Redemption Application was submitted by the Participating Dealer for the account of its client.

Redemption of Units

Any accepted Redemption Application will be effected on the Settlement Day provided that a Redemption Application duly signed by a Participating Dealer (to the satisfaction of the Manager and the Trustee) has been received and provided further that the Trustee shall have received (unless otherwise provided in the Operating Guidelines) the original (and not a faxed copy) of the certificates (if any) representing the Units to be cancelled (or an indemnity in terms acceptable to the Trustee) and the full amount of any amount payable by the Participating Dealer including the Transaction Fee and any other Duties and Charges have been either deducted or otherwise paid in full.

For valuation purposes only, Units shall be deemed to have been redeemed and cancelled after the Valuation Point on the Dealing Day on which the Redemption Application was received or deemed received. The name of the Unitholder of such Units shall be removed from the Register in respect of those Units redeemed and cancelled on the relevant Settlement Day.

The Redemption Value of Units tendered for redemption and cancellation shall be the Net Asset Value per Unit of a Sub-Fund rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down). The benefit of any rounding adjustments will be retained by the relevant Sub-Fund. For the purpose of valuation, the relevant Valuation Point shall be the Valuation Point for the Dealing Day on which the Redemption Application is treated as having been received.

The interval between the receipt of a properly documented Redemption Application and payment of redemption proceeds may not exceed one calendar month provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset

Value or dealing in Units is not suspended.

The Manager may at its discretion extend the settlement period upon receipt of the extended settlement request by a Participating Dealer in respect of the Redemption Application on such terms and conditions (including as to the payment of any fees to the Manager or Extension Fee to the Trustee or their respective Connected Persons or otherwise) as the Manager may in its discretion determine, in accordance with the Operating Guidelines.

Fees relating to Redemption Applications

The Service Agent, the Registrar and/or the Trustee may charge a Transaction Fee in respect of Redemption Applications and may on any day vary the rate of the Transaction Fee they charge (but not as between different Participating Dealers in respect of the Sub-Fund(s)). The Transaction Fee shall be paid by or on behalf of the Participating Dealer submitting the Redemption Application(s) (and may be set off and deducted against any amount due to the Participating Dealer in respect of such Redemption Application(s)) for the benefit of the Trustee, the Registrar and/or the Service Agent. See the section on “Fees and Expenses” for further details.

In relation to cash redemption of Units, the Manager reserves the right to require the Participating Dealer to pay an additional sum for the purpose of compensating or reimbursing the relevant Sub-Fund for the difference between:

(a) the prices used when valuing the Securities and/or Futures Contracts as applicable of the relevant Sub-Fund for the purpose of such redemption of Units; and

(b) the prices which would be used when selling the same Securities and/or Futures Contracts as applicable if they were sold by the relevant Sub-Fund in order to realise the amount of cash required to be paid out of the relevant Sub-Fund upon such redemption of Units.

The Participating Dealer may pass on to the relevant investor such additional sum.

The Trustee may deduct from the redemption proceeds such sum (if any) as the Trustee may consider represents an appropriate provision for the Transaction Fee and/or other Duties and Charges.

Cancellation of Redemption Applications

A Redemption Application once given cannot be revoked or withdrawn without the consent of the Manager.

No Security shall be transferred and/or no cash amount shall be paid in respect of any Redemption Application unless Units, which are the subject of the Redemption Application, have been delivered to the Trustee free and clear of any Encumbrance for redemption by such time on the Settlement Day or other dealing set forth in the Trust Deed and/or Operating Guidelines as the Trustee and the Manager shall for the time being prescribe for Redemption Applications generally.

In the event that Units, which are the subject of a Redemption Application, are not delivered to the Trustee for redemption in accordance with the foregoing or are not free and clear of any Encumbrance (other than in certain circumstances contemplated in the Trust Deed such as when the Manager declares a suspension of redemptions of Units):

(a) the Trustee may charge the relevant Participating Dealer for the account of the Registrar an application cancellation fee (see the section on “Fees and Expenses” for further details);

(b) the Manager may at its discretion require the Participating Dealer to pay to the Trustee, for the account of the relevant Sub-Fund, in respect of each Unit so cancelled Cancellation Compensation, being the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if the

Participating Dealer had, on the actual date when the Manager is able to repurchase any replacement Securities made a Creation Application in accordance with the provisions of the Trust Deed plus such other amount as the Manager reasonably determines as representing any charges, expenses and losses incurred by the Sub-Fund(s) as a result of such cancellation;

(c) the Transaction Fee in respect of such Redemption Application shall remain due and payable (notwithstanding that the Redemption Application shall be deemed to never have been made) and once paid, shall be retained by and for the benefit of the Trustee, the Registrar and/or the Service Agent (see the section on "Fees and Expenses" for further details); and

(d) no previous valuations of the Trust Fund shall be re-opened or invalidated as a result of an unsuccessful Redemption Application.

Deferred redemption

In the event that redemption requests are received for the redemption of Units representing in aggregate more than 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund(s)) of the total number of Units in a Sub-Fund then in issue, the Manager may direct the Trustee to reduce the requests rateably and pro rata amongst all Unitholders seeking to redeem Units on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10% (or such higher percentage as the Manager may determine in respect of a Sub-Fund) of the Units in the relevant Sub-Fund then in issue. Units which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests in respect of the relevant Sub-Fund themselves exceed 10% (or such higher percentage as the Manager may determine in respect of that Sub-Fund) of the Units in the relevant Sub-Fund then in issue) in priority to any other Units in the relevant Sub-Fund for which redemption requests have been received. Units will be redeemed at the Redemption Value prevailing on the Dealing Day on which they are redeemed.

Suspension of creations and redemptions

The Manager may, at its discretion, in consultation with the Trustee (and where practicable, after consultation with Participating Dealers) and having regard to the best interests of Unitholders, suspend the creation or issue of Units of any Sub-Fund(s), suspend the redemption of Units of any Sub-Fund(s) and/or (subject to all applicable legal or regulatory requirements where payment of redemption proceeds exceeds one calendar month) delay the payment of any monies in respect of any Creation Application and/or Redemption Application in the following circumstances:

(a) during any period when trading on the SEHK or any other Recognised Stock Exchange or Recognised Futures Exchange is restricted or suspended;

(b) during any period when a market on which a Security and/or Futures Contract, as the case may be (that is a component of the Index) has its primary listing, or the official clearing and settlement depositary (if any) of such market, is closed;

(c) during any period when dealing on a market on which a Security and/or Futures Contract, as the case may be (that is a component of the Index) has its primary listing is restricted or suspended;

(d) during any period when, in the opinion of the Manager, settlement or clearing of Securities and/or Futures Contracts, as the case may be in the official clearing and settlement depositary (if any) of such market is disrupted;

(e) during the existence of any state of affairs as a result of which delivery or purchase of Securities and/or Futures Contracts, as appropriate or disposal of investments for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, be effected normally or without prejudicing the interests of Unitholders of the relevant Sub-Fund;

(f) during any period when the Index of the relevant Sub-Fund is not compiled or published;

(g) during any breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or when for any other reason the value of any Securities and/or Futures Contracts or other property for the time being comprised in the relevant Sub-Funds cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(h) during any period when the determination of the Net Asset Value of the relevant Sub-Funds are suspended or if any circumstance specified in the section on "Suspension of Determination of Net Asset Value" below arises;

(i) during any period when the business operations of the Manager or the Trustee or delegate of the Manager or the Trustee in respect of the relevant Sub-Fund is substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God; or

(j) if as result of the investment of the proceeds of issue of such Units in accordance with the investment objective of a Sub-Fund, the Trust collectively holds or would hold in aggregate more than 10% of the ordinary shares issued by any single issuer.

Where the Sub-Funds under the Trust hold in aggregate more than the limit of 10% of the ordinary shares issued by any single entity, the Manager will make it a priority objective to take all other necessary steps within a reasonable period to remedy such breach taking into account the interests of the Unitholders.

The Manager shall notify the SFC and publish a notice of suspension as soon as may be practicable following the suspension, and at least once a month during the suspension, on its website at www.samsungetfhk.com (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as it decides.

The Manager shall consider any Redemption Application or any Creation Application received during the period of suspension (that has not been otherwise withdrawn) as having been received immediately following the termination of the suspension. The period for settlement of any redemption will be extended by a period equal to the length of the period of suspension.

A Participating Dealer may, at any time after a suspension has been declared and before termination of such suspension, withdraw any Creation Application or Redemption Application by notice in writing to the Manager and the Manager shall promptly notify and request the Trustee to return to the Participating Dealer any cash and/or Securities received by it in respect of the Creation Application (without interest) as soon as practicable.

A suspension shall remain in force until the earlier of (a) the Manager declaring the suspension is at an end; and (b) the first Dealing Day on which (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised exists.

Evidence of Unitholding

Units will be deposited, cleared and settled by CCASS. Units are held in registered entry form only, which means that no Unit certificates are issued. HKSCC Nominees Limited is the registered owner (i.e. the sole holder of record) of all outstanding Units deposited with CCASS and is holding such Units for the Participants in accordance with the General Rules of CCASS. Furthermore, the Trustee and the Manager acknowledge that pursuant to the General Rules of CCASS neither HKSCC Nominees Limited nor HKSCC has any proprietary interest in the Units. Investors owning Units in CCASS are beneficial owners as shown on the records of the participating brokers or the relevant Participating Dealer(s) (as the case may be) who are Participants.

Restrictions on Unitholders

The Manager has power to impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held which would result in such holding being:

(a) a breach of the law or requirements of any country or governmental authority or any stock exchange on which the Units are listed in circumstances which, in the Manager's opinion, might result in the Trust or the Sub-Fund(s) suffering any adverse effect which the Trust or the Sub-Fund(s) might not otherwise have suffered; or

(b) in the circumstances which, in the Manager's opinion, may result in the Trust or the Sub-Fund(s) incurring any tax liability or suffering any other pecuniary disadvantage which the Trust or the Sub-Fund(s) might not otherwise have incurred or suffered.

Upon notice that any Units are so held, the Manager may require such Unitholders to redeem or transfer such Units in accordance with the provisions of the Trust Deed. A person who becomes aware that he is holding or owning Units in breach of any of the above restrictions is required either to redeem his Units in accordance with the Trust Deed or to transfer his Units to a person whose holding would be permissible under this Prospectus and the Trust Deed in a manner that would result in such Unitholder no longer being in breach of the restrictions above.

Transfer of Units

The Trust Deed provides that a Unitholder may transfer Units with the consent of the Manager. As all Units will be held in CCASS, the Manager's consent is deemed given where an investor is transferring his interest in Units within CCASS. A Unitholder is entitled to transfer Units held by him by using the standard transfer form issued by SEHK or by an instrument in writing in such other form (and if the transferor or the transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution) as the Trustee may from time to time approve. The transferor will be deemed to remain the Unitholder of the Units transferred until the name of the transferee is entered in the register of Unitholders in respect of the Units being transferred. Each instrument of transfer must relate to a single Sub-Fund only. If and to the extent that all Units are deposited, cleared and settled in CCASS, HKSCC Nominees Limited will be the sole Unitholder, holding such Units for the persons admitted by HKSCC as a Participant and to whose account any Units are for the time being allocated in accordance with the General Rules of CCASS.

EXCHANGE LISTING AND TRADING (SECONDARY MARKET)

The purpose of the listing of the Units on the SEHK is to enable investors to buy and sell Units on the secondary market, normally via a broker or dealer in smaller quantities than would be possible if they were to subscribe and/or redeem Units in the primary market.

The market price of a Unit listed or traded on the SEHK may not reflect the Net Asset Value per Unit. Any transactions in the Units on the SEHK will be subject to the customary brokerage commissions and/or transfer taxes associated with the trading and settlement through the SEHK. There can be no guarantee that once the Units are listed on the SEHK they will remain listed.

The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Units. Where a Multi Counter has been adopted in respect of a Sub-Fund the Manager will use its best endeavours to put in place arrangements so that there is at least one Market Maker for each available counter although these Market Makers may be the same entity. Broadly, the obligations of a Market Maker will include quoting bid and offer prices on the SEHK with the intention of providing liquidity. Given the nature of the Market Maker's role, the Manager will make available to a Market Maker, the portfolio composition information which is made available to a Participating Dealer.

Units may be purchased from and sold through the Market Makers. However, there is no guarantee or assurance as to the price at which a market will be made. In maintaining a market for Units, the Market Makers may make or lose money based on the differences between the prices at which they buy and sell Units, which is to a certain extent dependent on the difference between the purchase and sale prices of the underlying Securities or Futures Contracts comprised within the Index. Market Makers may retain any profits made by them for their own benefit and they are not liable to account to the Sub-Fund(s) in respect of their profits.

If you wish to buy or sell Units on the secondary market, you should contact your brokers.

If trading of the Units on the SEHK is suspended or trading generally on the SEHK is suspended, then there will be no secondary market dealing for the Units.

Application may be made in future for a listing of Units of any Sub-Fund on one or more other stock exchanges.

Please also refer to the relevant Appendix of the Sub-Fund for additional disclosures on secondary market trading.

DETERMINATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value of each Sub-Fund will be calculated by the Trustee as at each Valuation Point applicable to the relevant Sub-Fund by valuing the assets of the relevant Sub-Fund and deducting the liabilities of the relevant Sub-Fund, in accordance with the terms of the Trust Deed.

Set out below is a summary of how various property held by the relevant Sub-Fund are valued:

(a) Securities that are quoted, listed, traded or dealt in on any Market shall unless the Manager (in consultation with the Trustee) determines that some other method is more appropriate, be valued by reference to the price appearing to the Manager to be the official closing price or, if unavailable, the last traded price on the Market as the Manager may consider in the circumstances to provide fair criterion, provided that (i) if a Security is quoted or listed on more than one Market, the Manager shall adopt the price quoted on the Market which in its opinion provides the principal market for such Security; (ii) if prices on that Market are not available at the relevant time, the value of the Securities shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager; (iii) interest accrued on any interest-bearing Securities shall be taken into account, unless such interest is included in the quoted or listed price; and (iv) the Manager and the Trustee shall be entitled to use and rely on electronic price feeds from such source or sources as they may from time to time determine, notwithstanding that the prices so used are not the last traded prices as the case may be;

(b) the value of each interest in any unlisted mutual fund corporation or unit trust shall be the latest available net asset value per share or unit in such mutual fund corporation or unit trust or if not available or appropriate, the last available bid or offer price for such unit, share or other interest;

(c) Futures Contracts will be valued at the official closing price of the Futures Contracts or if such price is not available (i) the latest available price or (ii) if bid and offer quotations are made, the latest available middle market quotation of such Futures Contract in each case at the Valuation Point or as otherwise valued as described in the Trust Deed;

(d) except as provided for in paragraph (b), the value of any investment which is not listed, quoted or ordinarily dealt in on a Market shall be the initial value thereof equal to the amount expended on behalf of the relevant Sub-Fund in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses) provided that a revaluation shall be made on each Valuation Day by reference to the latest bid price, asked price or mean thereof, as the Trustee and the Manager consider appropriate, quoted by a professional person, firm or institution making a market in such investments or such professional person, firm or institution approved by the Trustee as qualified to value such investments (which may, if the Trustee agrees, be the Manager);

(e) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made to reflect the value thereof; and

(f) notwithstanding the foregoing, the Manager may, in consultation with the Trustee, adjust the value of any investment if, having regard to relevant circumstances, the Manager considers that such adjustment is required to fairly reflect the value of the investment.

The Trustee will perform any currency conversion at rates as may be agreed between the Trustee and the Manager from time to time.

The above is a summary of the key provisions of the Trust Deed with regard to how the various assets of the relevant Sub-Fund are valued.

Suspension of determination of Net Asset Value

The Manager may, in consultation with the Trustee having regard to the best interests of Unitholders, declare a suspension of the determination of the Net Asset Value of the relevant Sub-Fund for the whole or any part of any period during which:

(a) there exists any state of affairs prohibiting the normal disposal and/or purchase of the investments of the relevant Sub-Fund;

(b) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise any Securities and/or Futures Contracts held or contracted for the account of the Sub-Fund or it is not possible to do so without seriously prejudicing the interest of Unitholders of Units of the relevant Sub-Fund;

(c) for any other reason the prices of investments of the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(d) there is a breakdown in any of the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Unit of the relevant class or when for any other reason the value of any Securities and/or Futures Contracts or other property for the time being comprised in the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained;

(e) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the Securities and/or Futures Contracts of the relevant Sub-Fund or the subscription or redemption of Units of the relevant Sub-Fund is delayed or cannot, in the opinion of the Manager, be carried out promptly or at normal rates of exchange; or

(f) the business operations of the Manager or the Trustee or delegate of the Manager or the Trustee in relation to the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Any suspension shall take effect upon its declaration and thereafter there shall be no determination of the Net Asset Value of the relevant Sub-Fund and the Manager shall be under no obligation to rebalance the relevant Sub-Fund until the suspension is terminated on the earlier of (i) the Manager declaring the suspension is at an end; and (ii) the first Dealing Day on which (1) the condition giving rise to the suspension shall have ceased to exist; and (2) no other condition under which suspension is authorised exists.

The Manager shall notify the SFC and publish a notice of suspension as soon as may be practicable following the suspension, and at least once a month during the suspension, on its website at www.samsungetfhk.com (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or in such other publications as the Manager decides.

No Units of a Sub-Fund will be issued or redeemed during any period of suspension of the determination of the Net Asset Value of the relevant Sub-Fund.

Issue Price and Redemption Value

The Issue Price which is the subject of a Creation Application during the Initial Offer Period of a Sub-Fund will be a fixed amount per Unit, or a percentage of the closing level of the relevant Index (expressed in the base currency of the relevant Sub-Fund) as at the last day of the Initial Offer Period, rounded to four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down), or such other amount from time to time determined by the Manager in consultation with the Trustee. The Issue Price during the Initial Offer Period of each Sub-Fund will be set out in the relevant Appendix for that Sub-Fund.

After the expiry of the Initial Offer Period, the Issue Price of Units created and issued by a Creation Application, will be the prevailing Net Asset Value of the relevant Sub-Fund as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down).

The Redemption Value on a Dealing Day shall be the prevailing Net Asset Value of the relevant Sub-Fund as at the relevant Valuation Point divided by the total number of Units in issue rounded to the nearest four decimal places (0.00005 or above being rounded up, and less than 0.00005 being rounded down).

The benefit of any rounding adjustments will be retained by the relevant Sub-Fund.

The latest Net Asset Value of the Units will be available on the Manager's website at www.samsungetfhk.com (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC) or published in such other publications as the Manager may decide from time to time.

Neither the Issue Price nor the Redemption Value takes into account Duties and Charges, Transaction Fees or fees payable by a Participating Dealer.

FEES AND EXPENSES

There are different levels of fees and expenses applicable to investing in a Sub-Fund as set out below, current as at the date of this Prospectus. Where any levels of fees and expenses applicable to a particular Sub-Fund differs from the following, such fees and expenses will be set out in full in the relevant Appendix.

(a) **Fees and expenses payable by Participating Dealers on creations and redemptions (as applicable) of Units (applicable both during the Initial Offer Period and After Listing)**	**Amount**		
	Samsung S&P GSCI Crude Oil ER Futures ETF	**Samsung NYSE FANG+ ETF**	**Samsung Bloomberg Global Semiconductor ETF**
Administrative transaction fee and Service Agent's fee	HKD4,000[1] per Application and HKD1,000[1] per book-entry deposit and withdrawal transaction See Note[2]	USD600[3] per Application and HKD1,000[3] per book-entry deposit and withdrawal transaction See Note[4]	USD600[5] per Application and HKD1,000[5] per book-entry deposit and withdrawal transaction See Note[6]
Registrar fee	HKD160[7] per Application	Included in the Trustee's fee	Included in the Trustee's fee
Application cancellation fee	HKD12,000[8] per Application	USD1,200 per Application	USD1,200 per Application
Extension Fee	HKD12,000[9] per Application	USD1,200 per Application	USD1,200 per Application
Stamp duty	Nil	Nil	Nil

1 *HKD4,000 is payable to the Trustee and HKD1,000 is payable to the Service Agent.*

2 *The administrative transaction fee of HKD4,000 is payable by a Participating Dealer to the Trustee for the benefit of the Trustee and/or Registrar. The Service Agent's fee of HKD1,000 is payable by the Participating Dealer to the Service Agent. The Service Agent will charge a fee for each book-entry deposit and withdrawal transaction. A Participating Dealer may pass on to the relevant investor such Transaction Fee.*

3 *USD600 is payable to the Trustee and HKD1,000 is payable to the Service Agent.*

4 *The administrative transaction fee of USD600 is payable by a Participating Dealer to the Trustee for the benefit of the Trustee and/or Registrar. The Service Agent's fee of HKD1,000 is payable by the Participating Dealer to the Service Agent. The Service Agent will charge a fee for each book-entry deposit and withdrawal transaction. A Participating Dealer may pass on to the relevant investor such Transaction Fee.*

5 *USD600 is payable to the Trustee and HKD1,000 is payable to the Service Agent.*

6 *The administrative transaction fee of USD600 is payable by a Participating Dealer to the Trustee for the benefit of the Trustee and/or Registrar. The Service Agent's fee of HKD1,000 is payable by the Participating Dealer to the Service Agent. The Service Agent will charge a fee for each book-entry deposit and withdrawal transaction. A Participating Dealer may pass on to the relevant investor such Transaction Fee.*

5 *The Registrar will charge each Participating Dealer a fee for each Creation Application and Redemption Application.*

8 *An application cancellation fee is usually payable to the Trustee for the account of the Registrar in respect of either a withdrawn or failed Creation Application or Redemption Application (other than in certain circumstances such as following a suspension of creations or redemptions by the Manager).*

9 *An Extension Fee is payable to the Trustee on each occasion the Manager, upon a Participating Dealer's request, grants the Participation Dealer an extended settlement in respect of a Creation Application or Redemption Application.*

All other Duties and Charges incurred by the Trustee or the Manager in connection with the creation or redemption	As applicable	As applicable	As applicable

(b) Fees and expenses payable by investors **Amount**

(i) Fees payable by clients of the Participating Dealers in respect of creations and redemptions (as applicable) via the Participating Dealer (applicable both during the Initial Offer Period and After Listing)

Fees and charges imposed by the Participating Dealer[10]	Such amounts as determined by the relevant Participating Dealer

(ii) Fees payable by all investors in respect of dealings in the Units on SEHK (applicable After Listing)

Brokerage	Market rates
Transaction levy	0.0027%[11]
SEHK trading fee	0.005%[12]
Stamp duty	Nil
Inter-counter transfers	HKD5[13]

(c) Fees and expenses payable by the Sub-Funds (See further disclosure below)

No money should be paid to any intermediary in Hong Kong which is not licensed or registered to carry on Type 1 regulated activity under Part V of the SFO.

Fees and Expenses Payable by the Sub-Funds

Management fee

The Manager is entitled to receive a management fee of up to 0.99% per year of the Net Asset Value of each Sub-Fund. The current management fee percentage in respect of each Sub-Fund is set out in the relevant Appendix and is accrued daily and calculated as at each Dealing Day and payable monthly in arrears. This fee is payable out of the Trust Fund.

The Manager may pay a distribution fee to any distributor or sub-distributors of the Trust out of the management fees it receives from the Trust. A distributor may re-allocate an amount of the distribution fee to the sub-distributors. The fees of the Investment Adviser, if any, will be paid by

10 *The Participating Dealer may increase or waive the level of its fees in its discretion. Information regarding these fees and charges is available upon request to the relevant Participating Dealer.*

11 *Transaction levy of 0.0027% of the trading price of the Units, payable by the buyer and the seller.*

12 *Trading fee of 0.005% of the trading price of the Units, payable by the buyer and the seller.*

13 *This fee is only applicable to Sub-Funds which have adopted a Multi Counter and have RMB, HKD and/or USD traded Units. HKSCC will charge each Participant a fee of HKD5 per instruction for effecting an inter-counter transfer of a Sub-Fund between one counter and the other counter. Investors should check with their brokers regarding any additional fees.*

the Manager and not out of the assets of the relevant Sub-Fund.

Trustee's and Registrar's fee

The Trustee receives out of the assets of each Sub-Fund a monthly trustee's fee, payable in arrears, accrued daily and calculated as at each Dealing Day of up to 1.00% per year of the Net Asset Value of a Sub-Fund. The Trustee fee percentage in respect of each Sub-Fund is set out in the relevant Appendix.

The Trustee shall also be entitled to be reimbursed out of the assets of the relevant Sub-Fund all out-of-pocket expenses incurred.

The Registrar is entitled to a registrar fee and an administrative transaction fee for any creation and redemption of Units of the relevant Sub-Fund as set out in the relevant Appendix.

Service Agent's fee

The Service Agent is entitled to receive a monthly reconciliation fee of HKD5,000 from the Manager. The Manager shall pass on to the relevant Sub-Fund such reconciliation fee.

For any period less than a month, the reconciliation fee is on a pro-rata basis and accrues on a daily basis. The Trustee, on behalf of the Trust, will pay all other expenses chargeable by the Service Agent in connection with the Service Agent's role.

Ongoing charges

The estimated ongoing charges (where a Sub-Fund is newly established) or actual ongoing charges of a Sub-Fund where applicable, which are the sum of anticipated ongoing expenses of the relevant Sub-Fund expressed as a percentage of the estimated average Net Asset Value of the relevant Sub-Fund, are set out in the relevant Appendix. Where a Sub-Fund is newly established the Manager will make a best estimate of the ongoing charges and keep such estimate under review. The establishment costs of a Sub-Fund will also be included in the ongoing charges calculation. Ongoing expenses are generally payments deducted from the assets of a Sub-Fund where these are permitted by the Trust Deed, the Code and the law. These include all types of cost borne by a Sub-Fund, whether incurred in its operation or the remuneration of any party. The ongoing charges do not represent the estimated tracking error.

Promotional expenses

The Sub-Fund(s) will not be responsible for any promotional expenses including those incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Sub-Fund(s) will not be paid (either in whole or in part) out of the Trust Fund.

Other expenses

The Sub-Fund(s) will bear all operating costs relating to the administration of the Sub-Fund(s) including but not limited to stamp and other duties, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges and other costs and expenses payable in respect of the acquisition, holding and realisation of any investment or any monies, deposit or loan, charges and expenses of its legal counsel, auditors and other professionals, index licensing fees, the costs in connection with maintaining a listing of the Units on the SEHK or other exchange (including, if considered appropriate by the Manager, any additional costs of determining the stock code by drawing from special ballot pool, which are estimated to be HKD500,000) and maintaining the Trust's and the Sub-Fund's authorisation under the SFO, costs incurred in the preparation, printing and updating of any offering documents and the costs incurred in the preparation of supplemental deeds, any disbursements or out-of-pocket expenses properly incurred on behalf of the Sub-Fund(s) by the Trustee, the Manager or the Registrar or any of its service providers, the expenses incurred in convening meetings of Unitholders, preparing, printing and distributing annual financial reports and interim unaudited financial reports and other circulars relating to the Sub-Fund(s) and the expenses of publishing Unit prices.

Establishment costs

The cost of establishing the Trust was borne primarily by the Manager and partly by the Trust and was fully amortised during the first financial year of the Trust. The cost of establishing the Samsung S&P GSCI Crude Oil ER Futures ETF including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs was approximately HKD1.5 million and is being borne by the Samsung S&P GSCI Crude Oil ER Futures ETF and amortised over the first five financial years of the Samsung S&P GSCI Crude Oil ER Futures ETF.

The cost of establishing the Samsung NYSE FANG+ ETF, including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs was approximately HKD1.5 million and are being borne by the Samsung NYSE FANG+ ETF (unless otherwise determined by the Manager) and will be amortised over the first 5 financial years of the Samsung NYSE FANG+ ETF (or such other period as determined by the Manager after consulting the Auditor).

The cost of establishing the Samsung Bloomberg Global Semiconductor ETF, including the preparation of this Prospectus, inception fees, the costs of seeking and obtaining the listing and authorisation by the SFC and all initial legal and printing costs is approximately HKD1.2 million and will be borne by the Samsung Bloomberg Global Semiconductor ETF (unless otherwise determined by the Manager) and will be amortised over the first 5 financial years of the Samsung Bloomberg Global Semiconductor ETF (or such other period as determined by the Manager after consulting the Auditor).

The attention of investors is drawn to the risk factor entitled “Valuation and accounting risk”.

Increase in fees

The current fees in respect of each Sub-Fund payable to the Manager and the Trustee as described in the relevant Appendix may be increased on notice to Unitholders, subject to the maximum rates set out in the Trust Deed.

RISK FACTORS

An investment in any Sub-Fund carries various risks. Each of these may affect the Net Asset Value, yield, total return and trading price of the Units. There can be no assurance that the investment objective of a Sub-Fund will be achieved. You should carefully evaluate the merits and risks of an investment in the relevant Sub-Fund in the context of your overall financial circumstances, knowledge and experience as an investor. The risk factors set forth below are the risks which are believed by the Manager and its directors to be relevant and presently applicable to all Sub-Funds. You should refer to additional risk factors, specific to each Sub-Fund, as set out in the relevant Appendix. In particular, further risk factors applicable to the Sub-Funds which adopt a Multi Counter (in addition to these below) are set out in the relevant Appendix.

Risks associated with investment in any Sub-Fund

Investment objective risk

There is no assurance that the investment objective of a Sub-Fund will be achieved. Whilst it is the intention of the Manager to implement strategies which are designed to minimise tracking error, there can be no assurance that these strategies will be successful. It is possible that you as an investor may lose a substantial proportion or all of its investment in a Sub-Fund where the relevant Index value declines. As a result, each investor should carefully consider whether you can afford to bear the risks of investing in the relevant Sub-Fund.

Market risk

The Net Asset Value of each Sub-Fund will change with changes in the market value of the Securities and/or Futures Contracts it holds. The price of Units and the income from them may go down as well as up. There can be no assurance that an investor will achieve profits or avoid losses, significant or otherwise. The capital return and income of the Sub-Fund is based on the capital appreciation and income on the Securities and/or Futures Contracts it holds, less expenses incurred. A Sub-Fund's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, each Sub-Fund may experience volatility and decline in a manner that broadly corresponds with the relevant Index. Investors in a Sub-Fund are exposed to the same risks that investors who invest directly in the underlying Securities and/or Futures Contracts would face. These risks include, for example, interest rate risks (risks of falling portfolio values in a rising interest rate market); income risks (risks of falling incomes from a portfolio in a falling interest rate market); and credit risk (risk of a default by the underlying issuer of a Security that forms part of the Index).

Asset class risk

Although the Manager is responsible for the continuous supervision of the investment portfolio of the Sub-Fund(s), the returns from the types of Securities and/or Futures Contracts in which the Sub-Fund invests may underperform or outperform returns from other Securities and/or Futures Contracts markets or from investment in other assets. Different types of securities tend to go through cycles of out-performance and underperformance when compared with other general Securities and/or Futures Contracts markets.

Passive investment risk

The Sub-Funds are not actively managed. Accordingly, the Sub-Funds may be affected by a decline in the market segments relating to the relevant Index or Indices. Under normal market conditions, the Manager will not take defensive positions when the Index moves in an unfavourable direction. Investors may lose a significant part of their respective investments if the Index falls. Each Sub-Fund invests in the Securities and/or Futures Contracts included in or representative of the relevant Index regardless of their investment merit, except to the extent of any representative sampling strategy. The Manager does not attempt to select Securities or Futures Contracts individually or to take defensive positions when the Index moves in an unfavourable direction unless under exceptional market conditions and/or extreme circumstances, where the Manager may adopt a temporary defensive position for protection of the Sub-Fund in the best interests of the Sub-Fund and the Unitholders. You should note that the lack of discretion on the part of the Manager to adapt to market changes due to the inherent investment nature of the Sub-Funds will mean that falls in the Index or Indices are expected to result in corresponding falls in the value of the Sub-Funds, and you may lose substantially all of your investment.

Possible business failure risk

In the current economic environment, global markets are experiencing very high level of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any one or more of the constituents of the Index may have an adverse effect on the Index's and therefore the relevant Sub-Fund's performance. You may lose money by investing in the Sub-Fund(s).

Management risk

Because there can be no guarantee that each Sub-Fund will fully replicate the relevant Index, it is subject to management risk. This is the risk that the Manager's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Manager has absolute discretion to exercise Unitholders' rights with respect to Securities and/or Futures Contracts 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(s) being achieved.

Securities risk

The investments of the Sub-Fund(s) are subject to risks inherent in all Securities (including settlement and counterparty risks). The value of holdings may fall as well as rise. The global markets are currently experiencing very high levels of volatility and instability, resulting in higher levels of risk than is customary (including settlement and counterparty risks).

Counterparty Risk

Counterparty risk involves the risk that a counterparty or third party will not fulfil its obligations to a Sub-Fund and settle a transaction in accordance with market practice. A Sub-Fund may be exposed to the risk of a counterparty through investments.

Deposits of securities or cash with a custodian, bank or financial institution ("custodian or depositary") will carry counterparty risk as the custodian or depositary may be unable to perform their obligations due to credit-related and other events like insolvency of or default of them. In most cases, a Sub-Fund's assets will be maintained by the custodian or depositary in segregated accounts and would be protected in the event of the insolvency of the custodian or depositary.

Equity risk

Investing in equity Securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity Securities may also be higher, because the investment performance of equity Securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

Tracking error risk

The Net Asset Value of a Sub-Fund may not correlate exactly with the Index. Factors such as the fees and expenses of a Sub-Fund, imperfect correlation between a Sub-Fund's assets and the Securities or Futures Contracts constituting the Index, inability to rebalance a Sub-Fund's holdings of Securities or Futures Contracts in response to changes in the constituents of the Index, rounding of Security or Futures Contracts prices, and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the relevant Index. Further, if the relevant Index is a gross total return index the relevant Sub-Fund may receive income (such as interest and dividends) from its assets, which is subject to withholding tax. The Manager may, where specified in the relevant Appendix and subject to the approval of the SFC if necessary, switch between full replication and representative sampling strategies in order to minimise tracking error, however notwithstanding this, because the Manager will not have other strategies to minimise tracking error, these factors may cause a Sub-Fund's returns to deviate from its Index.

Concentration risk

A Sub-Fund may be subject to concentration risk as a result of tracking the performance of a single geographical region. Such a Sub-Fund is likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the relevant region.

Trading risk

While the creation/redemption feature of each Sub-Fund is designed to make it likely that Units will trade close to their Net Asset Value, disruptions to creations and redemptions (for example, as a result of imposition of capital controls by a foreign government) may result in trading prices that differ significantly from the Net Asset Value. The secondary market prices of Units will fluctuate in accordance with changes in the Net Asset Value and supply and demand on any exchange on which Units are listed. In addition, when buying or selling Units on the SEHK additional charges (such as brokerage fees) mean that an investor may pay more than the Net Asset Value per Unit when buying Units on the SEHK and may receive less than the Net Asset Value per Unit when selling Units on the SEHK. The Manager cannot predict whether Units will trade below, at, or above their Net Asset Value. Since, however, Units must be created and redeemed in Application Unit size (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their Net Asset Value) the Manager believes that ordinarily large discounts or premiums to the Net Asset Value of Units should not be sustained. If the Manager suspends creations and/or redemptions of Units, the Manager anticipates that there may be larger discounts or premiums as between the secondary market price of Units and the Net Asset Value.

Loss of capital risk

There is no guarantee that a Sub-Fund's investments will be successful. In addition, trading errors are an intrinsic factor in any complex investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors.

No trading market in the Units risk

Although the Units are listed on the SEHK and one or more Market Makers have been appointed, there may be no liquid trading market for the Units or that such Market Maker(s) may cease to fulfil that role. Further, there can be no assurance that Units will experience trading or pricing patterns similar to those of exchange traded funds which are issued by investment companies in other jurisdictions or those traded on the SEHK which are based upon indices other than the Index.

FDIs risk

The Manager may invest a Sub-Fund in constituents of the relevant Index through FDIs. A FDI is a financial contract or instrument the value of which depends on, or is derived from, the value of an underlying asset such as a Security and/or Futures Contract or an index and so have a high degree of price variability and are subject to occasional rapid and substantial changes. Compared to conventional Securities, FDIs can be more sensitive to changes in interest rates or to sudden fluctuations in market prices due to both the low margin deposits required, and the extremely high degree of leverage involved in their pricing. As a result, a relatively small price movement in a FDI may result in immediate and substantial loss (or gain) to the relevant Sub-Fund. The relevant Sub-Fund's losses may be greater if it invests in FDIs than if it invests only in conventional Securities.

There is also no active market in FDIs and therefore investment in FDIs can be illiquid. In order to meet redemption requests, the relevant Sub-Fund relies upon the issuer of the FDIs to quote a price to unwind any part of the FDIs that will reflect the market liquidity conditions and the size of the transaction.

In addition, many FDIs are not traded on exchanges. As a result, if the relevant Sub-Fund engages in transactions involving FDIs, it will be subject to the risk of the inability or refusal to perform such contracts by the counterparties with which the relevant Sub-Fund trades, and as such the relevant Sub-Fund may suffer a total loss of the relevant Sub-Fund's interest in the FDI. This risk is also aggregated by the fact that over-the-counter derivatives markets are generally not regulated by government authorities and participants in these markets are not required to make continuous markets in the contracts they trade.

An investment in the FDIs does not entitle the FDIs holder to the beneficial interest in the shares nor to make any claim against the company issuing the shares. There can be no assurance that the price of the FDIs will equal the underlying value of the company or securities market that it may seek to replicate.

Where the Manager invests the relevant Sub-Fund's assets in FDIs that are not listed, quoted or dealt in on a market, those FDIs should comprise no more than 15% of the relevant Sub-Fund's Net Asset Value. The exposure of a Sub-Fund to FDIs is also subject to the other applicable investment restrictions set out in this Prospectus and the relevant Appendix.

Securities financing transactions risk

Where indicated in the relevant Appendix, a Sub-Fund may enter into securities financing transactions, which is subject to risks including:

- Risk relating to Securities Lending Transactions – Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the Sub-Fund which engaged in Securities Lending Transactions may suffer a loss and there may be a delay in recovering the lent securities. Any delay in the return of securities on loans may restrict the ability of the Sub-Fund to meet delivery or payment obligations arising from redemption requests and may trigger claims. The value of the collateral received as part of the lending transaction may also fall below the value of the securities lent out. Securities lending also entails operational risks such as settlement failures or delays in the settlement of instructions. Such failures or delays may restrict the ability of the Sub-Fund to meet delivery or payment obligations arising from redemption requests and may trigger claims.

- Risk relating to Repurchase Transactions – In the event of the failure of the counterparty with which collateral has been placed, the Sub-Fund may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded.

- Risk relating to Reverse Repurchase Transactions – In the event of the failure of the counterparty with which cash has been placed, the Sub-Fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

Indemnity risk

Under the Trust Deed, the Trustee and the Manager have the right to be indemnified against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in performing their respective duties except as a result of their own negligence, fraud, default, breach of duty or trust of which they may be liable in relation to their duties. Any reliance by the Trustee or the Manager on the right of indemnity would reduce the assets of the relevant Sub-Fund and the value of the Units.

Dividends may not be paid risk

Whether a Sub-Fund will pay distributions on Units is subject to the Manager's distribution policy (as described in the relevant Appendix). If a Sub-Fund intends to pay dividends, its ability to do so mainly depends on dividends declared and paid in respect of Securities held by the Sub-Fund, where the Sub-Fund holds Securities as part of its investment strategy. In addition, dividends received by a Sub-Fund may be applied towards meeting the costs and expenses of that Sub-Fund. Dividend payment rates in respect of such Securities will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

Possible early termination of a Sub-Fund risk

A Sub-Fund may be terminated early under certain circumstances, including but not limited to (i) the aggregate Net Asset Value of all the Units is less than HKD150 million or such amount specified in the supplemental deed establishing the relevant Sub-Fund or (ii) any law is passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Manager, impracticable or inadvisable to continue the relevant Sub-Fund or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed or (iv) the relevant Index is no longer available for benchmarking or if the Units are no longer listed on the SEHK or any other Recognised Stock Exchange or (v) at any time, the relevant Sub-Fund ceases to have any Participating Dealer. Upon a Sub-Fund being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the relevant Sub-Fund to the Unitholders in accordance with the Trust Deed. Any such amount distributed may be more or less than the capital invested by the Unitholder.

Risks associated with market trading

Absence of active market and liquidity risks

Although Units of each Sub-Fund are listed for trading on the SEHK, there can be no assurance that an active trading market for such Units will develop or be maintained. In addition, if the underlying Securities or Futures Contracts which comprise each Sub-Fund themselves have limited trading markets, or if the spreads are wide, this may adversely affect the price of the Units and the ability of an investor to dispose of its Units at the desired price. If you need to sell your Units at a time when no active market for them exists, the price you receive for your Units — assuming you are able to sell them — is likely to be lower than the price received if an active market did exist.

Suspension of trading risk

Investors and potential investors will not be able to buy, nor will investors be able to sell, Units on the SEHK during any period in which trading of the Units is suspended. The SEHK may suspend the trading of Units whenever the SEHK determines that it is appropriate and in the interest of a fair and orderly market to protect investors. The subscription and redemption of Units may also be suspended if the trading of Units is suspended.

Effect of redemptions risk

If significant redemptions of Units are requested by the Participating Dealers, it may not be possible to liquidate the relevant Sub-Fund's investments at the time such redemptions are requested or the Manager may be able to do so only at prices which the Manager believes does not reflect the true value of such investments, resulting in an adverse effect on the return to investors. Where significant redemptions of Units are requested by the Participating Dealers, the right of Participating Dealers to require redemptions in excess of 10% of the total number of Units in the Sub-Fund then in issue (or such higher percentage as the Manager may determine) may be deferred, or the period for the payment of redemption proceeds may be extended.

In addition, the Manager may also in certain circumstances suspend the determination of the Net Asset Value of a Sub-Fund for the whole or any part of any period. Please see the section on "Determination of Net Asset Value" for further details.

Units may trade at prices other than Net Asset Value risk

Units may trade on the SEHK at prices above or below the most recent Net Asset Value. The Net Asset Value per Unit of each Sub-Fund is calculated at the end of each Dealing Day and fluctuates with changes in the market value of the relevant Sub-Fund's holdings. The trading prices of the Units fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the Units may deviate significantly from Net Asset Value particularly during periods of market volatility. Volatility on the SEHK as well as supply and demand for Units traded on the SEHK may lead to the Units of the relevant Sub-Fund trading at a premium or discount to the Net Asset Value. On the basis that Units can be created and redeemed in Application Units at Net Asset Value, the Manager believes that large discounts or premiums to Net Asset Value are not likely to be sustained over the long-term. While the creation/redemption feature is designed to make it likely that the Units will normally trade at prices close to the relevant Sub-Fund's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the relevant Sub-Fund's Net Asset Value due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in trading prices that differ significantly from Net Asset Value. In particular, if an investor purchases Units at a time when the market price is at a premium to Net Asset Value or sells when the market price is at a discount to Net Asset Value, then the investor may sustain losses.

Borrowing risks

The Trustee, on the written instructions of the Manager, may borrow for the account of a Sub-Fund (up to 10% of the Net Asset Value of each Sub-Fund unless otherwise specified in the Appendix) for various reasons, such as facilitating redemptions or to acquire investments for the account of the relevant Sub-Fund. Borrowing involves an increased degree of financial risk and may increase the exposure of a Sub-Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that a Sub-Fund will be able to borrow on favourable terms, or that the relevant Sub-Fund's indebtedness will be accessible or be able to be refinanced by the relevant Sub-Fund at any time.

Cost of trading Units risk

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 Net Asset Value per Unit when buying Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Units on the SEHK. In addition, investors on the secondary market will also incur the cost of the trading spread, being the difference between what investors are willing to pay for the Units (bid price) and the price at which they are willing to sell Units (ask price). Frequent trading may detract significantly from investment results and an investment in Units may not be advisable particularly for investors who anticipate making small investments regularly.

No right to control the Sub-Fund's operation risk

Investors will have no right to control the daily operations, including investment and redemption decisions, of any Sub-Fund.

Secondary market trading risk

Units in a Sub-Fund may trade on the SEHK when the relevant Sub-Fund does not accept orders to subscribe or redeem Units. On such days, Units may trade in the secondary market with more significant premiums or discounts than might be experienced on days when the relevant Sub-Fund accepts subscription and redemption orders.

Reliance on the Manager risk

Unitholders must rely on the Manager in formulating the investment strategies and the performance of each Sub-Fund is largely dependent on the services and skills of its officers and employees. In the case of loss of service of the Manager or any of its key personnel, as well as any significant interruption of the Manager's business operations or in the extreme case of the insolvency of the Manager, the Trustee may not find successor managers with the requisite skills, qualifications quickly and the new appointment may not be on equivalent terms or of similar quality.

Reliance on the Investment Adviser risk

The Manager substantially makes use of and relies upon the expertise and systems of the Investment Adviser to support the investments of the Sub-Fund in the relevant markets. In the event of a breakdown or disruption in communications with or the provision by the Investment Adviser of its assistance to the Manager, the operations of a Sub-Fund may be adversely affected. The occurrence of such events could cause a deterioration in a Sub-Fund's performance and investors may lose money in those circumstances.

Reliance on Market Makers risk

Although the Manager will use its best endeavours to put in place arrangements so that there is at least one Market Maker to maintain a market for the Units of each Sub-Fund or, where there is a Multi Counter, for the Units traded in each counter, it should be noted that liquidity in the market for the Units may be adversely affected if there is no Market Maker for Units or, where there is a Multi Counter, no Market Maker for the Units in one or more counters of the relevant Sub-Fund. The Manager will seek to mitigate this risk by using its best endeavours to put in place arrangements so that at least one Market Maker for the Units of the Sub-Fund or for the Units traded in each counter (where there is a Multi Counter) (which may be the same Market Maker) gives not less than 3 months notice prior to terminating market making arrangement under the relevant market making agreement(s). There may be less interest by potential market makers in making a market in Units denominated or traded in RMB. Furthermore, any disruption to the availability of RMB may adversely affect the capability of Market Makers in providing liquidity for RMB traded Units. It is possible that there is only one SEHK Market Maker to a Sub-Fund or to a counter of a Sub-Fund or the Manager may not be able to engage a substitute Market Maker within the termination notice period of a Market Maker, and there is also no guarantee that any market making activity will be effective.

Reliance on Participating Dealers risk

The creation and redemption of Units may only be effected through Participating Dealers. A Participating Dealer may charge a fee for providing this service. Participating Dealers will not be able to create or redeem Units during any period when, amongst other things, dealings on the SEHK are restricted or suspended, settlement or clearing of Securities through CCASS is disrupted or the Index is not compiled or published. In addition, Participating Dealers will not be able to issue or redeem Units if some other event occurs that impedes the calculation of the Net Asset Value of the relevant Sub-Fund or disposal of the relevant Sub-Fund's Securities cannot be effected. Since the number of Participating Dealers at any given time will be limited, and there may even be only one Participating Dealer at any given time, there is a risk that investors may not always be able to create or redeem Units freely.

Trading time differences risk

As the Futures Exchange may be open when the Units are not priced, the value of any Futures Contract in a futures and options Sub-Fund's portfolio may change when investors may not be able to buy or sell Units. Further the price of Futures Contracts may not be available during part of the

SEHK trading day due to trading hour differences which may result in the trading price of Units deviating from the Net Asset Value per Unit.

Risks associated with the Indices

Fluctuations risk

The performance of the Units should, before fees and expenses, correspond closely with the performance of the Index. If the Index experiences volatility or declines, the price of the Units will vary or decline accordingly.

Licence to use Index may be terminated risk

The Manager is granted a licence by the Index Provider to use each Index to create the relevant Sub-Fund based on the Index and to use certain trade marks and any copyright in the Index. A Sub-Fund may not be able to fulfil its objective and may be terminated if the licence agreement is terminated. The initial term of the licence agreement may be limited in period and thereafter renewable for only short periods. There can be no guarantee that the relevant licence agreement will be perpetually renewed. For further information on the grounds for terminating the licence agreement, please refer to the section on "Index Licence Agreement" in the relevant Appendix. Although the Manager will seek to find a replacement Index, a Sub-Fund may also be terminated if the relevant Index ceases to be compiled or published and there is no replacement Index using the same or substantially similar formula for the method of calculation as used in calculating the Index.

Compilation of Index risk

The Securities and/or Futures Contracts of each Index are determined and composed by the relevant Index Provider without regard to the performance of the relevant Sub-Fund. The Sub-Fund(s) is/are not sponsored, endorsed, sold or promoted by the Index Provider(s). Each Index Provider makes no representation or warranty, express or implied, to investors in the Sub-Fund(s) or other persons regarding the advisability of investing in Securities and/or Futures Contracts generally or in the Sub-Fund(s) particularly. Each Index Provider has no obligation to take the needs of the Manager or investors in the Sub-Fund(s) into consideration in determining, composing or calculating the Index or Indices. There is no assurance that an Index Provider will compile the relevant Index accurately, or that the Index will be determined, composed or calculated accurately. In addition, the process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice. Consequently there can be no guarantee that the actions of an Index Provider will not prejudice the interests of the relevant Sub-Fund, the Manager or investors.

Composition of an Index may change risk

The Securities and/or Futures Contracts constituting an Index will change as the Securities and/or Futures Contracts of the Index are delisted, or as the Securities and/or Futures Contracts mature or are redeemed or as new Securities and/or Futures Contracts are included in the Index. When this happens the weightings or composition of the Securities and/or Futures Contracts owned by the Sub-Fund(s) will change as considered appropriate by the Manager to achieve the investment objective. Thus, an investment in Units will generally reflect the Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Units. However, there can be no guarantee that the Sub-Fund(s) will, at any given time accurately reflect the composition of the Index (refer to the section on "Tracking error risk").

Risks associated with regulation

Withdrawal of SFC authorisation risk

The Trust and each Sub-Fund have been authorised as a collective investment scheme under the Code by the SFC under Section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. This 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. The SFC reserves the right to withdraw the authorisation of the Trust or any Sub-Fund or impose such conditions as it considers appropriate or to withdraw any waiver from the Code or revise the same. If the Manager does not wish the Trust or any Sub-Fund to continue to be authorised by the SFC, the Manager will give Unitholders at least three months' notice of the intention to seek SFC's withdrawal of such authorisation. In addition, any authorisation granted by the SFC may be subject to certain conditions or waivers from the Code which may be withdrawn or varied by the SFC. If, as a result of such withdrawal or variation of conditions or waivers from the Code, it becomes illegal, impractical or inadvisable to continue the Trust or any Sub-Fund, the Trust or the relevant Sub-Fund (as applicable) will be terminated.

General legal and regulatory risk

Each Sub-Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objectives followed by the Sub-Fund. Furthermore, such change in the laws may have an impact on the market sentiment which may in turn affect the performance of the Index and as a result, the performance of the relevant Sub-Fund. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for the Sub-Fund. In the worst case scenario, a Unitholder may lose a material part of its investments in a Sub-Fund.

Units may be delisted from the SEHK risk

The SEHK imposes certain requirements for the continued listing of securities, including the Units, on the SEHK. Investors cannot be assured that a Sub-Fund in which the investor has invested will continue to meet the requirements necessary to maintain the listing of Units on the SEHK or that the SEHK will not change the listing requirements. If the Units of the Sub-Fund are delisted from the SEHK, Unitholders will have the option to redeem their Units by reference to the Net Asset Value of the Sub-Fund. Where the Sub-Fund remains authorised by the SFC, such procedures required by the Code will be observed by the Manager including as to notices to Unitholders, withdrawal of authorisation and termination, as may be applicable. Should the SFC withdraw authorisation of a Sub-Fund for any reason it is likely that Units may also have to be delisted.

Taxation risk

Investing in a Sub-Fund may have tax implications for a Unitholder depending on the particular circumstances of each Unitholder. Prospective investors are strongly urged to consult their own tax advisers and counsel with respect to the possible tax consequences to them of an investment in the Units. Such tax consequences may differ in respect of different investors.

Valuation and accounting risk

The Manager intends to adopt IFRS in drawing up the annual financial reports of each Sub-Fund. However, the calculation of the Net Asset Value in the manner described under the section on "Determination of Net Asset Value" will not necessarily be in compliance with generally accepted accounting principles, that is, IFRS. Investors should note that under IFRS, establishment costs should be expensed as incurred and that any amortisation of the expenses of establishing Sub-Funds is not in accordance with IFRS; however, the Manager has considered the impact of such non-compliance and has considered that it will not have a material impact on the financial statements of Sub-Funds. To the extent that the basis adopted by a Sub-Fund for subscription and redemption purposes deviates from IFRS, the Manager may make necessary adjustments in the annual financial reports for the financial reports to be in compliance with IFRS. Any such adjustments will be disclosed in the annual financial reports, including a reconciliation.

Contagion across Sub-Funds risk

The Trust Deed allows the Trustee and the Manager to issue Units in separate Sub-Funds as separate trusts. The Trust Deed provides for the manner in which the liabilities are to be attributed across the various Sub-Fund(s) under the Trust (liabilities are to be attributed to the specific Sub-Fund in respect of which the liability was incurred). A person to whom such a liability is owed has no direct recourse against the assets of the relevant Sub-Fund (in the absence of the Trustee granting that person a security interest). However, each of the Trustee and the Manager will have a right of reimbursement and indemnity out of the assets of the Trust as a whole or any part thereof, against any action, costs, claims, damages, expenses or demands relating to the Trust as a whole, which may result in Unitholders of one Sub-Fund being compelled to bear the liabilities incurred in respect of another Sub-Fund in which such Unitholders do not themselves own Units, if there are insufficient assets in that other Sub-Fund to satisfy the amount due to the Trustee or the Manager (as the case may be). Accordingly, there is a risk that liabilities of one Sub-Fund may not be limited to that particular Sub-Fund and may be required to be paid out of one or more other Sub-Fund(s).

Non-recognition of Sub-Fund segregation risk

The assets and liabilities of each of the Sub-Funds under the Trust will be tracked, for book keeping purposes, separately from the assets and liabilities of any other Sub-Funds, and the Trust Deed provides that the assets of each of the Sub-Funds should be segregated as separate trusts from each other. There is no guarantee that the courts of any jurisdiction outside Hong Kong will respect the limitations on liability and that the assets of any particular Sub-Fund will not be used to satisfy the liabilities of any other Sub-Fund.

FATCA related risks

The US Foreign Account Tax Compliance Act ("FATCA") provides that a 30% withholding tax will be imposed on certain payments to foreign financial institutions ("FFIs"), such as the Trust and each Sub-Fund, including interests and dividends from securities of US issuers and gross proceeds from the sale of such securities, unless the Manager discloses the name, address and taxpayer identification number of certain US persons that own, directly or indirectly, an interest in the relevant Sub-Fund, as well as certain other information relating to any such interest. The US Internal Revenue Service (the "IRS") has released regulations and other guidance that provide for the phased implementation of the foregoing withholding and reporting requirements. The United States Department of the Treasury and Hong Kong have entered into an intergovernmental agreement on 13 November 2014 based on the Model 2 format. Although the Trust and the Sub-Funds will attempt to satisfy any obligations imposed on them to avoid the imposition of FATCA withholding tax, no assurance can be given that the Trust and the Sub-Funds will be able to fully satisfy these obligations. If any Sub-Fund becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Unitholders may suffer material loss.

The Trust and the Sub-Funds' ability to comply with FATCA will depend on each Unitholder providing the Manager with information that the Manager requests concerning the Unitholder or its direct and indirect owners. As at the date of this Prospectus, all Units are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has registered as a participating FFI or registered deemed compliant FFI.

Please also refer to the sub-section entitled "FATCA and compliance with US withholding requirements" under the section headed "Taxation" in this Prospectus for further details on FATCA and related risks.

All prospective investors and Unitholders should consult their own tax advisers regarding the possible implications of FATCA and the tax consequences on their investments in a Sub-Fund. Unitholders who hold their Units through intermediaries should also confirm the FATCA compliance status of those intermediaries.

MANAGEMENT OF THE TRUST

The Manager and Investment Adviser

The Manager of the Trust and each Sub-Fund is Samsung Asset Management (Hong Kong) Limited 三星資產運用（香港）有限公司.

Samsung Asset Management (Hong Kong) Limited 三星資產運用（香港）有限公司 is a limited liability company incorporated in Hong Kong on 1 November 2007. The Manager is principally engaged to provide asset management services and securities investment advisory services in Hong Kong. The Manager is a wholly-owned subsidiary of Samsung Asset Management Co., Limited, a company established in Korea which has been appointed by the Manager as the Investment Adviser.

Samsung Asset Management Co., Limited acts as the Investment Adviser in respect of the Trust and each Sub-Fund (unless otherwise stated in the relevant Appendix). The Investment Adviser will advise the Manager in respect of each Sub-Fund for which it is appointed. The Manager will manage each Sub-Fund and continuously supervise the portfolio of each Sub-Fund. In addition the Manager will be primarily responsible for portfolio composition file generation, cash management, trade execution and instructing money transfers.

Samsung Asset Management Co., Limited is a fund management company regulated and licensed by the Financial Services Commission of Korea and is one of the biggest asset management companies (in terms of assets under management) based in Korea. As at 31 December 2017, Samsung Asset Management Co., Limited had assets under management worth approximately USD209.5 billion.

The Manager obtained licences from the SFC in Hong Kong on 23 April 2008 to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities with CE Number AQG442.

The Directors of the Manager are as follows:

- ***CHOI Sungjin, CFA***
  CEO and Managing Director

  Mr. Choi is the CEO & Managing Director of Samsung Asset Management (Hong Kong) Limited. Before that, he served as a Chief Financial Officer and General Manager in October 2016. Prior to joining Samsung Asset Management (Hong Kong) Limited, Mr. Choi worked as a fixed-income portfolio manager at Samsung Fire & Marine Insurance Co., Ltd. for 10 years. After that he served as an economic adviser at Samsung Electronics Co., Ltd. for 3.5 years and as a finance manager at Samsung Asset Management Co., Ltd. for 1 year. He obtained his MS from MIT Sloan School of Management, MBA from Sung Kyung Kwan University Graduate School of Business and BS in Business Administration from Seoul National University, Korea. He is a CFA charter holder and has an FRM certificate.

- ***KIM Minseok***
  CFO and Director

  Mr. Kim joined Samsung Asset Management (Hong Kong) Limited as a Chief Financial Officer in October 2019. Before joining Samsung Asset Management (Hong Kong) Limited, Mr. Kim had worked as a senior manager in Business Administration Team of Samsung Asset Management Co., Limited in Korea for 5 years. Prior to that, Mr. Kim was with Samsung Life Insurance Co. Limited for 4 years as a manager in the financial management department. Mr. Kim holds a Bachelor degree in Psychology from Yonsei University, Korea.

- ***PARK Sungjin, CFA***

Director

Mr. Park is in charge of the Global Business Division of Samsung Asset Management Co, Limited. He is responsible for the planning and execution of corporate strategies including phasing in or out of markets or products, arranging strategic alliances and identifying and executing mergers and acquisitions. Prior to serving in his current role, Mr. Park served as President and Chief Investment Officer of Samsung Asset Management New York Inc. ("SAMNY"). He oversaw investment management processes and all related activities including risk management, client service and product development of SAMNY. He was also a board member of SAMNY. Previously, he was a lead portfolio manager of SAMNY U.S. Equity Group and was responsible for managing U.S. large cap equity funds. He also worked for Samsung Life Insurance in Seoul as an equity portfolio strategist for 10 years. He holds an Master of Business Administration from the University of Rochester, Simon School and a bachelor's degree in Economics from the University of California, Irvine. He is a Chartered Financial Analyst charterholder.

The Manager has in place the necessary operating systems for creation, redemption and operation of each Sub-Fund. The Manager will leverage the Investment Adviser's expertise and IT platform to support the Sub-Fund's investments. In order to successfully launch the Sub-Fund, the Investment Adviser's group has helped the Manager to establish a comprehensive IT platform that uses advanced automated systems to ensure that the Sub-Fund operates in an efficient manner.

The Manager retains discretionary powers in the management of each Sub-Fund (which will not be delegated to the Investment Adviser). The Investment Adviser will only provide investment advice to the Manager. The remuneration (if any) of the Investment Adviser will be borne by the Manager.

The Manager has a risk management policy which enables it to monitor and measure at any time the risk of FDIs used by any Sub-Fund for investment purposes. Each Sub-Fund is subject to daily risk management and control procedures such as, but not limited to:

(A) daily calculation of value at risk (a methodology used to estimate the maximum amount of portfolio losses under normal market conditions);

(B) limitation on the percentage of the Net Asset Value committed as margin for all futures or options contracts;

(C) liquidity guidelines on each open futures or option contract such as maximum holding compared to daily average volume for the contract;

(D) diversification guidelines per futures or option contract (limitation on the percentage of the Net Asset Value committed as margin for each single futures or option contract); and

(E) historical and hypothetical stress tests which aim to simulate adverse market scenarios.

The Manager will also ensure that at all times its reconciliation, accounting and settlement functions are separated from back office procedures.

The Trustee and Registrar

The Trustee of the Trust is HSBC Institutional Trust Services (Asia) Limited. The Trustee also acts as the Registrar of each Sub-Fund, and provides services in respect of the establishment and maintenance of the register of the Unitholders of each Sub-Fund.

The Trustee was incorporated with limited liability in Hong Kong in 1974 and is registered as a trust company under the Trustee Ordinance (Cap. 29 of the Laws of Hong Kong) and approved by the Mandatory Provident Funds Scheme Authority as trustee of registered MPF Schemes under the Mandatory Provident Fund Schemes Ordinance. HSBC Institutional Trust Services (Asia) Limited is an indirectly wholly owned subsidiary of HSBC Holdings plc, a public company incorporated in

England and Wales.

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Trust and the Sub-Fund(s), subject to the provisions of the Trust Deed.

The Trustee may from time to time appoint such person or persons as it thinks fit (including, without limitation, any of its Connected Persons) to hold as custodian, nominee, agent or delegate, all or any of the investments, assets or other property comprised in the Trust Fund or any of the Sub-Funds and may empower any such custodian, nominee, agent or delegate to appoint, with the prior consent in writing of the Trustee, co-custodians and/or sub-custodians (each such custodian, nominee, agent, delegate, co-custodian and sub-custodian a "Correspondent"). The Trustee is required to (a) exercise reasonable care, skill and diligence in the selection, appointment and monitoring of Correspondents and (b) be satisfied that Correspondents retained remain suitably qualified and competent on an ongoing basis to provide the relevant custodial services to the Sub-Funds. The Trustee shall be responsible for the acts and omissions of any Correspondent which is a Connected Person of the Trustee as if the same were the acts or omissions of the Trustee, but provided that the Trustee has discharged its obligations set out in (a) and (b) as set out in this paragraph, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent which is not a Connected Person of the Trustee.

The Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of Euro-clear Clearing System Limited or Clearstream Banking S.A. or any other recognised depositary or clearing system which may from time to time be approved by the Trustee and the Manager.

Subject as provided in the Trust Deed, the Trustee shall not be liable for losses caused by the performance of investments made by the Trust and/or any Sub-Fund.

Subject as provided in the Trust Deed, the Trustee is entitled to be indemnified from the assets of the Trust and/or each Sub-Fund from and against any and all actions, proceedings, liabilities, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses (other than those imposed under Hong Kong law or resulting from breaches of trust through fraud or negligence on the part of the Trustee or any of its officers, employees, agents or delegates for which the Trustee would be liable under the Trust Deed), which may be incurred by or asserted against the Trustee in performing its obligations or duties in connection with the Trust or a Sub-Fund. Subject to applicable law and the provisions of the Trust Deed, the Trustee shall not, in the absence of fraud, negligence or wilful default by it or any agent, sub-custodian or delegate appointed by the Trustee, be liable for any losses, costs or damage to the Trust, the Sub-Fund(s) or any Unitholder.

The Trustee in no way acts as guarantor or offeror of the Units or any underlying investment. The Trustee has no responsibility or authority to make investment decisions, or render investment advice with respect to the Trust or the Sub-Fund(s), which is the sole responsibility of the Manager.

The Trustee will not participate in transactions and activities, or make any payments denominated in US dollars, which, if carried out by a US person, would be subject to sanctions by The Office of Foreign Assets Control (the "OFAC") of the US Department of the Treasury. The OFAC administers and enforces economic sanction programs primarily against countries and groups of individuals, such as terrorists and narcotics traffickers by using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals. In enforcing economic sanctions, OFAC acts to prevent "prohibited transactions", which are described by OFAC as trade or financial transactions and other dealings in which US persons may not engage unless authorised by OFAC or expressly exempted by statute. OFAC has the authority to grant exemptions to prohibitions on such transactions, either by issuing a general licence for certain categories of transactions, or by specific licences issued on a case-by-case basis. HSBC group of companies has adopted a policy of compliance with the sanctions issued by OFAC. As part of its policy, the Trustee may request for additional information if deemed necessary.

The appointment of the Trustee may be terminated in the circumstances set out in the Trust Deed.

The Trustee is entitled to the fees set out below under the section on "Fees and Expenses Payable by the Sub-Funds" and to be reimbursed for all costs and expenses in accordance with the provisions of the Trust Deed.

The Manager has sole responsibility for making investment decisions in relation to the Trust and/or the Sub-Funds and the Trustee (including its delegate) is not responsible and has no liability for any investment decision made by the Manager. Except as provided in the Trust Deed or expressly stated in this Prospectus and/or required by the Code, neither the Trustee nor any of its employees, service providers or agents are or will be involved in the business affairs, organisation, sponsorship or investment management of the Trust or the Sub-Fund(s), and they are not responsible for the preparation or issue of this Prospectus other than the description under the section on "The Trustee and Registrar".

The Service Agent

HK Conversion Agency Services Limited acts as Service Agent under the terms of the Service Agreement entered into among the Manager, the Trustee and Registrar, the Participating Dealer, the Service Agent and HKSCC. The Service Agent performs, through HKSCC, certain of its services in connection with the creation and redemption of Units in the Sub-Fund by Participating Dealers.

The Auditor

The Manager has appointed Ernst & Young to act as the auditor of the Trust and the Sub-Funds (the "Auditor"). The Auditor is independent of the Manager and the Trustee.

The Participating Dealer

A Participating Dealer may act for its own account or for your account as its clients in making Creation Applications and Redemption Applications. Different Sub-Funds may have different Participating Dealers. The latest list of the Participating Dealers in respect of each Sub-Fund is available at www.samsungetfhk.com (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC).

The Market Maker

A Market Maker is a broker or dealer permitted by the SEHK to make a market for the Units in the secondary market and whose obligations include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid prices and offer prices for the Units on the SEHK. Market Makers facilitate the efficient trading of Units by providing liquidity in the secondary market when it is required, in accordance with the market making requirements of the SEHK.

Subject to applicable regulatory requirements, the Manager will use its best endeavours to put in place arrangements so that there is at all times at least one Market Maker for Units in each available counter. If the SEHK withdraws its permit to the existing Market Maker(s), the Manager will use its best endeavours to put in place arrangements so that there is at least one other Market Maker for each available counter of each Sub-Fund per counter to facilitate the efficient trading of Units of the relevant eligible currency. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker for each available counter will give not less than 3 months notice prior to terminating market making under the relevant market making agreement. The latest list of Market Makers for each Sub-Fund is available at www.hkex.com.hk and www.samsungetfhk.com (the contents of which and of any other website referred to in this Prospectus have not been reviewed by the SFC). Please refer to the section on "Website Information" for the warning and the disclaimer regarding information contained in such website.

The Listing Agent

Unless otherwise specified in the relevant Appendix, Altus Capital Limited has been appointed by the Manager as the Listing Agent for each Sub-Fund in accordance with The Rules Governing the

Listing of Securities on The Stock Exchange of Hong Kong Limited in respect of the relevant Sub-Fund's listing on the SEHK. The Listing Agent is a licensed corporation which holds, amongst others, a Type 6 (advising on corporate finance) regulated activity licence under the SFO with CE Number AGH102.

Conflicts of interest and soft dollars

The Manager and the Trustee may, from time to time, act as manager, sub-investment manager, investment delegate, trustee or custodian or in such other capacity in connection with any collective investment scheme separate and distinct from the Trust and the Sub-Fund(s) and retain any profit or benefit made in connection therewith.

In addition:

(a) The Manager or any of its Connected Persons may purchase and sell investments for the account of a Sub-Fund as agent for the Sub-Fund or deal with a Sub-Fund as principal with the prior written approval of the Trustee.

(b) The Trustee, the Manager and any of their respective Connected Persons may contract or enter into any financial, banking or other transaction with one another or with any Unitholder or any company or body any of whose shares or securities form part of the relevant Sub-Fund's assets.

(c) The Trustee or the Manager or any of their respective Connected Persons may become the owner of Units and hold, dispose or otherwise deal with them with the same rights which it would have had if it had not been the Trustee or the Manager or any of their Connected Persons.

(d) The Trustee, the Manager and any of their respective Connected Persons may buy, hold and deal in any securities, commodities or other property for their own account or for the account of their other customers notwithstanding that similar securities, commodities or other property may be held by the relevant Sub-Fund.

(e) Any arrangements for the borrowing or deposit of any monies for the account of a Sub-Fund may be made with any of the Trustee, the Manager, any investment delegate or any of their respective Connected Persons being a banker or other financial institution provided that such person shall charge or pay (as the case may be) interest or fees at a rate or amount no higher (in the case of a borrowing) or lower (in the case of a deposit) than the prevailing rates or amounts for transactions of similar type, size and term, in the same currency and with institutions of similar standing, negotiated at arm's length in accordance with ordinary and normal course of business. Any such deposits shall be maintained in a manner that is in the best interests of the Unitholders.

(f) Neither the Trustee nor the Manager nor any of their respective Connected Persons shall be liable to account to each other or to any Sub-Fund or to the Unitholders for any profits or benefits made or derived from or in connection with any such transaction mentioned above.

It is, therefore, possible that any of the Trustee, the Manager or any of their respective Connected Persons may, in the course of business, have potential conflicts of interest with a Sub-Fund. Each will, at all times, have regard in such event to its obligations to the relevant Sub-Fund and the Unitholders and will endeavour to ensure that such conflicts are resolved fairly.

Subject to applicable rules and regulations, the Manager, its delegate or any of their respective Connected Persons may enter into portfolio transactions for or with a Sub-Fund as agent in accordance with normal market practice, provided that commissions charged to the Sub-Fund in these circumstances do not exceed customary full service brokerage rates. If a broker does not provide research or other lawful services in addition to brokerage execution, such broker will generally charge a brokerage commission that is discounted from customary full service brokerage rates. Where the Manager invests a Sub-Fund in shares or units of a collective investment scheme managed by the Manager, its delegates or any of their respective Connected Persons, the manager of the scheme in which the investment is being made by the Sub-Fund must waive any preliminary or initial charge which it is entitled to charge for its own account in relation to the acquisition of shares or units and there must be no increase in the overall total of annual management fees (or other costs and charges payable to the Manager or any of its Connected Persons) borne by the relevant Sub-Fund.

None of the Manager, an investment delegate or any of their Connected Persons shall, retain any cash commission rebates or other payment or benefit (except as otherwise provided for in this Prospectus or in the Trust Deed) received from a third party (either directly or indirectly) arising out of the sale or purchase or loan of investments for any Sub-Fund, and any such rebates or payments or benefits which are received shall be credited to the account of the relevant Sub-Fund.

The Manager, its delegates (including any investment delegate) or any of their Connected Persons may receive, and are entitled to retain, goods, services or other benefits, such as research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publication (known as soft dollar benefits) which are of demonstrable benefit to a Sub-Fund as a whole and may contribute to an improvement in the performance of the relevant Sub-Fund or of the Manager and/or any of its Connected Persons in providing services to the relevant Sub-Fund (as may be permitted under the Code, applicable rules and regulations), from brokers and other persons through whom investment transactions are carried out ("brokers") provided that the quality of transaction execution is consistent with best execution standards, brokerage rates are not in excess of customary institutional full-service brokerage rates and the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer. For the avoidance of doubt, such goods and services do not include travel accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments. Details of soft commission arrangements will be disclosed in the relevant Sub-Fund's annual report.

The services of the Trustee provided to the Trust and the Sub-Funds are not deemed to be exclusive and the Trustee shall be free to render similar services to others so long as its services hereunder are not impaired thereby and to retain for its own use and benefit all fees and other monies payable thereby and the Trustee shall not be deemed to be affected with notice of or to be under any duty to disclose to the Sub-Funds any fact or thing which comes to the notice of the Trustee in the course of the Trustee rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties under the Trust Deed.

Conflicts of interest may also arise due to the widespread business operations of the Trustee, the Manager, the Registrar and the Service Agent and their respective holding companies, subsidiaries and affiliates. The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of the Trust Deed, be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of the Sub-Funds will be on arm's length terms and in the best interests of Unitholders. For so long as any Sub-Fund is authorised by the SFC and it is an applicable requirement of the Code, the Manager, if transacting with brokers or dealers connected to the Manager, investment delegates, the Trustee or any of their respective Connected Persons, must ensure it complies with the following obligations:

(a) such transactions should be on arm's length terms;

(b) it must use due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;

(c) transaction execution must be consistent with applicable best execution standards;

(d) the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;

(e) the Manager must monitor such transactions to ensure compliance with its obligations; and

(f) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the annual financial statements of the relevant Sub-Fund.

Financial reports

The financial year-end of the Trust (and each Sub-Fund) is 31 March every year. Audited annual financial reports are to be prepared (in accordance with IFRS) and published on the Manager's website within 4 months of each financial year-end. Half-yearly unaudited reports are also to be prepared up to 30 September of each year and published on the Manager's website within 2 months of such date. Once these financial reports are made available on the Manager's website, investors will be notified within the relevant timeframe.

Only an English version of the audited financial reports and the half-yearly unaudited financial reports of the Sub-Funds will be available. Printed copies may be requested free of charge from the Manager by contacting it, as described below under "Notices".

The financial reports provide details of the assets of each Sub-Fund and the Manager's statement on transactions during the period under review (including a list of any constituent Securities or Futures Contracts of the relevant Index, if any, that each accounts for more than 10% of the weighting of the relevant Index as at the end of the relevant period and their respective weighting showing any limits adopted by the relevant Sub-Fund have been complied with). The financial reports shall also provide a comparison of each Sub-Fund's performance and the actual relevant Index performance over the relevant period and such other information as is required under the Code.

Trust Deed

The Trust and each Sub-Fund were established under Hong Kong law by the Trust Deed made between the Manager and the Trustee. All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Trust Deed. The Trust Deed contains provisions for the indemnification of the Trustee and the Manager out of the assets of the Trust Fund and their relief from liability in certain circumstances (summarised below in "Indemnities of the Trustee and Manager"). Unitholders and intending applicants are advised to consult the terms of the Trust Deed.

Indemnities of the Trustee and Manager

The Trustee and the Manager benefit from various indemnities in the Trust Deed. Except as provided under the Trust Deed, the Trustee and the Manager shall be entitled to be indemnified out of, and have recourse to, the Trust Fund in respect of any action, costs, claims, damages, expenses or demands arising directly or indirectly from the proper performance of the Sub-Funds. Nothing in the Trust Deed may provide that either the Trustee or the Manager (as the case may be) can be exempted from any liability to Unitholders imposed under Hong Kong law in relation to its duties or breaches of trust through fraud or negligence nor may they be indemnified against such liability by Unitholders or at Unitholders' expense.

Liability of Unitholders

No Unitholder shall incur or assume any liability or be required to make any payment to the Trustee or the Manager in respect of its Units. The liability of Unitholders is limited to their investment in Units.

Modification of the Trust Deed

The Trustee and the Manager may agree to modify, alter or add to the provisions of the Trust Deed by supplemental deed provided that in the opinion of the Trustee and the Manager such modification, alteration or addition (i) does not materially prejudice the interests of Unitholders in any Sub-Fund, does not operate to release to any material extent the Trustee or the Manager or any other person from any liability to the Unitholders and (with the exception of the costs, charges, fees and expenses incurred in connection with the relevant supplemental deed) does not increase the costs and charges payable out of the assets of the Sub-Fund(s) or (ii) is necessary in order to make possible compliance with any fiscal, statutory, regulatory or official requirement (whether or not having the force of law) or (iii) is made to correct a manifest error. In all other cases involving any material changes, modifications, alterations and additions require the sanction of an extraordinary resolution of the Unitholders affected. The SFC must (where such approval is required) also give its prior approval to all amendments to the Trust Deed.

The Manager will notify affected Unitholders of the amendments as soon as practicable after they are made if such notification is required by the SFC or the Code.

Meetings of Unitholders

Proxies may be appointed. A Unitholder who is the holder of two or more Units may appoint more than one proxy to represent him and vote on his behalf at any meeting of the Unitholders. If a clearing house (or its nominee(s)), being a corporation, is a Unitholder, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Unitholders provided that, if more than one person is so authorised, the authorisation shall specify the number and class of Units in respect of which each such representative is so authorised. Each person so authorised shall be deemed to have been duly authorised without further evidence of the facts and shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person were the registered Unitholder of the Units held by the clearing house (or its nominee(s)), including the right to vote individually on a poll.

Voting rights

Unitholders' meetings may be convened by the Manager, by the Trustee or by Unitholders representing at least 10% of the Units in issue, on not less than 21 calendar days' notice.

These meetings may be used to modify the terms of the Trust Deed, including increasing the maximum fees payable to the service providers, removing the Manager or terminating the Sub-Fund(s) at any time. Such amendments to the Trust Deed must be considered by Unitholders of at least 25% of the Units in issue and passed by a 75% majority of the votes cast.

Other matters that require an ordinary resolution being passed would be considered by Unitholders of at least 10% of the Units in issue and passed by a simple majority of 50% of the votes cast.

The Trust Deed contains provisions for the holding of separate meetings of Unitholders holding Units of different classes where only the interests of Unitholders of such class are affected.

Termination

The Trust may be terminated by the Trustee if: (i) the Manager goes into liquidation or a receiver is appointed and not discharged within 60 days or (ii) in the opinion of the Trustee, the Manager is incapable of performing its duties satisfactorily or (iii) the Manager has failed to perform its duties satisfactorily or has, in the opinion of the Trustee, done something calculated to bring the Trust into disrepute or that is harmful to the interests of Unitholders or (iv) a law is passed that renders it illegal or in the opinion of the Trustee and the Manager, impracticable or inadvisable to continue the Trust or (v) the Trustee is unable to find an acceptable person to replace the Manager within 30 days after the removal of the Manager, or the person nominated shall fail to be approved by extraordinary resolution or (vi) if the Trustee notifies the Manager in writing of its intention to retire and no suitable person willing to act as trustee has been identified by the Manager within 60 days of the Trustee's notice.

The Manager may terminate the Trust if: (i) after one year from the date of the Trust Deed, the aggregate Net Asset Value of all the Units in each Sub-Fund is less than HKD150 million (or such other amounts as specified in the supplemental deed establishing the relevant Sub-Fund); (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Trust and which renders the Trust illegal or in the good faith opinion of the Manager, makes it impracticable or inadvisable to continue the Trust; or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed.

The Manager may, in its absolute discretion, by notice in writing to the Trustee, terminate a Sub-Fund if: (i) after one year from the date of establishment of the Sub-Fund, the aggregate Net Asset Value of all the Units in the relevant Sub-Fund is less than HKD150 million or such other amounts as specified in the supplemental deed establishing the relevant Sub-Fund; (ii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund and which renders the relevant Sub-Fund illegal or in the good faith opinion of the Manager makes it impracticable or inadvisable to continue that Sub-Fund; (iii) its Index is no longer available for benchmarking or if the Units of the relevant Sub-Fund are no longer listed on the SEHK or any such other stock exchange from time to time determined by the Manager; (iv) at any time, the relevant Sub-Fund ceases to have any Participating Dealer; or (v) the Manager is unable to implement its investment strategy. Further, the Unitholders may at any time authorise termination of the Trust or the relevant Sub-Fund(s) by extraordinary resolution.

The Trustee may, in its absolute discretion, by notice in writing to the Manager, terminate a Sub-Fund if: (i) the Trustee forms the opinion for good and sufficient reason that the Manager is incapable of performing its duties satisfactorily in respect of the relevant Sub-Fund; (ii) the Trustee forms the opinion for good and sufficient reason that the Manager has failed to perform its duties satisfactorily in respect of the relevant Sub-Fund or has done something calculated to bring the relevant Sub-Fund into disrepute or that is harmful to the interests of Unitholders of the relevant Sub-Fund(s); or (iii) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the relevant Sub-Fund and which renders the relevant Sub-Fund illegal or in the good faith opinion of the Trustee makes it impracticable or inadvisable to continue the relevant Sub-Fund.

Notice of the termination of the Trust or the Sub-Fund(s) will be given to the Unitholders after the SFC has approved the notice. The notice will contain the reasons for the termination, the consequences to Unitholders of terminating the Trust or the relevant Sub-Fund(s) and the alternatives available to them, and any other information required by the Code. Any unclaimed proceeds or other monies held by the Trustee in the event of a termination may at the expiration of 12 calendar months from the date upon which the same became payable be paid into court, subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

Distribution policy

The Manager will adopt a distribution policy for each Sub-Fund as the Manager considers appropriate having regard to the Sub-Fund's net income, fees and costs. For each Sub-Fund this distribution policy (including the currency of such distribution) will be set out in the relevant Appendix. Distributions will always depend on dividend payments on Securities held by the relevant Sub-Fund which will in turn depend on factors beyond the control of the Manager including, general economic conditions, and the financial position and dividend policies of the relevant underlying entities. Unless otherwise specified in the relevant Appendix, no distribution will be paid out of capital of the Sub-Fund. There can be no assurance that such entities will declare or pay dividends or distributions.

Inspection of documents

Copies of the constitutive documents in respect of the Trust and each Sub-Fund are available for inspection free of charge during normal business hours on each Business Day at the offices of the Manager.

Part XV of the SFO

Part XV of the SFO sets out the Hong Kong disclosure of interests' regime applicable to Hong Kong listed companies. The regime does not apply to unit trusts that are listed on the SEHK like the Trust. Consequently, Unitholders are not obliged to disclose their interest in the Sub-Fund.

Anti-money laundering regulations

As part of the Manager's, the Trustee's and the Participating Dealer's responsibility for the prevention of money laundering and to comply with all applicable laws to which the Manager, the

Trustee, the Sub-Fund(s) or the relevant Participating Dealer is subject, the Manager, the Registrar, the Trustee or the relevant Participating Dealer may require a detailed verification of an investor's identity and the source of payment of any applications for Units. Depending on the circumstances of each application, a detailed verification might not be required by the Manager or the Trustee where:

(a) the investor makes the payment from an account held in the investor's name at a recognised financial institution; or

(b) the application is made through a recognised intermediary.

These exceptions apply only if the financial institution or intermediary is within a country recognised by the Trustee and the Manager as having sufficient anti-money laundering regulations.

Index licence agreements

Please refer to the relevant Appendix for details in respect of each Index.

Certification for Compliance with FATCA or Other Applicable Laws

Each Unitholder (i) will be required to, upon demand by the Trustee or the Manager, provide any form, certification or other information reasonably requested by and acceptable to the Trustee or the Manager that is necessary for the Trust or a Sub-Fund (a) to prevent withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate or exemption of withholding or backup withholding in any jurisdiction from or through which the Trust or a Sub-Fund receives payments and/or (b) to satisfy reporting or other obligations under IRS Code and the United States Treasury Regulations promulgated under the IRS Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction, including reporting obligations that may be imposed by future legislation.

Power to Disclose Information to Authorities

Subject to applicable laws and regulations in Hong Kong, the Manager, the Trustee or any of their authorised person (as permissible under applicable law or regulation) may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdictions (including but not limited to the IRS and the IRD), certain information in relation to a Unitholder, including but not limited to the Unitholder's name, address, jurisdiction of birth, tax residence, tax identification number (if any), social security number (if any) and certain information relating to the Unitholder's holdings, account balance/value, and income or sale or redemption proceeds, to enable the Sub-Fund to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any applicable law (including any law, rule and requirement relating to AEOI (as defined below)), regulation or agreement under FATCA).

Liquidity Risk Management

The Manager has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of each Sub-Fund and to ensure that the liquidity profile of the investments of the relevant Sub-Fund will facilitate compliance with such Sub-Fund's obligation to meet redemption requests. Such policy, combined with the liquidity management tools of the Manager, also seeks to achieve fair treatment of Unitholders and safeguard the interests of remaining Unitholders in case of sizeable redemptions.

The Manager's liquidity policy takes into account the investment strategy, the liquidity profile, the redemption policy, the dealing frequency, the ability to enforce redemption limitations and the fair valuation policies of each Sub-Fund. These measures seek to ensure fair treatment and transparency for all investors.

The liquidity management policy involves monitoring the profile of investments held by each Sub-Fund on an on-going basis to ensure that such investments are appropriate to the redemption policy as stated under the section headed “Creations and Redemptions (Primary Market)”, and will facilitate compliance with each Sub-Fund’s obligation to meet redemption requests. Further, the liquidity management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of each Sub-Fund under normal and exceptional market conditions.

As a liquidity risk management tool, the Manager may limit the number of Units of a Sub-Fund redeemed on any Dealing Day to Units representing 10% (or such higher percentage as the Manager may determine in respect of the Sub-Fund) of the total number of Units in such a Sub-Fund then in issue (subject to the conditions under the heading entitled “Deferred Redemption” in the section headed “Creations and Redemptions (Primary Market)”).

Material changes to an Index

The SFC should be consulted on any events that may affect the acceptability of an Index. Significant events relating to an Index will be notified to the Unitholders of the relevant Sub-Fund as soon as practicable. These may include a change in the methodology/rules for compiling or calculating the Index, or a change in the objective or characteristics of the Index.

Replacement of an Index

The Manager reserves the right, with the prior approval of the SFC and provided that in its opinion the interests of the Unitholders of the relevant Sub-Fund would not be adversely affected, to replace an Index with another index. The circumstances under which any such replacement might occur include but are not limited to the following events:

(a) the relevant Index ceasing to exist;

(b) the licence to use the Index being terminated;

(c) a new index becoming available that supersedes the existing Index;

(d) a new index becoming available that is regarded as the market standard for investors in the particular market and/or would be regarded as more beneficial to the Unitholders than the existing Index;

(e) investing in the Securities and/or Futures Contracts comprised within the Index becomes difficult;

(f) the Index Provider increasing its licence fees to a level considered too high by the Manager;

(g) the quality (including accuracy and availability of the data) of the Index having in the opinion of the Manager, deteriorated;

(h) a significant modification of the formula or calculation method of the Index rendering that index unacceptable in the opinion of the Manager; and

(i) the instruments and techniques used for efficient portfolio management not being available.

The Manager may change the name of a Sub-Fund if the relevant Index changes or for any other reasons including if licence to use the Index is terminated. Any change to (i) the use by the relevant Sub-Fund of the Index and/or (ii) the name of the relevant Sub-Fund will be notified to investors.

Information available on the Internet

The Manager will publish important news and information with respect to each Sub-Fund (including in respect of the relevant Index), in the English and Chinese languages (unless otherwise specified), on the Manager’s website at www.samsungetfhk.com (which has not been reviewed by the SFC) including:

(a) this Prospectus and the product key facts statement in respect of the Sub-Fund(s) (as revised from time to time);

(b) the latest annual financial reports and interim unaudited financial report (in English only);

(c) any notices for material alterations or additions to this Prospectus or the Sub-Fund's constitutive documents;

(d) any public announcements made by the Sub-Fund(s), including information with regard to the Sub-Fund(s) and Index, notices of the suspension of the calculation of the Net Asset Value, changes in fees and the suspension and resumption of trading;

(e) the near real time indicative Net Asset Value per Unit updated every 15 seconds during SEHK trading hours throughout each Dealing Day in the base currency of the Sub-Fund and each trading currency of the Sub-Fund;

(f) the last Net Asset Value of each Sub-Fund in the base currency of the Sub-Fund , as well as the last Net Asset Value per Unit of the Sub-Fund in the base currency of the Sub-Fund and each trading currency of the Sub-Fund (updated on a daily basis);

(g) (for Samsung S&P GSCI Crude Oil ER Futures ETF only) a performance simulation of the Sub-Fund, which allows investors to select a historical time period and simulate the performance of the Sub-Fund vis-a-vis the spot price of WTI crude oil during that period based upon historical data;

(h) the past performance information for each Sub-Fund;

(i) the tracking difference and tracking error of each Sub-Fund;

(j) the full portfolio information of the Sub-Fund(s) (updated on a daily basis unless otherwise specified in the relevant Appendix);

(k) (if applicable to a Sub-Fund) the composition of dividends for each relevant Sub-Fund (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital (if any)), for a rolling 12-month period;

(l) the latest list of the Participating Dealers and Market Makers for each Sub-Fund; and

(m) in respect of a passively managed Sub-Fund which has a net derivative exposure exceeding 50% of its Net Asset Value, information on FDIs acquired by the Sub-Fund (such as counterparty exposure and collateral information, if applicable).

For Samsung NYSE FANG+ ETF and Samsung Bloomberg Global Semiconductor ETF:

(i) the near real time indicative Net Asset Value per Unit in HKD is calculated using a real time HKD:USD foreign exchange rate – it is calculated using the near real time indicative Net Asset Value per Unit in USD multiplied by a real-time HKD:USD foreign exchange rate quoted by ICE Data Indices LLC.

(ii) the last Net Asset Value per Unit in HKD is indicative and for reference purposes only. In respect of Samsung NYSE FANG+ ETF, the last Net Asset Value per Unit in HKD is calculated using the last Net Asset Value per Unit in USD multiplied by an assumed foreign exchange rate using the exchange rate for HKD quoted by Reuters Composite NY Close 16:30 EST as of the same Dealing Day. In respect of Samsung Bloomberg Global Semiconductor ETF, the last Net Asset Value per Unit in HKD is calculated using the last Net Asset Value per Unit in USD multiplied by an assumed foreign exchange rate using the exchange rate for HKD quoted by WM Reuters 4:00pm (London time) as of the same

Dealing Day. When the Hong Kong market is closed, the official last Net Asset Value per Unit in USD and the indicative last Net Asset Value per Unit in HKD will not be updated.

Real-time updates about an Index can be obtained through financial data vendors. Investors should obtain additional and the latest updated information about an Index (including without limitation, a description of the way in which the Index is calculated, any change in the composition of the Index, any change in the method for compiling and calculating the Index) via the Manager's website and the Index Provider's website (neither of which, nor any other website referred to in this Prospectus, has been reviewed by the SFC). Please refer to the section on "Website Information" for the warning and the disclaimer regarding information contained in such website.

Notices

All notices and communications to the Manager and Trustee should be made in writing and sent to the following addresses:

Manager

Samsung Asset Management (Hong Kong) Limited
三星資產運用（香港）有限公司
4513-14, Two International Finance Centre
8 Finance Street
Central
Hong Kong

Trustee

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

Website information

The offer of the Units is made solely on the basis of information contained in this Prospectus. All references in this Prospectus to other websites and sources where further information may be obtained are merely intended to assist you to access further information relating to the subject matter indicated and such information does not form part of this Prospectus. None of the Listing Agent, the Manager or the Trustee accepts any responsibility for ensuring that the information contained in such other websites and sources, if available, is accurate, complete and/or up-to-date, and no liability is accepted by the Listing Agent, the Manager and the Trustee in relation to any person's use of or reliance on the information contained in these other websites and sources save, in respect of the Manager, its website www.samsungetfhk.com (the contents of which and of other websites referred to in this Prospectus have not been reviewed by the SFC). The information and materials included in these websites have not been reviewed by the SFC or any regulatory body. You should exercise an appropriate degree of caution when assessing the value of such information.

TAXATION

The following summary of Hong Kong taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Units. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Units both under the laws and practice of Hong Kong and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force in Hong Kong at the date of this Prospectus. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Prospectus. Furthermore, tax laws can be subject to different interpretations and no assurance can be given that relevant tax authorities will not take a contrary position to the tax treatments described below. You should refer to additional summaries of applicable taxation, where appropriate, as set out in the Appendix relevant to a Sub-Fund.

Taxation of the Trust and Sub-Funds

As the Trust and each Sub-Fund have been authorised as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Trust and each Sub-Fund are exempt from Hong Kong profits tax.

Taxation of the Unitholders

Where the Unitholders do not carry on a trade, profession or business in Hong Kong or the Units in the Sub-Funds are held by the Unitholders as capital assets for Hong Kong profits tax purposes, gains arising from the sale or disposal or redemption of the Units in the Sub-Funds should not be taxable. For Unitholders carrying on a trade, profession or business in Hong Kong, such gains may be subject to Hong Kong profits tax (which is currently charged at the rate of 16.5% in the case of corporations, and 15% in the case of individuals and unincorporated business) if the gains in question arise in or are derived from such trade, profession or business and sourced in Hong Kong. Unitholders should take advice from their own professional advisers as to their particular tax position.

Distributions by the Trust/Sub-Funds should generally not be subject to Hong Kong profits tax in the hands of the Unitholders according to the practice of the Inland Revenue Department of Hong Kong (as at the date of this Prospectus).

Stamp duty

Hong Kong stamp duty is payable on the transfer of Hong Kong stock. “Hong Kong stock” is defined as “stock” the transfer of which is required to be registered in Hong Kong. The Units fall within the definition of “Hong Kong stock”.

Under a remission order issued by the Secretary for the Treasury on 20 October 1999, no Hong Kong stamp duty is payable on an issue or redemption of Units.

Stamp duty payable in respect of any transfer in the shares or units of an exchange traded fund (as defined in Part 1 to Schedule 8 of the Stamp Duty Ordinance) on the SEHK is not payable. Accordingly transfers of Units do not attract stamp duty and no stamp duty is payable by Unitholders on any transfer.

Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No.3) Ordinance (the “Ordinance”) was gazetted on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information (“AEOI”). The AEOI comprise, among others, the model Competent Authority Agreement (“CAA”) and Common Reporting Standard (“CRS”). In addition, the Inland Revenue Department of Hong Kong ("IRD") published guidance for financial institutions ("FIs") on 9 September 2016 to assist them in complying with the CRS obligations. The AEOI requires FIs in Hong Kong to collect certain information relating to non-Hong Kong tax residents holding financial accounts with the FIs, and report such information to the IRD for the purpose of automatic exchange. Generally, the information will be reported and automatically exchanged in respect of account holders that are tax residents in a partner jurisdiction(s) with which Hong Kong has a CAA in force; however, a Sub-Fund and/or its agents may further collect information relating to the residents of other jurisdictions.

The Trust is required to comply with the requirements of the Ordinance, which means that the Trust and/or its agents shall collect and provide to the IRD the required information relating to Unitholders and prospective investors. The Ordinance requires the Trust to, amongst other things, (i) register the Trust as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on its accounts (i.e. Unitholders) to identify whether any of such accounts are considered "Reportable Accounts" under the Ordinance; and (iii) report to the IRD the required information of such Reportable Accounts. The IRD is expected on an annual basis to transmit the required information reported to it to the government authorities of the jurisdictions with which Hong Kong has a CAA in force. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax residents in a jurisdiction with which Hong Kong has a CAA in force; and (ii) certain entities controlled by individuals who are tax residents in such jurisdictions. Under the Ordinance, details of Unitholders, including but not limited to their name, place of birth, address, tax residence, tax identification number (if any), account number, account balance/value, and income or sale or realisation proceeds, should be reported to the IRD and subsequently exchanged with government authorities in the relevant jurisdictions.

By investing in a Sub-Fund and/or continuing to invest in a Sub-Fund, Unitholders acknowledge that they may be required to provide additional information to the Trust, the Manager and/or its agents in order for the Trust to comply with the Ordinance. A Unitholder's information (and information on controlling persons including beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Unitholders that are passive non-financial entities) may be transmitted by the IRD to the government authorities in the relevant overseas jurisdictions.

Each Unitholder and prospective investor should consult its own professional tax adviser(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the Sub-Fund(s).

FATCA and compliance with US withholding requirements

The US Hiring Incentives to Restore Employment Act (the "HIRE Act") was signed into US law in March 2010 and includes certain provisions commonly referred to as the "Foreign Account Tax Compliance Act" or "FATCA". Broadly, the FATCA provisions are set out in sections 1471 to 1474 of the US Internal Revenue Code of 1986, as amended (the "Revenue Code"), which impose a reporting regime on foreign financial institutions ("FFIs") such as the Trust and each Sub-Fund with respect to certain payments including interest and dividends received and gross proceeds derived from the sale of certain financial assets. All such payments may be subject to FATCA withholding at a rate of 30%, unless the recipient of the payment satisfies certain requirements intended to enable the IRS to identify United States persons (within the meaning of the Revenue Code) ("US persons") with interests in such payment. To avoid such withholding on payments made to it, FFIs (including banks, brokers, custodians and investment funds), such as the Trust and each Sub-Fund will be required to enter into an agreement (an "FFI Agreement") with the IRS to be treated as a participating FFI. Participating FFIs are required to identify all investors that are US persons and report certain information concerning such US persons to the IRS annually. The FFI Agreement will also generally require a participating FFI to deduct and withhold 30% from certain payments made by the participating FFI to investors who fail to cooperate with certain information requests made by the participating FFI or do not consent to FATCA reporting and disclosure to the IRS (referred to as "recalcitrant account holders") and may be required to close accounts of such account holders. Moreover, participating FFIs are required to deduct and withhold such payments made to investors that are themselves FFIs but are not compliant with FATCA.

FATCA withholding applies to (i) payments of US source income, including US source dividends and interest, made after 30 June 2014; and (ii) payments of gross proceeds of sale or other disposal of property that can produce US source interest or dividend income after 31 December 2018. The 30% withholding could also apply to payments otherwise attributable to US source income (also known as "foreign passthru payments") from 1 January 2019 at the earliest. Withholding agents (which includes participating FFIs) will generally be required to begin withholding withholdable payments made after 30 June 2014.

The United States and a number of other jurisdictions have entered into intergovernmental agreements ("IGAs"). The United States Department of the Treasury and Hong Kong have entered into an intergovernmental agreement (the "Hong Kong IGA") based on the Model 2 format ("Model 2 IGA"). The Model 2 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. Under the Hong Kong IGA, an FFI (including the Trust and the Sub-Funds) will not be required to impose FATCA withholding at 30% on payments made to recalcitrant account holders or close the accounts of such account holders (provided information regarding such account holders is reported to the IRS as required). Withholding may apply to withholdable payments covered by FATCA if the Trust and each Sub-Fund cannot satisfy the applicable requirements and is determined to be non-FATCA compliant or if the Hong Kong government is found in breach of the terms of the agreed IGA.

The Trust has been registered with the IRS as a reporting single FFI with Global Intermediary Identification Number 94T9R5.99999.SL.344. In order to protect Unitholders and avoid being subject to withholding under FATCA, it is the Manager's intention to endeavour to satisfy the requirements imposed under FATCA. Hence it is possible that this may require the Trust and each Sub-Fund (through its agents or service providers) as far as legally permitted, to report information on the holdings or investment returns of any Unitholder to the IRS or the local authorities pursuant to the terms of the IGA (as the case may be), including certain Unitholders who fail to provide the information and documents required to identify their status, or who are non-FATCA compliant financial institutions or who fall within other categories specified in the FATCA provisions and regulations. As at the date of this Prospectus, all Units are registered in the name of HKSCC Nominees Limited. HKSCC Nominees Limited has registered as a participating FFI or registered deemed compliant FFI.

The Manager has obtained competent tax advice confirming that the Sub-Funds do not need to be registered with the IRS and that the registration of the Trust with the IRS satisfies the FATCA requirements.

Although the Manager, the Trust and the Sub-Funds will attempt to satisfy any obligations imposed by FATCA on them to avoid the imposition of FATCA withholding tax, no assurance can be given that the Manager, the Trust and the Sub-Funds will be able to fully satisfy these obligations. If any Sub-Fund becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of such Sub-Fund may be adversely affected and such Sub-Fund and its Unitholders may suffer material loss.

The FATCA provisions are complex and their application is uncertain at this time. The above description is based in part on regulations, official guidance, the Hong Kong IGA and model IGAs, all of which are subject to change or may be implemented in a materially different form. Nothing in this section constitutes or purports to constitute tax advice and Unitholders should not rely on any information set out in this section for the purposes of making any investment decision, tax decision or otherwise. All Unitholders should therefore consult their own tax and professional advisers regarding the FATCA requirements, possible implications and related tax consequences with respect to their own situation. In particular, Unitholders who hold their Units through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer the above mentioned withholding tax on their investment returns.

PART 2 – SPECIFIC INFORMATION RELATING TO EACH SUB-FUND

Part 2 of this Prospectus includes specific information relevant to each of Sub-Fund established under the Trust and listed on the SEHK. It is updated from time to time by the Manager. Information relating to each Sub-Fund is set out in a separate Appendix.

The information presented in each Appendix in this Part 2 should be read in conjunction with the information presented in Part 1 of this Prospectus. Where the information in any Appendix in this Part 2 conflicts with the information presented in Part 1, the information in the relevant Appendix in the Part 2 prevails, however, is applicable to the specific Sub-Fund of the relevant Appendix only.

Defined terms used in each of the Appendices and which are not defined in this Part 2, bear the same meanings as in Part 1 of this Prospectus. References in each Appendix to "Sub-Fund" refer to the relevant Sub-Fund which is the subject of that Appendix. References in each Appendix to "Index" refer to the relevant Index details of which are set out in that Appendix.

Appendix 1: Samsung S&P GSCI Crude Oil ER Futures ETF

Key information

Set out below is a summary of key information in respect of this Sub-Fund which should be read together with the full text of this Appendix and the Prospectus.

Index	S&P GSCI Crude Oil Multiple Contract 55/30/15 1M/2M/3M (USD) ER Index ("ER" or "Excess Return" does not mean any additional return on the Sub-Fund's performance)
Index Provider	S&P Dow Jones Indices (S&P)
Listing Date (SEHK)	29 April 2016
Exchange Listing	SEHK – Main Board
Stock Code	03175
Short Stock Name	F SAMSUNG OIL
Trading Board Lot Size	200 Units
Base Currency	Hong Kong dollars (HKD)
Trading Currency	HKD only
Dual Counter	No
Distribution Policy	Annually (usually in March of each year) (if any) in HKD subject to the Manager's discretion. Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from management of the Sub-Fund's cash and holdings of investment products. Furthermore, distributions may be paid out of capital or out of gross income while all or part of fees and expenses may be charged to capital at the Manager's discretion resulting in an increase in distributable income for the payment of distributions and therefore distributions may be paid effectively out of capital.
Creation/Redemption Policy	Cash (HKD) only
Application Unit Size (only by or through Participating Dealers)	Minimum 250,000 Units (or multiples thereof)
Ongoing Charges Over a Year (including the Management Fee)*	1.33% of the Net Asset Value
Management Fee	Currently 0.65% per year of the Net Asset Value
Investment Strategy	Full replication. Please refer to the section on "What is the investment strategy?" below
Financial Year End	31 March
Website	www.samsungetfhk.com (this website has not been reviewed by the SFC)
Market Makers#	AP Capital Management (Hong Kong) Limited IMC Asia Pacific Limited Bluefin HK Limited

	DRW Singapore Pte. Ltd. (* designated specialist) Flow Traders Hong Kong Limited
Participating Dealers[#]	China Merchants Securities(HK) Co., Limited Nomura International (HK) Limited Morgan Stanley Hong Kong Securities Limited ABN AMRO Clearing Hong Kong Limited Guotai Junan Securities (Hong Kong) Ltd CLSA Limited CGS-CIMB Securities (Hong Kong) Limited Canfield Securities Company Limited Haitong International Securities Company Ltd Deutsche Securities Asia Limited Phillip Securities (Hong Kong) Limited Citigroup Global Markets Asia Limited Mirae Asset Securities (HK) Limited iFAST Securities (HK) Limited Korea Investment & Securities Asia Limited

** The ongoing charges figure is an annualised figure based on expenses reported in the Sub-Fund's audited financial report for the year ended 31 March 2020, expressed as a percentage of the Sub-Fund's average Net Asset Value over the same period. This figure does not represent tracking error and may vary from year to year.*

[#] Please refer to the Manager's website for the latest lists of market makers and participating dealers of the Sub-Fund.

What is the investment objective?

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the S&P GSCI Crude Oil Multiple Contract 55/30/15 1M/2M/3M (USD) ER Index (the "Index"). There can be no assurance that the Sub-Fund will achieve its investment objective. The Index tracks the performance of multiple contract months of West Texas Intermediate crude oil (also known as Texas light sweet crude oil) Futures Contracts (the "WTI Futures Contracts") traded on NYMEX.

The Index consists of only WTI Futures Contracts whose price movements may deviate significantly from the spot price of WTI crude oil. The Sub-Fund does not seek to deliver a return of the spot price of WTI crude oil.

What is the investment strategy?

In seeking to achieve the Sub-Fund's investment objective, the Manager adopts a full replication strategy through investing directly in all the WTI Futures Contracts constituting the Index in substantially the same weightings as those of the WTI Futures Contracts in the Index so as to give the Sub-Fund the performance of the Index ("Full Replication Strategy"). In entering the WTI Futures Contracts each calendar month, the Manager anticipates that no more than 50% of the Net Asset Value of the Sub-Fund from time to time will be used as margin to acquire the WTI Futures Contracts. Under exceptional circumstances, including but not limited to imposition of more stringent margin requirement by an exchange or clearing brokers in extreme market turbulence, the margin exposure may increase beyond 50% of the Net Asset Value of the Sub-Fund.

Under exceptional circumstances, the Manager may, in its absolute discretion and without prior notice to investors, deviate from the Full Replication Strategy and implement alternative investment strategies, which may include investing in WTI Futures Contracts other than those constituting the Index, underweighting or overweighting certain WTI Futures Contracts in the Index, deviating from the rolling strategy and/or rolling schedule, and/or using financial derivative instruments (other than WTI Future Contracts) for hedging purposes, in the best interests of the Sub-Fund and the Unitholders and for the protection of the Sub-Fund.

Not less than 50% of the Net Asset Value (this percentage may be reduced proportionally under exceptional circumstances where there is a higher margin requirement, as described above) of the Sub-Fund in cash (HKD or USD) will be applied by the Manager towards investing the Sub-Fund in cash (HKD or USD) and other HKD denominated investment products, such as deposits with banks in Hong Kong and SFC authorised money market funds in accordance with the requirements of the Code. Yield from such cash and investment products will be used to meet the Sub-Fund's fees and expenses and after deduction of such fees and expenses the remainder will be distributed by the Manager to Unitholders in HKD.

Other than WTI Futures Contracts, the Manager has no intention to invest the Sub-Fund in any FDIs (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes, unless under any exceptional circumstances as described above.

Other than margin for WTI Futures Contracts, the Sub-Fund will not itself use leverage and the Sub-Fund's global exposure to FDIs (based on the settlement price of the WTI Futures Contracts) will not exceed 100% of its Net Asset Value.

The Manager will seek to carry out the rolling of the Sub-Fund according to the rolling strategy as stated in the Index methodology with the aim to closely track the Index (see "Futures Roll" under "What is the Index" section below). For the Sub-Fund, under normal market conditions the roll will take place over a 5-day period per month as stated in the Index methodology. Under exceptional market conditions, the Manager may, in its discretion, deviate from the rolling strategy and/or rolling schedule as mentioned above in the best interests of the Sub-Fund and the Unitholders and for the protection of the Sub-Fund.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus save as varied under the "Investment restriction" section below.

Use of derivatives

The Sub-Fund's net derivative exposure may be more than 50% but up to 100% of the Sub-Fund's Net Asset Value.

Overview of the crude oil market

What is crude oil?

Crude oil is a naturally occurring, unrefined petroleum product composed of hydrocarbon deposits and other organic materials. Crude oil can be refined to produce usable products such as gasoline, diesel and various forms of petrochemicals. It is a non-renewable resource, also known as a fossil fuel, which means that it cannot be replaced naturally at the rate people consume it and is therefore a limited resource.

Crude oil supply

Crude oil production by the Organization of the Petroleum Exporting Countries ("OPEC") is an important factor that affects oil prices. This organisation seeks to actively manage oil production in its member countries by setting production targets. Historically, crude oil prices have seen increases in times when OPEC production targets are reduced.

OPEC member countries produce about 43% of the world’s crude oil. Equally important to global prices, 79.4% of the world's proven oil reserves are located in OPEC Member Countries. Because of this market share, OPEC’s actions can, and do, influence international oil prices. In particular, indications of changes in crude oil production from Saudi Arabia, OPEC's largest producer, frequently affect oil prices.

The extent to which OPEC member countries utilise their available production capacity is often used as an indicator of the tightness of global oil markets, as well as an indicator of the extent to which OPEC is exerting upward influence on prices. OPEC spare capacity provides an indicator of the world oil market's ability to respond to potential crises that reduce oil supplies. As a result, oil prices tend to incorporate a rising risk premium when OPEC spare capacity reaches low levels. Markets are influenced by geopolitical events within and between OPEC countries because they have, historically, resulted in reductions in oil production. Given OPEC's market significance, events that entail an actual or future potential loss of oil supplies can produce strong reactions in oil prices.

Oil production from countries outside the OPEC currently represents about 57% of world oil production. Key centres of non-OPEC production include North America, regions of the former Soviet Union and the North Sea.

In contrast to OPEC oil production, which is subject to central coordination, non-OPEC producers make independent decisions about oil production. Also, in contrast to OPEC, where oil production is mostly in the hands of national oil companies (“NOCs”), international or investor-owned oil companies (“IOCs”) perform most of the production activities in non-OPEC countries. IOCs seek primarily to increase shareholder value and make investment decisions based on economic factors. While some NOCs operate in a similar manner as IOCs, many have additional objectives such as providing employment, infrastructure or revenue that impact their country in a broader sense. As a result, non-OPEC investment and thus future supply capability, tends to respond more readily to changes strictly in market conditions.

Producers in non-OPEC countries are generally regarded as price takers, that is, they respond to market prices rather than attempt to influence prices by managing production. As a result, non-OPEC producers tend to produce at or near full capacity and so have little spare capacity.

Crude oil demand

OECD consists of the United States, much of Europe, and other advanced countries. At 53% of world oil consumption in 2010, these large economies consume more oil than the non-OECD countries, but have much lower oil consumption growth. Oil consumption in the OECD countries actually declined in the decade between 2000 and 2010, whereas non-OECD consumption rose 40% during the same period.

Structural conditions in each country's economy influence the relationships among oil prices, economic growth and oil consumption. Developed countries tend to have higher vehicle ownership per capita. Because of this, oil use within the OECD transportation sector usually accounts for a larger share of total oil consumption than in non-OECD countries. It is also more mature and slower-growing. Economic conditions and policies that affect the transport of goods and people thus have a significant impact on total oil consumption in OECD countries. Many OECD countries have higher fuel taxes and policies to improve the fuel economy of new vehicles and increase the use of biofuels. This tends to slow the growth in oil consumption even in times of strong economic growth. Furthermore, the economies in OECD countries tend to have larger service sectors relative to manufacturing. As a result, strong economic growth in these countries may not have the same impact on oil consumption as it would in non-OECD countries.

OECD countries tend to have fewer subsidies on end-use prices, so changes in market oil prices are often quickly reflected in prices faced by consumers. However, it takes time for people to adjust their transportation routines and for the vehicle stock to turn over and become more energy-efficient in response to price changes.

Changes in expected future oil prices also affect consumers' decisions concerning modes of transportation and vehicle purchases. If prices are expected to remain high or increase in the future, more consumers may decide to purchase more fuel efficient vehicles or use public transportation. Decisions like these help to reduce future oil demand and would tend to moderate expected price increases.

Oil consumption in developing countries that are not part of the OECD has risen sharply in recent years. While oil consumption in the OECD countries declined from 63% in 2010 to 49% in 2014, non-OECD oil consumption increased from 37% in 2010 to 51% in 2014. China, India, and Saudi Arabia had the largest growth in oil consumption among the countries in the non-OECD during this period.

Rising oil consumption reflects rapid economic growth in these countries. Current and expected levels of economic growth heavily influence global oil demand and oil prices. Commercial and personal transportation activities, in particular, require large amounts of oil and are directly tied to economic conditions. Many manufacturing processes consume oil as fuel or use it as feedstock, and in some non-OECD countries, oil remains an important fuel for power generation. Because of these uses, oil prices tend to rise when economic activity and in turn oil demand is growing strongly. Many non-OECD countries are also experiencing rapid growth in population, which is an additional factor supporting strong oil consumption growth.

Structural conditions in each country's economy further influence the relationship between oil prices and economic growth. Developing countries tend to have a greater proportion of their economies in manufacturing industries, which are more energy intensive than service industries. Although transportation oil use is usually a smaller share of total oil consumption in non-OECD countries, this use tends to increase rapidly as expanding economies increase the need to move goods and people. Vehicle ownership per capita is also highly correlated with rising incomes and has much room to grow in non-OECD countries. For these reasons, non-OECD economic growth rates tend to be an important factor affecting oil prices. China's strong economic growth has recently resulted in that country becoming the largest energy consumer and second largest oil consumer in the world. In addition, China's rising oil consumption has been a major contributor to incremental growth in worldwide oil consumption. US Energy Information Administration projects that virtually all the net increase in oil consumption in the next 25 years will come from non-OECD countries.

Although oil use is clearly tied to economic activity, energy policies also significantly affect that relationship. Many developing countries, for example, control or subsidize end-use prices, which inhibits consumer response to market price changes. This reduced demand response to price changes further contributes to the importance of economic growth as a key driver of non-OECD demand and in turn global oil prices.

Crude oil prices

Crude oil prices measure the spot price of various barrels of oil, most commonly either the West Texas Intermediate ("WTI") or the Brent Blend. The OPEC basket price and the NYMEX futures price are also sometimes quoted.

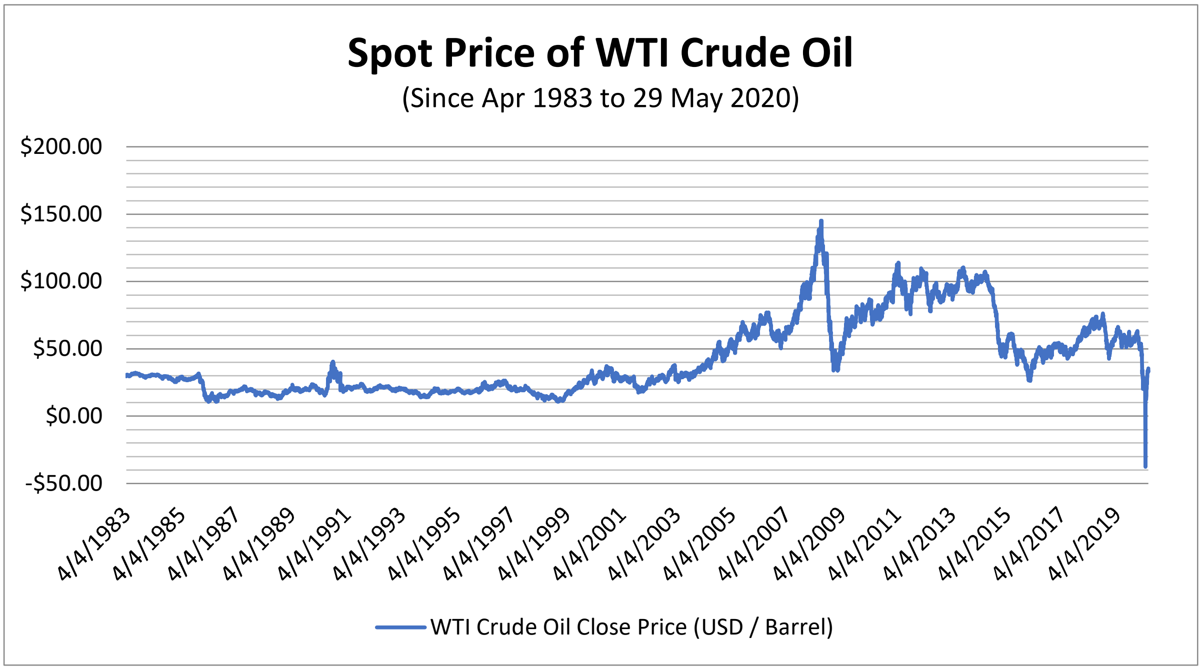
WTI crude oil is of very high quality because it is light-weight and has low sulphur content. For these reasons, it is often referred to as "light, sweet" crude oil. These properties make it excellent for making gasoline. That is why it is the major benchmark of crude oil in the Americas. Please refer to "What is WTI crude oil" below for more information on WTI crude oil.

Brent Blend is a combination of crude oil from 15 different oil fields in the North Sea. It is less "light" and "sweet" than WTI, but still excellent for making gasoline. It is refined in Northwest Europe and is the primary benchmark for other crude oil in Europe or Africa.

As crude oil is traded in a global market, prices of the many crude oil streams produced globally tend to move closely together, although there are persistent differentials between light-weight, low-sulphur (light-sweet) grades and heavier, higher-sulphur (heavy-sour) crudes that are lower in quality.

Both crude oil and petroleum product prices can be affected by events that have the potential to disrupt the flow of oil and products to market, including geopolitical and weather-related developments. These types of events may lead to actual disruptions or create uncertainty about future supply or demand, which can lead to higher volatility in prices. The volatility of oil prices is inherently tied to the low responsiveness or "inelasticity" of both supply and demand to price changes in the short run. Both oil production capacity and the equipment that use petroleum products as their main source of energy are relatively fixed in the near term. It takes years to develop new supply sources or vary production, and it is very hard for consumers to switch to other fuels or increase fuel efficiency in the near term when prices rise. Under such conditions, a large price change can be necessary to re-balance physical supply and demand following a shock to the system.

Much of the world's crude oil is located in regions that have been prone historically to political upheaval, or have had their oil production disrupted due to political events. Several major oil price shocks have occurred at the same time as supply disruptions triggered by political events, most notably the Arab Oil Embargo in 1973-74, the Iranian revolution and Iran-Iraq war in the late 1970s and early 1980s, and Persian Gulf War in 1990. More recently, disruptions to supply (or curbs on potential development of resources) from political events have been seen in Nigeria, Venezuela, Iraq, Iran and Libya.



Given the past history of oil supply disruptions emanating from political events, market participants are always assessing the possibility of future disruptions and their potential impacts. In addition to the size and duration of a potential disruption, they also consider the availability of crude stocks and the ability of other producers to offset a potential supply loss. For example, if the market has ample spare production capacity to offset a possible disruption, its likely impact on prices would be smaller than if spare production capacity was much lower. When there are significant concerns about the potential for a disruption at a time when spare capacity and inventories are not seen as sufficient to substantially offset the associated loss in supply, prices may be above the level that might be expected if only current demand and supply were considered, as forward-looking behaviour adds a "risk premium".

Weather can also play a significant role in oil supply. Hurricanes in 2005, for example, shut down oil and natural gas production as well as refineries. As a result, petroleum product prices increased sharply as supplies to the market dropped. Severely cold weather can strain product markets as producers attempt to supply enough of the product, such as heating oil, to consumers in a short amount of time, resulting in higher prices. Other events such as refinery outages or pipeline problems can restrict the flow of oil and products, driving up prices.

However, the influence of these types of factors on oil prices tends to be relatively short lived. Once the problem subsides and oil and product flows return to normal, prices usually return to previous levels.

Oil price, oil futures and financial market

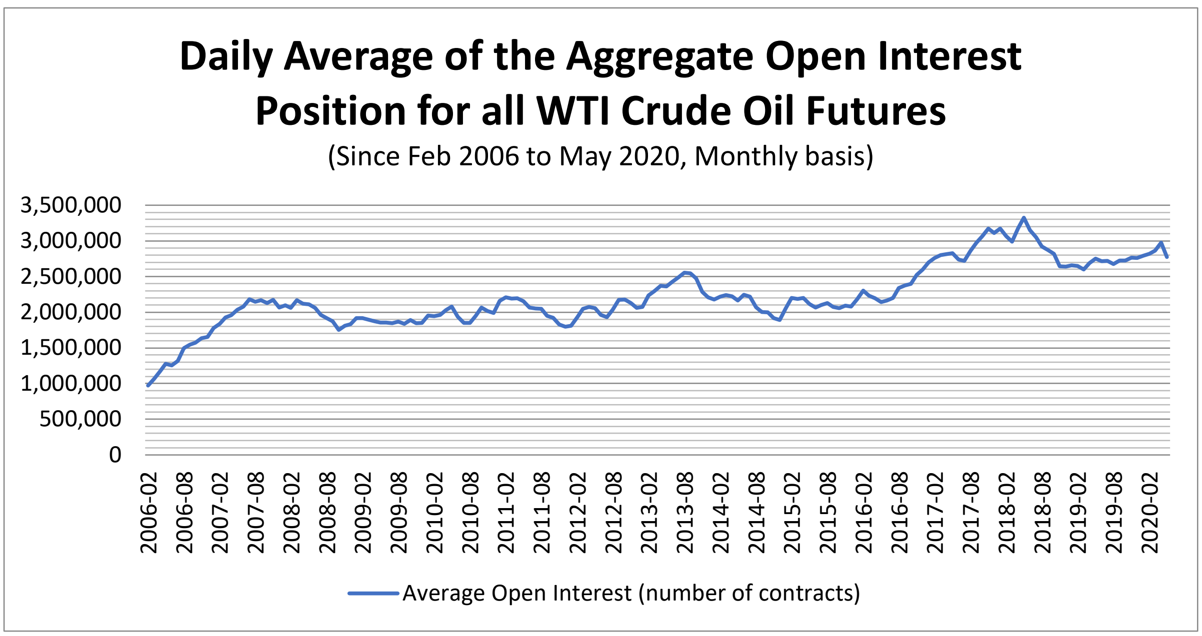
Market participants not only buy and sell physical quantities of oil, but also trade contracts for the future delivery of oil and other energy derivatives. One of the roles of futures markets is price discovery, and as such, these markets play a role in influencing oil prices.

Oil market trading activity involves a range of participants with varying motivations, even within individual participants. Some, such as oil producers and airlines, have a significant commercial exposure to changes in the price of oil and petroleum-based fuels, and may seek to hedge their risk by buying and selling energy derivatives. For example, an airline may want to buy futures or options in order to avoid the possibility that its future fuel costs will rise above a certain level, while an oil producer may want to sell futures in order to lock in a price for its future output.

Banks, hedge funds, commodity trading advisors, and other money managers who often do not have interests in trading physical oil are also active in the market for energy derivatives to try to profit from changes in prices. In recent years, investors have also shown interest in adding energy and other commodities as alternatives to equity and bond investments to diversify their portfolios or to hedge inflation risks.

Banks, hedge funds and other “non-commercial” investors can add liquidity to futures and derivative markets by taking the other side of transactions with commercial participants. On the other hand, concerns have been raised that non-commercial commodity trading and investment may amplify price movements, particularly at times when momentum is running strongly in a particular direction.

Activity in commodity exchange contracts has risen in recent years. One measure of activity in futures markets is open interest on exchanges, which indicates the number of contracts in a trading session that have not been settled or closed.



Open interest on exchange-traded crude oil futures contracts increased substantially over the past decade, as measured by the NYMEX, the main commodities exchange for energy products in the United States.

Both commercial participants with “real” demand for oil and non-commercial investors, such as money managers and funds that are interested in trading contracts for investment and diversification purposes, have shown increased trading activity.

In addition to Futures Contracts, another way for market participants to invest in crude oil is through the buying and selling of options contracts. Options allow for investment exposure with limited potential for losses and provide an insurance-like instrument against adverse commodity price movements.

What is WTI crude oil?

West Texas Intermediate (WTI) crude oil, also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. WTI consists of a blend of several U.S. domestic streams of light sweet crude oil. As a pricing mechanism for physical delivery of crude oil in North America, WTI is firmly rooted in the physical market. Because of the unique immediacy, breadth, and depth of pricing and inventory data supplied by the U.S. government, and because onshore North American production has been a key driver of growing global crude oil supply over the past decade, WTI is widely regarded as the crude oil benchmark that reflects the supply and demand dynamics of the market.

This grade is described as light because of its relatively low density, and sweet because of its low sulphur content. Due to its high viscosity and low sulphur content, WTI crude oil can produce a high yield of gasoline during the refining process. WTI crude oil is the underlying commodity of the WTI Futures Contracts.

What are WTI Futures Contracts?

WTI Futures Contracts are West Texas Intermediate crude oil Futures Contract traded on the NYMEX in USD. The parent company of NYMEX is CME Group Inc., which is an American futures company and one of the largest futures and options exchanges. It comprises four exchanges, namely Chicago Mercantile Exchange ("CME"), Chicago Board of Trade ("CBOT"), NYMEX and Commodity Exchange Inc. ("COMEX"). WTI Futures Contract is one of the deepest and most liquid global energy benchmarks, trading nearly 1,200,000 futures and options contracts daily. The open interest of WTI Futures Contracts exceeds 2.8 million lots, equivalent to more than 2.8 billion barrels.

WTI Futures Contracts have the following characteristics:

(a) WTI Futures Contracts provide a basic unit of account in increments of 1,000 barrels and minimum fluctuation as USD0.01 per barrel.

(b) WTI Futures Contracts are listed nine years forward using the following listing schedule: consecutive months are listed for the current year and the next five years. In addition, the June and December contract months are listed beyond the sixth year. Additional months will be added on an annual basis after the December contract expires, so that an additional June and December contract would be added nine years forward, and the consecutive months in the sixth calendar year will be filled in.

(c) Market participants can trade WTI Futures Contracts on CME Globex from Sunday to Friday 6:00 p.m. to 5:00 p.m. (EST) with a 60-minute break each day beginning at 5:00 p.m. (Chicago time).

(d) Trading in the current delivery month shall cease on the third business day prior to the twenty-fifth calendar day of the month preceding the delivery month. If the twenty-fifth calendar day of the month is a non-business day, trading shall cease on the third business day prior to the last business day preceding the twenty-fifth calendar day.

(e) Upon a transaction's acceptance by CME Clearing, a central counterparty imposes itself as the legal counterparty to every trade, which effectively eliminates counterparty risks between market participants. This substitution of counterparties is accomplished through the legal process of contract novation, which discharges the contract between the original trading counterparties and creates two new, legally binding contracts – one between each of the original trading counterparties and CME Clearing.

(f) The margin requirement of WTI Futures Contracts is subject to change. Currently, margin requirements of September 2020 WTI Futures Contracts are USD7,755 as the initial margin and USD7,050 as the maintenance margin.

(g) CME Clearing accepts a wide range of collateral for deposit into trading accounts, including USD, select foreign currencies, U.S. Treasuries, select foreign sovereign debt, asset-backed securities and agency bonds.

(h) CME Clearing manage the collateral based on future’s daily settlement price which is based on CME Globex VWAP between 2:28 p.m. and 2:30 p.m. Eastern Time.

(i) The position limit is 3,000 contracts for “initial spot-month” limit for contracts that will expire in the current month only. By way of example, as at early July 2020, August2020 contracts are “initial spot-month” contracts which will expire in July 2020. Effective date is close of 3 business days prior to the last trading date of the contract. The position limit is level which a market participant may not exceed unless it has an approved exemption.

(j) The single month accountability level is 10,000 contracts and all month accountability level is 20,000 contracts. Position accountability levels are levels which a market participant may exceed and not be in violation of CME rule. A market participant who exceeds an accountability level and/or a reportable level may be asked by CME Group Inc. to provide information relating to the position. Failure to supply the requested information may result in an order to reduce such positions.

(k) The reportable level is 350 contracts. The reportable level is level at which clearing members, omnibus accounts and foreign brokers are required to submit to CME a daily report of all positions.

(l) If the lead contract month (as identified by NYMEX) is bid or offered at the upper or lower price fluctuation limit at the first special price fluctuation limit level (currently USD10/barrel), it will be considered a triggering event that will begin a two (2) minute monitoring period in the lead contract month. If, at the end of the two (2) minute monitoring period, the lead contract month of the Futures Contract is not bid or offered at the applicable special price fluctuation limit, the special price fluctuation limits shall be expanded an additional increment above and below the previous day's settlement price for all contract months of the Futures Contracts. If, however, at the end of the two (2) minute monitoring period, the lead contract month of the Futures Contract is bid or offered at the applicable special price fluctuation limit, a two (2) minute temporary trading halt will commence in all contract months of the futures contract. Following the end of a temporary trading halt, NYMEX shall re-open simultaneously in all contract months of the Futures Contract. When trading resumes, the special price fluctuation limits shall be expanded an additional increment above and below the previous day's settlement price for all contract months of the Futures Contract. In each instance in which a triggering event occurs, a two (2) minute monitoring period will commence. In each instance, the special price fluctuation limits shall be expanded by an additional increment above and below the previous day's settlement price for all contract months of the futures contract. Following the fourth triggering event on a trading day, there shall be no further special price fluctuation limits.

The above position limit, position accountability levels and reportable level are applicable to the Sub-Fund.

Futures exchanges (including CME) and clearing houses in the United States are subject to regulation by the CFTC. CME may adopt rules and take other actions that affect trading, including imposing speculative position limits, maximum price fluctuations and trading halts and suspensions and requiring liquidation of contracts in certain circumstances. Please refer to “Position limits risk” below.

For more information, please refer to “Crude Oil Futures” under “Energy products” on the CME group website.

Difference between spot price of WTI crude oil and WTI Futures Contracts price

The WTI Futures Contracts price is settled by physical delivery of WTI crude oil at some point in the future as specified in the specific contract.

By contrast, in a spot market commodities such as WTI crude oil are sold for cash at current prices and delivered immediately. A spot market is a real time market where the contract becomes effective immediately and the purchaser accepts delivery of, or immediately, resells the asset, e.g. WTI crude oil.

Investors should note that the Sub-Fund does not invest in the physical WTI crude oil spot market and the Index is linked to WTI Futures Contracts but not physical WTI crude oil or their spot prices. The price of a Futures Contract reflects the expected value of the commodity upon delivery in the future, whereas the spot price of a commodity reflects the immediate delivery value of the commodity. A variety of factors can lead to a disparity between the expected future price of a commodity and the spot price at a given point in time, such as the cost of storing the commodity for the term of the Futures Contract, interest charges incurred to finance the purchase of the commodity and expectations concerning supply and demand for the commodity. The price movements of a Futures Contract are typically correlated with the movements of the spot price of the referenced commodity, but the correlation is generally imperfect and price movements in the spot market may not be reflected in the futures market (and vice versa). Accordingly, the Sub-Fund may underperform a similar investment that is linked to the spot price of WTI crude oil.

Please refer to the related educational materials set out in www.samsungetfhk.com (this website has not been reviewed by the SFC) for more information in this regard.

What is the Index?

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As at the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Complete information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

S&P GSCI Index Series

The S&P GSCI Index Series provides investors with publicly available benchmarks for investment performance in the commodity markets. The indices are designed to be tradable, readily accessible to market participants and cost efficient to implement.

The S&P GSCI (the main index of the S&P GSCI Index Series) is recognised as a leading measure of general commodity price movements and inflation in the world economy.

The S&P GSCI is calculated primarily on a world production weighted basis, and is comprised of the principal physical commodities that are the subject of active and liquid futures markets.

To be included in the S&P GSCI for a given year, the Futures Contracts must satisfy several sets of eligibility criteria:

1. Non-Financial commodities: the Futures Contract must be on a physical commodity and may not be on a financial commodity (e.g. securities, currencies, interest rates, etc.). The Futures Contracts on a particular commodity need not require physical delivery by their terms in order for the commodity to be considered a physical commodity.

2. Certain contract characteristics: (a) the Futures Contract must have a specified expiration or term or provide in some other manner for delivery or settlement at a specified time, or within a specified time period, in the future; and (b) the Futures Contract must, at any given point in time, be available for trading at least five months prior to its expiration or such other date or time period specified for delivery or settlement; and (c) the trading facility on which the Futures Contract is traded must allow market participants to execute spread

transactions, through a single order entry, between the pairs of contract expirations included in the S&P GSCI that, at any given point in time, will be involved in the rolls to be effected in the next three roll periods.

3. Denomination and geographical requirements: the Futures Contract must be denominated in USD and traded on or through a trading facility that has its principal place of business or operations in a country that is a member of the Organization for Economic Cooperation and Development (the "OECD").

4. Availability of daily contract reference price: the Futures Contract generally must have been available on a continuous basis for at least two years prior to the proposed date of inclusion. In appropriate circumstances, S&P Dow Jones Indices may determine that a shorter time period is sufficient or that historical daily contract reference price for such Futures Contract may be derived from daily contract reference price for a similar or related Futures Contract.

5. Availability of volume data: the Futures Contract must be available for at least three months immediately preceding the date on which the determination is made.

6. Contract volume: the Futures Contract must have an annualised total USD value traded of at least USD30 billion.

7. Weight: the Futures Contract must have a reference percentage dollar weight of at least 1%.

8. Other requirements with respect to trading facilities: The trading facility on or through which a Contract is traded must: (a) make price quotations generally available to its members or participants (and to S&P Dow Jones Indices) in a manner and with a frequency that is sufficient to provide reasonably reliable indications of the level of the relevant market at any given point in time; (b) make reliable trading volume information available to S&P Dow Jones Indices with at least the frequency required by S&P Dow Jones Indices to make the monthly determinations; (c) accept bids and offers from multiple participants or price providers (i.e. it must not be a single-dealer platform); and (d) be accessible by a sufficiently broad range of participants.

The number of Futures Contracts is then determined. At that point, the list of designated Futures Contracts for the relevant S&P GSCI year is complete and production weights can be determined. There is no limit on the number of Futures Contracts that may be included in the S&P GSCI.

General Information

The S&P GSCI Crude Oil Multiple Contract 55/30/15 1M/2M/3M (USD) ER Index is a sub-index of the S&P GSCI Multiple Contract Index, which is a standardised, long-only version of the S&P GSCI that holds multiple contract months for each of the S&P GSCI commodities.

The Index holds multiple contract months for WTI Futures Contracts traded on NYMEX. The basic framework involves:

- 55% assigned to the contract month represented by the S&P GSCI 1 Month Forward Index;
- 30% assigned to the contract month represented by the S&P GSCI 2 Month Forward Index; and
- 15% assigned to the contract month represented by the S&P GSCI 3 Month Forward Index.

Each of the S&P GSCI 1 Month Forward Index, the S&P GSCI 2 Month Forward Index and the S&P GSCI 3 Month Forward Index is a sub-index of the S&P GSCI Forward Indices.

The S&P GSCI Forward Indices measure the S&P GSCI based on first nearby contract expiration that would be in the index on the specified forward dates. For example, on 15 June 2020, the WTI Futures Contracts of the S&P GSCI 3 Month Forward Index include those WTI Futures Contracts which would be in the S&P GSCI on 15 September 2020 (which are the November 2020 WTI

Futures Contracts).

The Index is denominated in USD. The Index was launched on 15 June 2020 and had a base value of 100 as at 16 January 1995.

The WTI Futures Contract for the current delivery month expires on the 3rd business day prior to the 25th calendar day of the month preceding the delivery month. For example, the last trading day (expiry date) for June 2020 WTI Futures Contract was 19 May 2020.

The specific WTI Futures Contracts that are included in the Index are:

(a) WTI Futures Contract which is moved forward one-month from the closest expiration date (the "**1M Forward Contract**") (e.g. in August 2020, this means the October 2020 WTI Futures Contract for the period prior to and during the rolling period and November 2020 WTI Futures Contract for the period after the rolling period);

(b) WTI Futures Contract which is moved forward two-months from the closest expiration date (the "**2M Forward Contract**") (e.g. in August 2020, this means the November 2020 WTI Futures Contract for the period prior to and during the rolling period and December 2020 WTI Futures Contract for the period after the rolling period);

(c) WTI Futures Contract which is moved forward three-months from the closest expiration date (the "**3M Forward Contract**") (e.g. in August 2020, this means the December 2020 WTI Futures Contract for the period prior to and during the rolling period and January 2021 WTI Futures Contract for the period after the rolling period);

(d) WTI Futures Contract which is moved forward four-months from the closest expiration date (the "**4M Forward Contract**") (e.g. in August 2020, this means the January 2021 WTI Futures Contract during the rolling period) during the rolling period in a month only.

Futures Roll

The Index incorporates a methodology for the replacement (also referred to as "rolling") of the 1M Forward Contracts with the 2M Forward Contracts, 3M Forward Contracts and 4M Forward Contracts as they approach maturity. The Index gradually reduces the weighting of the 1M Forward Contract and increases the weighting of the 2M Forward Contract, 3M Forward Contract and 4M Forward Contract over a five consecutive business day period (commencing on the 5th S&P GSCI Business Day of the month) so that on the first day of the rolling period the 1M Forward Contract represents 44%, the 2M Forward Contract represents 35%, the 3M Forward Contract represents 18% and the 4M Forward Contract represents 3% of the Index, and on the 5th day of the rolling period (i.e. the 9th S&P GSCI Business Day of the month) the 2M Forward Contract represents 55%, the 3M Forward Contract represents 30% and the 4M Forward Contract represents 15% of the Index.

For example, on 6 August 2020 (4th business day of the month), the Index will hold 55% in October 2020 contracts, 30% in November 2020 contracts and 15% in December contracts.

On 7 August 2020, which is the first day of rolling being the 5th business day of the month, the Index will hold 44% in October 2020 contracts, 35% in November 2020 contracts, 18% in December 2020 contracts and 3% in January 2021 contracts. On 8 August 2020, the Index will hold 33% in October 2020 contracts, 40% in November 2020 contracts, 21% in December 2020 contracts and 6% in January 2021 contracts. In the following two business days, the Index will increase its holding of November 2020, December 2020 and January 2021 by 5%, 3%, 3% respectively each business day while decreasing its holding of October 2020 contracts by the same amount until, at the end of 13 August 2020, which is the final day of rolling (9th business day of the month), the Index will hold 55% in November 2020 contracts, 30% in December 2020 contracts, and 15% in January 2021 contracts.

The table below summarises the above example.

Roll Weights	S&P GSCI Business Days of Month						
	4th	5th	6th	7th	8th	9th	Other dates
Contract Roll Weight of the 1M Forward Contract	55%	44%	33%	22%	11%	0%	55%
Contract Roll Weight of the 2M Forward Contract	30%	35%	40%	45%	50%	55%	30%
Contract Roll Weight of the 3M Forward Contract	15%	18%	21%	24%	27%	30%	15%
Contract Roll Weight of the 4M Forward Contract	0%	3%	6%	9%	12%	15%	0%

Notwithstanding the rolling methodology and schedule described above, if market conditions warrant, to mitigate the potential impact of negative WTI Futures Contracts prices in the Index, the Index Committee (established by the Index Provider) may elect to implement an unscheduled roll. In an unscheduled roll, the normal parameters of the rolling of Futures Contracts may be adjusted based on the prevailing market conditions, including but not limited to, when the roll occurs, the length of the roll, the proportions of the roll, or the contracts to be included.

In the event of an unscheduled roll, the Index Provider will endeavour, as market conditions warrant, to implement the unscheduled roll over two business days (i.e. a two-day rolling period), as well as provide two business days' notice in advance of the implementation of the unscheduled roll.

In implementing an unscheduled roll, the Index Provider will aim to conform to the Index's objective to the greatest extent possible, and will typically roll into the next most viable WTI Futures Contracts. However, the Index Committee retains the right to roll into further dated WTI Futures Contracts based on market conditions at the time of its decision.

Excess Return

The return of the Index is calculated based on the change in price levels of all of the 1M Forward Contract, 2M Forward Contract, 3M Forward Contract and (during the rolling period only) 4M Forward Contract, each of which is subject to the respective Roll Weights of that the relevant contract month as specified in the table above.

The Index is an excess return (and not a total return) index and therefore reflects the positive or negative return of the underlying commodity futures price movements only (and not any notional interest earnings).

Index Methodology

The following formula is used to calculate the Index:

$$\text{S\&P GSCI CL Multi ER}_d = \text{S\&P GSCI CL ER}_{d\_1} \times (1 + \text{CDR}_d)$$

$$\text{CDR}_d = \frac{(\text{DCRP1}_d - \text{DCRP1}_{d\_1}) \times \text{CRW1}_{d\_1} + (\text{DCRP2}_d - \text{DCRP2}_{d\_1}) \times \text{CRW2}_{d\_1} + (\text{DCRP3}_d - \text{DCRP3}_{d\_1}) \times \text{CRW3}_{d\_1} + (\text{DCRP4}_d - \text{DCRP4}_{d\_1}) \times \text{CRW4}_{d\_1}}{\text{DCRP1}_{d\_1} \times \text{CRW1}_{d\_1} + \text{DCRP2}_{d\_1} \times \text{CRW2}_{d\_1} + \text{DCRP3}_{d\_1} \times \text{CRW3}_{d\_1} + \text{DCRP4}_{d\_1} \times \text{CRW4}_{d\_1}}$$

Where:

d = the S&P GSCI Business Day on which the calculation is made

S&P GSCI CL Multi ER_d = the level of the index on d

S&P GSCI CL Multi ER_{d-1} = the level of the index on d-1

CDR = Contract Daily Return

CRW1 = the Contract Roll Weight of the 1M Forward Contract. On a non-rolling day, the weight of the 1M Forward Contract will be 55%

CRW2 = the Contract Roll Weight of the 2M Forward Contract. On a non-rolling day, the weight of the 2M Forward Contract will be 30%

CRW3 = the Contract Roll Weight of the 3M Forward Contract. On a non-rolling day, the weight of the 3M Forward Contract will be 15%

CRW4 = the Contract Roll Weight of the 4M Forward Contract

DCRP1 = the Daily Contract Reference Price of the 1M Forward Contract

DCRP2 = the Daily Contract Reference Price of the 2M Forward Contract

DCRP3 = the Daily Contract Reference Price of the 3M Forward Contract

DCRP4 = the Daily Contract Reference Price of the 4M Forward Contract

Daily Contract Reference Price = the daily settlement price of the relevant Futures Contract (in the case of the Sub-Fund)

Index Provider

The Index Provider is S&P Dow Jones Indices ("S&P").

The Manager (and each of its Connected Persons) is independent of the Index Provider.

S&P has established an Index Committee to oversee the daily management and operations of the S&P GSCI (and all related sub-indices), and is responsible for all analytical methods and calculation in the indices, as well as the index rules that govern the S&P GSCI and the annual rebalancing of the S&P GSCI.

Index codes and information

Bloomberg Code: SPGCLMCP
Thomson Reuters Code: .SPGCLMCP

The Index is calculated on a real-time basis (updated every 15 seconds) during the trading hours of the NYMEX.

You can obtain additional information concerning the Index (including Index fact sheets, a complete official index methodology, end of day Index levels, Index performance, important news relating to the Index and a full list of constituents and their weights) from the website of the Index Provider at https://us.spindices.com/indices/commodities/sp-gsci-crude-oil-multiple-contract-55-30-15-1m-2m-3m/?geographicalRegion=hong-kong&complianceLevel=sfc_hk&cvmlanguage=1#overview (this website has not been reviewed by the SFC).

Index license agreement

The initial term of the licence of the Index commenced on 7 August 2020 and shall be valid for an initial term of 5 years. After the expiry of the initial term, the licence shall renew automatically for consecutive renewal terms of 3 years, unless either party to the licence agreement provides written notice of termination to the other party of its intent not to renew at least 90 days prior to the end of the initial term or the then current term. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Index disclaimer

The S&P GSCI Crude Oil Multiple Contract 55/30/15 1M/2M/3M (USD) ER Index (the "Index") is a product of S&P Dow Jones Indices LLC ("SPDJI") and has been licensed for use by Samsung Asset Management (Hong Kong) Limited (the "Manager"). Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); GSCI® is a registered trademark of The Goldman Sachs Group, Inc. ("Goldman"); and these trademarks have been licensed for use by SPDJI. The Index is not created, owned, endorsed, sponsored, sold or promoted by Goldman or its affiliates and Goldman bears no liability with respect to the Index or data related thereto.

Samsung S&P GSCI Crude Oil ER Futures ETF is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, Goldman, any of their respective affiliates or their third party licensors (collectively "S&P Dow Jones Indices"). S&P Dow Jones Indices do not make any representation or warranty, express or implied, to the owners of the Samsung S&P GSCI Crude Oil ER Futures ETF or any member of the public regarding the advisability of investing in securities generally or in Samsung S&P GSCI Crude Oil ER Futures ETF particularly or the ability of the Index to track general market performance. S&P Dow Jones Indices' only relationship to the Manager with respect to the Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices. The Index is determined, composed and calculated by S&P Dow Jones Indices without regard to the Manager or the Samsung S&P GSCI Crude Oil ER Futures ETF. S&P Dow Jones Indices have no obligation to take the needs of the Manager or the owners of Samsung S&P GSCI Crude Oil ER Futures ETF into consideration in determining, composing or calculating the Index. S&P Dow Jones Indices are not responsible for and have not participated in the determination of the prices, and amount of Samsung S&P GSCI Crude Oil ER Futures ETF or the timing of the issuance or sale of Samsung S&P GSCI Crude Oil ER Futures ETF or in the determination or calculation of the equation by which Samsung S&P GSCI Crude Oil ER Futures ETF are to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of Samsung S&P GSCI Crude Oil ER Futures ETF. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a futures contract within the Index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such contract, nor is it considered to be investment advice. Notwithstanding the foregoing, CME Group Inc. and its affiliates may independently issue and/or sponsor financial products unrelated to Samsung S&P GSCI Crude Oil ER Futures ETF currently being issued by the Manager, but which may be similar to and competitive with Samsung S&P GSCI Crude Oil ER Futures ETF. In addition, CME Group Inc. and its affiliates may trade financial products which are linked to the performance of the Index. It is possible that this trading activity will affect the value of the Index and Samsung S&P GSCI Crude Oil ER Futures ETF.

S&P DOW JONES INDICES DO NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION

(INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY THE MANAGER, OWNERS OF THE SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND THE MANAGER, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

Creations

The current Dealing Deadline After Listing is 4:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (with the approval of Trustee) may determine on any day when the trading hours of the SEHK are reduced.

All Creation Applications must be made in cash (in HKD only). Settlement in cash for subscribing Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

Exchange listing and trading (secondary market)

Dealings on the SEHK in Units traded in HKD began on 29 April 2016. Units are traded on the SEHK in board lots of 200 Units.

Redemptions

Units can be redeemed directly (through a Participating Dealer). Redemption proceeds shall be paid in HKD only.

Stamp duty

The Sub-Fund

Profit Tax: As the Sub-Fund has been authorised as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Sub-Fund arising from the sale or disposal of WTI Futures Contracts, net investment income received by or accruing to the Sub-Fund and other profits of the Sub-Fund are exempt from Hong Kong profits tax.

Stamp Duty: No Hong Kong stamp duty is payable by the Sub-Fund on an issue or redemption of Units.

The Unitholders

Profit Tax: Hong Kong profits tax is not payable by a Unitholder (other than Unitholders carrying on a trade, profession or business of investing in securities in Hong Kong) on any gains or profits made on the sale, redemption or other disposal of the Units.

Stamp Duty: Stamp duty payable in respect of any transfer in the shares or units of an exchange traded fund (as defined in Part 1 to Schedule 8 of the Stamp Duty Ordinance (Cap. 117) of Hong Kong) on the SEHK is not payable. Accordingly transfers of Units do not attract stamp duty and no stamp duty is payable by Unitholders on any transfer.

Participating Dealers pay no Hong Kong ad valorem stamp duty when the Sub-Fund issues or redeems Units.

Distribution policy

Income may be distributed at the Manager's discretion to Unitholders annually (usually in March of each year). The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount (in HKD only). Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including general economic conditions. Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from management of the Sub-Fund's cash and holding of investment products. There can be no assurance that the Manager will pay distributions for the Sub-Fund.

The Manager may in its discretion make cash distributions to Unitholders out of capital or out of gross income (while charging/paying all or part of the Sub-Fund's fees and expenses to/out of the capital of the Sub-Fund) resulting in an increase in distributable income for the payment of distributions which is in effect a payment of distributions out of capital.

Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Unit.

The composition of distributions payable on Units (i.e. the relative amounts of distributions paid and the percentages of dividends out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the Manager's website www.samsungetfhk.com(this website has not been reviewed by the SFC). The Manager may amend the Sub-Fund's distribution policy with respect to the distributions out of capital or effectively out of capital of the Sub-Fund subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Borrowing restriction

Borrowing for the account of the Sub-Fund may only be effected on a temporary basis for the purposes of meeting redemption requests or defraying operating expenses.

Fees and expenses

Management Fee

The Manager is entitled to receive a management fee of up to 0.99% per year of the Net Asset Value of the Sub-Fund. The current management fee in respect of the Sub-Fund is 0.65% per year and is accrued daily and calculated as at each Dealing Day and payable monthly in HKD in arrears. This fee is payable out of the Trust Fund.

Trustee's and Registrar's Fees

The Trustee receives out of the assets of the Sub-Fund a monthly trustee's fee, payable in arrears, accrued daily and calculated as at each Dealing Day at 0.08% per year of the Net Asset Value of the Sub-Fund, subject to a monthly minimum of HKD11,500. The Trustee is also entitled to receive a transaction fee of HKD120 on each open and closed WTI Futures Contract of the Sub-Fund (subject to a monthly maximum of HKD78,000).

The Registrar is entitled to receive from the Sub-Fund a registrar fee of HKD160 per Participating Dealer per transaction for updating of the register record of the Sub-Fund and from the Participating Dealer an administrative transaction fee of HKD4,000 per Participating Dealer per transaction for handling any cash creation and redemption of Units of the Sub-Fund (payable by the Participating Dealer).

Brokerage Rates

The Sub-Fund shall bear all costs and brokerage commissions associated with trading transactions through its broker account. Brokerage fees will be charged by a broker at its institutional rates.

Sub institutional market rates vary with the contract and the market on which the contract is traded. The rates comprise of two elements: (a) charges incurred in executing a trade such as floor brokerage, exchange-clearing, execution fees and related expenses; and (b) a charge of approximately HKD30 to HKD60 per round turn levied by the broker.

The above rates will amount to approximately 0.06% per annum of the Net Asset Value and may increase to approximately 0.12% per annum of the Net Asset Value in the event of unusual circumstances such as a high level of turnover.

Since commission is only charged once for each transaction in Futures Contracts, transaction costs are considered low compared to purchasing or selling the physical asset.

Ongoing Charges

The ongoing charges of the Sub-Fund is the sum of ongoing expenses of the Sub-Fund expressed as a percentage of the average Net Asset Value of the Sub-Fund. The establishment costs of the Sub-Fund are also included in the ongoing charges calculation. Ongoing expenses are generally payments deducted from the assets of the Sub-Fund where these are permitted by the Trust Deed, the Code and the law. These include all types of costs borne by the Sub-Fund, whether incurred in its operation or the remuneration of any party. The ongoing charges do not represent the tracking error.

Termination amount

The Sub-Fund may be terminated by the Manager without approval of the Unitholders where the aggregate Net Asset Value of all Units is less than HKD40,000,000.

Risks factors specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus (all of which are relevant to the Sub-Fund), the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable specifically to the Sub-Fund.

Risk relating to commodities market investments

Commodity markets specific risks

Several factors may affect the price of commodities such as WTI crude oil and, in turn, Futures Contracts owned by the Sub-Fund, including, but not limited to:

(a) Significant increases or decreases in the available supply of a physical commodity due to natural or technological factors. Natural factors would include depletion of known cost-effective sources for a commodity or the impact of severe weather on the ability to produce or distribute the commodity. Technological factors, such as increases in availability created by new or improved extraction, refining and processing equipment and methods or decreases caused by failure or unavailability of major refining and processing equipment (for example, shutting down or constructing oil refineries), also materially influence the supply of such commodities;

(b) Significant increases or decreases in the demand for a physical commodity due to natural or technological factors. Natural factors would include such events as unusual climatological conditions impacting the demand for commodities. Technological factors may include such developments as substitutes for particular commodities;

(c) A significant change in the attitude of speculators and investors towards a physical commodity. Should the speculative community take a negative or positive view towards any given commodity, it could cause a change in world prices of any given commodity, the price of all securities based upon a benchmark related to that commodity will also be affected;

(d) Large purchases or sales of physical commodities by the official sector. Governments and large institutions have large commodities holdings or may establish major commodities positions. Nations with centralised or nationalised oil production and organizations such as the Organization of Petroleum Exporting Countries ("OPEC") control large physical quantities of crude oil. If one or more of these institutions decides or becomes able to buy or sell any such commodity in amounts large enough to cause a change in world prices, the price of Units based upon a benchmark related to that commodity will be affected;

(e) Other political factors. In addition to the organised political and institutional trading-related activities, peaceful political activity such as imposition of regulations or entry into trade treaties, as well as political disruptions caused by societal breakdown, insurrection and/or war may greatly influence commodities prices;

(f) A significant increase or decrease in commodity hedging activity by commodity producers. Should there be an increase or decrease in the level of hedge activity of commodity producing companies, countries and/or organizations, it could cause a change in world prices of the relevant commodity, causing the price of securities based upon a benchmark related to that commodity to be affected; and

(g) The recent proliferation of commodity-linked, exchange traded products and their unknown effect on the commodity markets.

Crude oil commodity volatility risk

An exchange traded fund such as the Sub-Fund which has exposure to the commodities markets such as WTI crude oil may be subject to greater volatility than traditional securities. The value of commodities may be affected by changes in overall market movements, Index volatility, changes in interest rates, or sectors affecting a particular commodity, such as war, embargoes, tariffs and international economic, political and regulatory developments. Under extreme circumstances, the price of WTI crude oil may drop to zero or negative value within a short period of time. Investors may suffer substantial / total loss by investing in the Sub-Fund.

Risk of material non-correlation with spot/current market price of the WTI crude oil risk

The Sub-Fund tracks the Index which is based upon the price movement of the WTI Futures Contracts, i.e. contracts for delivery of WTI crude oil at some point in the future as specified in the specific contract. The Sub-Fund does not invest in the physical crude oil spot market.

The risk of investing in a Futures Contract is that it can be speculative in nature. A Futures Contract is a standardised financial contract where the parties agree to exchange currencies, financial instruments or other physical commodities at a future date at a future price. As a result, a futures market is not a market where the participants can deliver the commodity immediately with current price. A futures market does not involve primary activity and is speculative in nature as deals are struck at future prices where the holder of a Futures Contract is purchasing an obligation to buy or sell an underlying asset, which may not be the best price at the time the contract is completed, depending on what happens in the markets during the intervening period.

By contrast, in a spot market commodities such as WTI crude oil are sold for cash at current prices and delivered immediately. A spot market is a real time market where the contract becomes effective immediately and the purchaser accepts delivery of, or immediately, resells the asset, e.g. crude oil.

The Sub-Fund does not invest in the physical WTI crude oil market, and the Sub-Fund is exposed to the potential risks involved of using Futures Contracts which are speculative in nature.

Concentration/single commodity risk

The Sub-Fund primarily invests in WTI Futures Contracts. The number of commodities represented by such WTI Futures Contracts is only one (i.e. only crude oil). Concentration in a single underlying commodity may result in a greater degree of volatility in a WTI Futures Contract and as result, the Index as well as the Net Asset Value of the Sub-Fund under specific market conditions and over time. As the exposure of the Sub-Fund is concentrated in the crude oil market, it is more susceptible to the effects of oil price volatility than more diversified funds. Moreover, the Sub-Fund holds WTI Futures Contracts in a limited number of expiry months only (i.e. in 1M Forward Contracts, 2M Forward Contracts, 3M Forward Contracts and (during the rolling period only) 4M Forward Contracts), this may result in a larger concentration risk and price volatility of the Sub-Fund than a fund which has a more diversified holding of the WTI Futures Contracts in terms of expiry months.

Regulatory change risk

The regulation of Futures Contracts, and futures transactions in general, is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any such regulatory changes on the Sub-Fund is impossible to predict, but could be substantial and adverse. To the extent possible, the Manager will attempt to monitor such changes to determine the impact such changes may have on the Sub-Fund and what can be done, if anything, to try and limit such impact.

Position limits risk

In the United States the CFTC has approved its final rule on speculative position limits for Futures Contracts in certain commodities, including WTI Futures Contracts. Based on the rolling schedule, these speculative limits are not currently expected by the Manager to affect the Sub-Fund, although the Manager cannot guarantee that the circumstances (such as rolling schedule, WTI Futures Contracts' expiry dates) will remain unchanged. If the Sub-Fund exceeds a speculative position limit, the Sub Fund's ability to seek additional exposure by acquiring further WTI Futures Contracts as a result of new creations of Units could be impaired, the Sub-Fund's ability to achieve its investment objective could be affected and, as a result, the Manager could be required to suspend new creations of Units. This may result in divergence between the trading price of the Unit and the Net Asset Value per Unit.

Accountability levels risk

The Sub-Fund may be asked by the CME Group Inc. to provide information relating to the position, including the nature and size of the position, the trading strategy employed with respect to the position, if it exceeds an accountability level. Failure to supply the requested information may result in an order to reduce such positions. Such reduction could potential increase the tracking error and tracking difference of the Sub-Fund.

Correlation to general financial markets risk

Historically, commodities Futures Contracts' returns have tended to exhibit low to negative correlation with the returns of other assets such as stocks and bonds. Although commodity Futures Contracts trading can provide a diversification benefit to investor portfolios because of its low to negative correlation with other financial assets, the fact that the Index is not 100% negatively correlated with financial assets such as stocks and bonds means that the Sub-Fund cannot be expected to be automatically profitable during unfavourable periods for the stock or bond market, or vice-versa. If the Units perform in a manner that correlates with the general financial markets or do not perform successfully, there will be no diversification benefits for investors by investing in the Units and the Units may produce no gains to offset losses from other investments.

Deviation of Index and spot price risk

The Sub-Fund seeks to track the Index but neither the Sub-Fund nor the Index is directly linked to the spot price of WTI crude oil. While prices of swaps, Futures Contracts and other derivatives contracts are, as a rule, related to the prices of an underlying physical commodity market, they are not perfectly correlated. It is possible that during certain time periods, Futures Contract prices will cease to track cash market prices and may be substantially lower or higher than physical commodity market prices for the underlying crude oil due to differences in contract terms or as supply, demand or other economic or regulatory factors become more pronounced.

The price of a Futures Contract reflects the expected value of the commodity upon delivery in the future, whereas the spot price of a commodity reflects the immediate delivery value of the commodity. A variety of factors can lead to a disparity between the expected future price of a commodity and the spot price at a given point in time, such as the cost of storing the commodity for the term of the Futures Contract, interest charges incurred to finance the purchase of the commodity and expectations concerning supply and demand for the commodity. The price movements of a Futures Contract are typically correlated with the movements of the spot price of the referenced commodity, but the correlation is generally imperfect and price movements in the spot market may not be reflected in the futures market (and vice versa). Accordingly, the Sub-Fund may underperform a similar investment that is linked to the spot price of WTI crude oil.

For example, during 2009, the Index underperformed the spot price of WTI crude oil by 53% points (the level of the Index increased by 25%, while the spot price of crude oil increased by 78%). Please refer to the related educational materials set out in www.samsungetfhk.com(this website has not been reviewed by the SFC) for more information in this regard.

Depending upon the direction and level of the Index changes, the Sub-Fund may underperform or outperform a portfolio directly holding WTI crude oil interests.

In addition, the Index may be less representative of the economy and commodity markets as a whole and might therefore not serve as a reliable benchmark for commodity market performance generally.

Risks relating to crude oil

Crude oil price risk

The prices of WTI crude oil are primarily affected by the global demand for and supply of crude oil, but are also influenced significantly from time to time by political events, speculative actions and by currency exchange rates. Crude oil prices are generally more volatile and subject to dislocation than prices of other commodities.

Demand for refined petroleum products by consumers, as well as the agricultural, manufacturing and transportation industries, affects the price of crude oil. Crude oil’s end-use as a refined product is often as transport fuel, industrial fuel and in-home heating fuel. Potential for substitution in most areas exists, although considerations including relative cost often limit substitution levels. Because the precursors of demand for petroleum products are linked to economic activity, demand will tend to reflect economic conditions. Demand is also influenced by government regulations, such as environmental or consumption policies. In addition to general economic activity and demand, prices for crude oil are affected by political events, labour activity and, in particular, direct government intervention (such as embargos) or supply disruptions in major oil producing regions of the world. Such events tend to affect oil prices worldwide, regardless of the location of the event, although regional factors may disproportionately impact either WTI Futures Contracts in comparison to crude oil futures generally or to one another.

Supply for crude oil may increase or decrease depending on many factors. These include production decisions by OPEC and other crude oil producers. Crude oil prices are determined with significant influence by OPEC. OPEC has the potential to influence oil prices worldwide because its members possess a significant although declining portion of the world's oil supply. In the event of sudden disruptions in the supplies of oil, such as those caused by war, natural events, accidents or acts of terrorism, prices of WTI Futures Contracts could become extremely volatile and unpredictable.

Also, sudden and dramatic changes in the futures market may occur, for example, upon a growing or cessation of hostilities that may exist in countries producing oil, the introduction of new or previously withheld supplies into the market or the introduction of substitute products or commodities. Crude oil prices may also be affected by short-term changes in supply and demand because of trading activities in the oil market and seasonality (e.g. weather conditions such as hurricanes). It is not possible to predict the aggregate effect of all or any combination of these factors. Crude oil prices may rise or fall significantly over short periods.

Risks relating to Futures Contracts in general

Rolling of Futures Contracts risk

"Rolling" means selling existing WTI Futures Contract that are about to expire and replacing them with WTI Futures Contract that will expire at a later date (i.e. longer-term contracts). If the prices of the longer-term contracts are higher than those of the expiring contracts (i.e. a contango market), the proceeds from selling the expiring contracts will not be sufficient to buy the same number of longer-term contracts. Given that the Sub-Fund (being a futures-based exchange traded fund) needs to rollover WTI Futures Contracts for the purpose of replicating the Index, a loss may incur (i.e. a negative roll yield) compared to the spot price performance of WTI crude oil and would adversely affect the Net Asset Value of the Sub-Fund. Investors should note that save for the transaction cost incurred, “rolling” in itself is not a loss or return-generating event. That is, the Net Asset Value of the Sub-Fund will not suffer an immediate loss or enjoy an immediate gain due to “rolling”. If the futures market is in contango, the roll yield is typically realised over time and reflected in the Sub-Fund’s Net Asset Value when the Sub-Fund repeatedly buys the longer-term contracts at a price higher than the selling price of the near-term contracts and the higher price of the WTI Futures Contracts converges to the lower spot price of WTI crude oil.

Margin risk

Generally, most leveraged transactions, such as Futures Contracts, involve the posting of margin or collateral. Because of the low margin deposits or collateral normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a Futures Contract may result in a proportionally high impact and substantial losses to the Sub-Fund having a material adverse effect on the Net Asset Value of the Sub-Fund. Like other leveraged investments, a futures transaction by the Sub-Fund may result in losses in excess of the amount invested by the Sub-Fund. Additional funds may need to be posted as margin or collateral to meet such calls based upon daily marking to market of Futures Contracts. Increases in the amount of margin or collateral or similar payments may result in the need for the Sub-Fund to liquidate its investments at unfavourable prices in order to meet margin or collateral calls. This may result in substantial or total losses to Unitholders.

Futures Contracts market risks

Futures Contracts markets, such as that for WTI crude oil, may be uncorrelated to traditional markets (such as equities markets) and are subject to greater risks than other markets. It is a feature of Futures Contracts generally that they are subject to rapid change and the risks involved may change relatively quickly. The price of Futures Contracts can be highly volatile. Such price movements are influenced by, among other things, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments. In some cases, far-reaching political changes may result in constitutional and social tensions, instability and reaction against market reforms. There can be no assurance that future political changes will not adversely affect the economic conditions of major oil consuming economies. Political or economic instability may affect WTI Futures Contracts, which could adversely impact the value of the Index and, as a result, the Net Asset Value per Unit.

Risk of exchange’s clearing house’s failure

In the event of the bankruptcy of the exchange’s clearing house, the Sub-Fund could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the Sub-Fund would be afforded the protections granted to participants to transactions cleared through a clearing house, under the United States Bankruptcy Code and applicable CFTC regulations. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt exchange’s clearing house if the exchange’s clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the Sub-Fund to recover all, or even any, of the amounts it has deposited as margin.

Mandatory measures imposed by relevant parties risk

Regarding the Sub-Fund's futures positions, relevant parties (such as clearing brokers, execution brokers, participating dealers and stock exchanges) may impose certain mandatory measures under extreme market circumstances. These measures may include limiting the size and number of the Sub-Fund's futures positions and/or mandatory liquidation of part or all of the Sub-Fund's futures positions without advance notice to the Manager. In response to such mandatory measures, the Manager may have to take corresponding actions in the best interests of the Unitholders and in accordance with the Sub-Fund's constitutive documents, including suspension of creation of the Units and/or secondary market trading, implementing alternative investment and/or hedging strategies and termination of the Sub-Fund. These corresponding actions may have an adverse impact on the operation, secondary market trading, index-tracking ability and the Net Asset Value of the Sub-Fund. While the Manager will endeavour to provide advance notice to investors regarding these actions, such advance notice may not be possible in some circumstances.

Risks relating to the Sub-Fund and Index

Owning Units is not the same as directly owning the Futures Contracts

The return on Units will not reflect the return you would realise if you actually purchased the commodities upon which the Futures Contracts included in the Index are based, or exchange traded or over-the-counter instruments based on the applicable Index. A Unitholder will not have any rights that holders of such assets or instruments have.

Distributions will not be paid risk

The Index is an excess return index. Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from management of the Sub-Fund's cash and holding of investment products.

Distributions out of or effectively out of capital risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval and by giving not less than one month's prior notice to Unitholders.

Possible early termination of the Sub-Fund risk

The Sub-Fund may be terminated early under certain circumstances, including but not limited to (i) the aggregate Net Asset Value of all the Units is less than HKD40 million or (ii) any law is passed or amended or regulatory directive or order is imposed which renders it illegal or in the opinion of the Manager, impracticable or inadvisable to continue the Sub-Fund or (iii) within a reasonable time and using commercially reasonable endeavours, the Manager is unable to find a person acceptable to act as the new trustee after deciding to remove the Trustee in accordance with the Trust Deed or (iv) the Index is no longer available for benchmarking or if the Units are no longer listed on the SEHK or any other Recognised Stock Exchange or (v) at any time, the Sub-Fund ceases to have any Participating Dealer. Upon the Sub-Fund being terminated, the Trustee will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the Sub-Fund to the Unitholders in accordance with the Trust Deed. Any such amount distributed may be less than the capital invested by the Unitholder, resulting in a loss to the Unitholder.

Reliance on the Investment Adviser risk

The Manager substantially makes use of and relies upon the expertise and systems of the Investment Adviser to support the investments of the Sub-Fund in the relevant markets. In the event of a breakdown or disruption in communications with or the provision by the Investment Adviser of its assistance to the Manager, the operations of the Sub-Fund may be adversely affected. The occurrence of such events could cause a deterioration in the Sub-Fund's performance and investors may lose money in those circumstances.

Investment in other funds risk

As part of the Sub-Fund's investment strategy, the Manager will normally apply not less than 50% of the Net Asset Value for investment in cash and other investment products such as SFC authorised money market funds. Although such funds will be regulated in Hong Kong, the Sub-Fund will be exposed to the risk of investing in another management company's funds with all the related risks which attach to unlisted funds generally. In particular, as an investor in such funds, the Sub-Fund will ultimately bear the fees and expenses of the underlying funds including management fees charged by the underlying management company. These charges will be in addition to the fees payable by the Sub-Fund to the Manager.

Reliance on Market Makers risk

The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Units, it should be noted that liquidity in the market for the Units may be adversely affected if there is no Market Maker. The Manager will use its best endeavours to put in place arrangements so that at least one Market Maker for the Units will give not less than 3 months' notice prior to terminating market making under the relevant market making agreements.

Excess return index risk

The Index is an excess return index, which means the Index measures the returns accrued from investing in uncollateralised Futures Contracts (i.e. the sum of the price return and the roll return associated with an investment in Futures Contracts). By contrast, total return indices, in addition to reflecting those returns, also reflect interest that could be earned on funds committed to the trading of the Futures Contracts included in such indices (i.e. the collateral return associated with an investment in Futures Contracts). Investing in the Sub-Fund will therefore not generate the same return as would be generated from investing directly in the relevant Futures Contracts or in total return indices related to such Futures Contracts.

Risks related to unscheduled roll of the Index

Notwithstanding the rolling strategy published by the Index Provider (see "Futures Roll" under "What is the Index" section above), if market conditions warrant, to mitigate the potential impact of negative WTI Futures Contracts prices in the Index, the Index Committee (established by the Index Provider) may elect to implement an unscheduled roll.

The Manager generally seeks to carry out the rolling of the Sub-Fund in accordance with the rolling strategy stated in the published Index methodology. In the event of an unscheduled roll of the Index, the Sub-Fund will endeavour to carry out rolling of the Sub-Fund accordingly with an aim to closely track the Index. However there is no guarantee that the Sub-Fund will succeed in in this regard. Under these circumstances, there is a risk that the tracking error and tracking difference of the Sub-Fund may increase.

No rights in the physical commodities and Futures Contracts risk

As an owner of Units, a Unitholder will not have rights that holders of WTI crude oil or WTI Futures

Contracts included in the Index may have. A Unitholder will have no right to receive delivery of any WTI crude oil or WTI Futures Contracts. A Unitholder will have no right to receive any payment or delivery of amounts in respect of the WTI Futures Contracts included in the Index.

Past performance risk

As a result of a change in the underlying index, past performance of the Sub-Fund prior to 7 August 2020 is achieved under circumstances which will no longer apply from 7 August 2020. Investors should exercise caution when considering the past performance of the Sub-Fund prior to 7 August 2020.

New index risk

The Index is a new index having only been launched on 15 June 2020. Given the Index is relatively new, the Sub-Fund may be riskier than other exchange traded funds tracking more established indices with a longer operating history.

Appendix dated 22 October 2021

APPENDIX 2: Samsung NYSE FANG+ ETF

Key information

Set out below is a summary of key information in respect of this Sub-Fund which should be read together with the full text of this Appendix and this Prospectus.

Index	NYSE® FANG+™ Index
Type of Index	Price return index
Initial Issue Date	24 May 2021 (the Business Day immediately before the Listing Date)
Listing Date (SEHK)	25 May 2021
Exchange Listing	SEHK – Main Board
Stock Code	09814 – USD counter 02814 – HKD counter
Stock Short Name	Samsung FANG-U – USD counter Samsung FANG – HKD counter
Trading Board Lot Size	200 Units – USD counter 200 Units – HKD counter
Base Currency	US dollars (USD)
Trading Currency	US dollars (USD) – USD counter Hong Kong dollars (HKD) – HKD counter
Distribution Policy	**Semi-annually (usually in June and December of each year) (if any) subject to the Manager's discretion. Distributions on all Units (whether traded in HKD counter or USD counter) will be in USD only*.** Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from the Sub-Fund's cash and holdings of investment products. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion.
Creation/Redemption Policy	Cash (in USD only) or a combination of cash (in USD only) and in-kind
Application Unit Size (only by or through Participating Dealers)	Minimum 200,000 Units (or multiples thereof)
Dealing Deadline	During the Initial Offer Period: 4:00 p.m. (Hong Kong time) After Listing: 4:00 p.m. (Hong Kong time)

Management Fee	Currently 0.65% per year of the Net Asset Value
Investment Strategy	Primarily full replication strategy. Please refer to the section on "What is the investment strategy?" below
Maximum Deviation from Index Weighting	3 percentage points
Financial Year End	31 March. The first financial year of the Sub-Fund will end on 31 March 2022. The first half-yearly unaudited financial report and the first audited annual report of the Sub-Fund will be for the period ending 30 September 2021 and 31 March 2022 respectively.
Listing Agent	Altus Capital Limited
Market Makers (USD Counter)#	AP Capital Management (Hong Kong) Limited Phillip Securities Pte Ltd. Flow Traders Hong Kong Limited Jane Street Financial Limited
Market Makers (HKD Counter) #	AP Capital Management (Hong Kong) Limited Phillip Securities Pte Ltd. Flow Traders Hong Kong Limited Jane Street Financial Limited
Participating Dealers#	The HongKong and Shanghai Banking Corporation Limited Mirae Asset Securities (HK) Limited Deutsche Securities Asia Limited Phillip Securities (Hong Kong) Limited iFAST Securities (HK) Limited Korea Investment & Securities Asia Limited
Service Agent	HK Conversion Agency Services Limited
Website	www.samsungetfhk.com

* *All Units (whether traded in HKD counter or USD counter) will receive distributions in USD only. In the event that the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers regarding arrangements for distributions and to consider the risk factor entitled "Other currency distributions risk" below.*

\# *Please refer to the Manager's website for the latest lists of Market Makers and Participating Dealers. The latest list of Market Makers is also available at www.hkex.com.hk.*

What is the investment objective?

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective.

What is the investment strategy?

In order to achieve the Sub-Fund's investment objective, the Manager intends to primarily use a full replication strategy through investing directly in the Index constituents in substantially the same weightings in which they are included in the Index. Please refer to the section "The Index" below for further information.

Where the adoption of a full replication strategy is not efficient or practicable or where the Manager considers appropriate in the best interest of the Sub-Fund and the Unitholders, the Manager may pursue a representative sampling strategy, and invest, directly or indirectly, in a representative sample of the Securities in the Index that collectively reflects the investment characteristics of the Index and aims to replicate its performance. The Sub-Fund, in using a representative sampling strategy, may or may not hold all of the Securities included in the Index, and may hold a portfolio of Securities which are not included in the Index, provided that these collectively feature a high correlation with the Index. In pursuing a representative sampling strategy, the Manager may cause the Sub-Fund to deviate from the Index weighting on the condition that the maximum deviation from the Index weighting of any constituent will not exceed 3 percentage points above or below such weighting.

The Sub-Fund may switch between the full replication strategy and the representative sampling strategy without prior notice to investors, in its absolute discretion, and as often as it believes is appropriate in order to achieve the investment objective of the Sub-Fund by tracking the Index as closely as possible to the benefit of investors.

The Sub-Fund may invest up to 100% of its Net Asset Value directly in the Index constituents, which include common stocks, American Depositary Receipts ("**ADRs**") and Global Depositary Receipts ("**GDRs**") listed on US stock exchanges.

The Sub-Fund may also invest in money market funds and in cash deposits for cash management purposes although such investments are not anticipated to exceed 5% of the Net Asset Value of the Sub-Fund.

The Manager may enter into Securities Lending Transactions on behalf of the Sub-Fund with a maximum level of up to 25% and an expected level of approximately 20% of the Sub-Fund's Net Asset Value at any one time and is able to recall the securities lent out at any time. All such transactions will only be entered into with institutions of appropriate financial standing which are acceptable to the Manager. As part of its Securities Lending Transactions, the Sub-Fund will receive as collateral sufficient cash and/or liquid assets, the value of which, during the duration of the securities lending agreement, will be equal to at least 100% of the global valuation of the securities lent (interests, dividends and other eventual rights included), marked to market on a daily basis. The Trustee will be responsible for the safekeeping of such collateral received and held in custody. The valuation of the collateral generally takes place on trading day T. If the value of the collateral falls below 100% of the global valuation of the securities lent on any trading day T, the Manager will call for additional collateral on trading day T, and the borrower will have to deliver additional collateral to make up for the difference in securities value by 4 p.m. on trading day T+1. The Sub-Fund will not engage in any reinvestment of collateral received. The global valuation of the securities lent will be disclosed in the annual audited financial reports and interim half yearly unaudited financial reports of the Sub-Fund.

To the extent the Sub-Fund undertakes Securities Lending Transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered by the Manager, a securities lending agent and/or other service providers in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the Sub-Fund. The cost relating to Securities Lending Transactions will be borne by the borrower.

Currently, the Manager has no intention to invest the Sub-Fund in any financial derivative instruments for hedging or non-hedging (i.e. investment) purposes, and will not enter into Sale and Repurchase Transactions or Reverse Repurchase Transactions and other similar over-the-counter transactions.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to adopt investment strategy other than full replication strategy or representative sampling strategy. The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Use of derivatives

The Sub-Fund will not use derivatives for any purpose.

Risk factors specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable to the Sub-Fund.

US Concentration Risk

The Sub-Fund's investments are concentrated in the United States. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the United States market.

Sector Concentration Risk

Due to the concentration of the Index in the companies with selected technology themes, the performance of the Index may be more volatile when compared to other broad-based stock indices. The price volatility of the Sub-Fund may be greater than the price volatility of exchange traded funds tracking more board-based indices.

Technology Theme Risks

Constituents of the Index have high exposure to companies in technology themes. Many of the companies with a high business exposure to technology themes have a relatively short operating history. Rapid changes could render obsolete the products and services offered by the companies in which the Sub-Fund invests and cause severe or complete declines in the prices of the securities of those companies. Additionally, companies in these sectors may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel. If the Sub-Fund invests in any of these companies, its investment may be adversely affected.

There may be substantial government intervention in the technology industry, including restrictions on investment in internet and technology companies if such companies are deemed sensitive to relevant national interests. Some governments in the world have sought, and may in the future seek, to censor content available through internet, restrict access to products and services offered by companies that the Sub-Fund invests in from their country entirely or impose other restrictions that may affect the accessibility of such products and services for an extended period of time or indefinitely. In the event that access to the internet products and services is restricted, in whole or in part, in one or more countries, the ability of such companies to retain or increase their user base and user engagement may be adversely affected, and their operating results may be harmed. This may in turn affect the value of investment of the Sub-Fund.

The technology business is subject to complex laws and regulations including privacy, data protection, content regulation, intellectual property, competition, protection of minors, consumer protection and taxation. These laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to the business practices, monetary penalties, increased cost of operations or declines in user growth, user engagement or advertisement engagement, or otherwise harm the technology business. They may also delay or impede the development of new products and services. Compliance with these existing and new laws and regulations can be costly and may require significant time and attention of management and technical personnel. These companies are also subject to the risks of loss or impairment of intellectual property rights or licences, cyber security risks resulting in undesirable legal, financial, operational and reputational consequences. All these may have impact on the business and/or profitability of the technology companies in which the Sub-Fund invests and this may in turn adversely affect the value of investment of the Sub-Fund.

The Sub-Fund may be exposed to risks associated with different technology sectors and themes , including search, social networking, autonomous driving, electric vehicles, smartphones, mobile payments, e-commerce, online games, streaming media, online entertainment, cryptocurrencies and blockchain, big data, artificial intelligence, machine learning, digital advertising, cloud services and other innovative technologies. A downturn in the business for companies in these sectors or themes may have adverse effects on the Sub-Fund.

Risks Related to Companies with Weighted Voting Rights

The Sub-Fund may invest in “new economy” companies including companies with a weighted voting rights (“**WVR**”) structure. These are typically emerging and innovative companies, such as pre-revenue biotech startups or technology companies. The WVR structure deviates from the "one share, one vote" principle. This concentrated control limits shareholders' ability to influence corporate matters and, as a result, the company may take actions that shareholders do not view as beneficial. There may be a risk of greater misalignment between the interests of the company’s controlling shareholder and those of the rest of the company’s shareholders as a whole. This may weaken shareholders’ rights and in turn corporate governance in these companies. Performance of these companies could be adversely affected. This may have a negative impact on the Sub-Fund where it invests in the ordinary shares of such companies.

Media and Communications Sector Risk

Media companies are subject to risks including obsolescence of products, cyclicality of revenues and earnings, a decrease in the discretionary income of targeted individuals, changing consumer tastes and interests, fierce competition in the industry and the potential for increased government regulation. Products produced by media companies may become obsolete quickly. Advertising spending can be an important revenue source for media companies. During economic downturns advertising spending typically decreases and, as a result, media companies tend to generate less revenue. Moreover, a weakening general economy can lead to a decrease in consumer spending on subscription-based services provided by media companies. Additionally, competitive pressures and government regulation can significantly affect companies in the media industry.

Companies in the communications sector (including social media companies) are particularly vulnerable to the potential obsolescence of products and services due to technological advancement and the innovation of competitors. Additionally, fluctuating consumer demands, shifting demographics and often unpredictable changes in consumer tastes can drastically affect such a company’s profitability. These companies are exposed to operational risks including disruptions or delays in service caused by hardware or software failure and security breaches involving private, sensitive, proprietary or confidential information. Increasing concerns relating to privacy issues and the collection of data by social media companies and the evolving laws and regulations on the communications industry will also affect the businesses and operations of these companies.

All of these may affect the companies in the media and communications sector, and may in turn affect the value of the Sub-Fund's investments in these companies.

Consumer Discretionary Sector Risk

The performance of companies in the consumer discretionary sector are correlated to the growth rate of the consumer market, individual income levels and their impact on levels of domestic consumer spending, which in turn depend on the worldwide economic conditions, which have seen significant deterioration in the past. There are many factors affecting the level of consumer spending, including but not limited to interest rates, currency exchange rates, economic growth rate, inflation, deflation, political uncertainty, taxation, stock market performance, unemployment level and general consumer confidence. Any future slowdowns or declines in the economy or consumer spending in the relevant market may materially and adversely affect the business of the companies in the consumer discretionary sector. This may adversely affect the value of investments of the Sub-Fund.

Equal weighted index risks

The Index is an equal weighted index whereby the Index constituents will have the same weighting at each rebalancing (but not between each rebalancing) regardless of its size or market capitalisation, based on the methodology of the Index. The Sub-Fund by tracking the Index may have relatively large holdings in Index constituents with relatively smaller market capitalisation than it would have held if tracking a market capitalisation weighted index, leading to higher risks and potential underperformance.

Risks associated with depositary receipts

Exposure to depositary receipts including ADRs and GDRs may generate additional risks compared to a direct exposure to the corresponding underlying stocks, in particular, the risk of non-segregation under applicable law of the depositary bank who hold the underlying stock as collateral and its own assets. In case of bankruptcy of the depositary bank, there could be a risk that the underlying shares would not be attributed to holders of depositary receipts, although segregation is an integral part of the depositary agreement regulating the issuance of the depositary receipts. In such case, the most likely scenario would be the trading suspension and thereafter a freeze of the price of the depositary receipts impacted by such bankruptcy event. Bankruptcy events in respect of the depositary banks issuing the depositary receipts may negatively affect the performance and/or the liquidity of the Sub-Fund. There are fees related to depositary receipts, for example fees charged by banks for the custody of underlying assets of depositary receipts, which may impact the performance of the depositary receipts. Also, holders of depositary receipts are not direct shareholders of the underlying company and generally do not have voting and other shareholder rights as shareholders do. The Sub-Fund may also be subject to liquidity risk as depositary receipts are often less liquid than the corresponding underlying stocks.

Distributions out of or effectively out of capital risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval (if required) and by giving not less than one month's prior notice to Unitholders.

Multi Counter risks

The Sub-Fund will have Multi Counter traded Units which are traded and settled in HKD under the HKD counter and traded and settled in USD under the USD counter. The relative novelty of the Multi Counter for exchange traded funds may make investment in the Units riskier than in single counter units or shares of an SEHK listed issuer for example where for some reason there is a settlement failure on an inter-counter transfer if the Units of one counter are delivered to CCASS at the last settlement on a trading day, leaving not enough time to transfer the Units to the other counter for settlement on the same day.

In addition, where there is a suspension of the inter-counter transfers of Units between the HKD counter and the USD counter due to, for example, operational or systems interruption, Unitholders will only be able to trade their Units in the currency of the relevant counter. Accordingly it should be noted that the inter-counter transfers may not always be available.

There is a risk that the market price on the SEHK of Units traded in HKD may deviate significantly from the market price on the SEHK of Units traded in USD due to market liquidity, supply and demand in each counter and the exchange rate between the HKD and the USD. The trading price of HKD traded Units or USD traded Units is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling Units traded in HKD or buying Units traded in HKD, an investor may receive less or pay more than the equivalent amount in USD if the trade of the relevant Units is in USD and vice versa. There can be no assurance that the price of Units in each counter will be equivalent.

Investors without USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell USD traded Units. As such investors may suffer a foreign exchange loss and incur foreign exchange associated fees and charges to receive their dividend.

It is possible that some brokers and CCASS participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in the other, (ii) carry out inter-counter transfers of Units, or (iii) trade Units in both counters at the same time. In such a case another broker or CCASS participant may need to be used. Accordingly this may inhibit or delay an investor dealing in both HKD traded and USD traded Units and may mean investors may only be able to sell their Units in one currency. Investors are recommended to check the readiness of their brokers in respect of the Multi Counter trading and inter-counter transfer.

Other currency distributions risk

Investors should note that all Units will receive distributions in the base currency (USD) only. In the event that the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such distribution from USD to HKD or any other currency. The Unitholder may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.

Trading hours differences risk

As the exchanges on which the Index constituents are listed 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. Furthermore, the market price of underlying Securities listed on the above exchanges which are established outside Hong Kong may not be available during part or all of the SEHK trading sessions due to trading hour differences which may result in the trading price of the Sub-Fund deviating away from the Net Asset Value.

Securities listed on certain exchanges may be subject to trading bands which restrict increases and decreases in the trading price. Units listed on the SEHK are not. The prices quoted by the SEHK market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the Index level and as a result, the level of premium or discount of the Unit price of the Sub-Fund to its Net Asset Value may be higher.

Securities Lending Transactions risks

The borrower may fail to return the securities in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests and may trigger claims.

There is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This may result in significant losses for the Sub-Fund if the borrower fails to return the securities lent out.

By undertaking Securities Lending Transactions, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays or failure may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests and may trigger claims.

The offering

Dealings in the Units on the SEHK have commenced on 25 May 2021 .

The current Dealing Deadline After Listing is 4:00 p.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (in consultation with the Trustee) may determine on any day when the trading hours of the SEHK are reduced.

Applications for creation of Units may be made by way of (i) a cash Creation Application (in USD only) or (ii) a combination of cash (in USD only) and in-kind Creation Application. Settlement for subscribing Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

Notwithstanding a Multi Counter being adopted:

(a) all cash Creation Applications must be made in USD only. Units which are created must be deposited in CCASS as USD traded Units (i.e. tradable in USD only) initially; and

(b) any cash proceeds received by a Participating Dealer in a cash Redemption Application shall be paid only in USD. Both HKD traded Units and USD traded Units may be redeemed by way of a Redemption Application (through a Participating Dealer). Where a Participating Dealer wishes to redeem HKD traded Units the redemption process is the same as for USD traded Units. The attention of investors is drawn to the section entitled "The Offering Phases" in Part 1 of this Prospectus.

Multi Counter

The Manager has arranged for the Units of the Sub-Fund to be available for trading on the secondary market on the SEHK under a Multi Counter arrangement. Units are denominated in USD. The Sub-Fund offers two trading counters on the SEHK (i.e. HKD counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in the counters may be different as the different counters are distinct and separate markets.

Units traded on each counter are of the same class and all Unitholders of all counters are entitled to identical rights and treated equally. The counters will have different stock codes as set out in the section “Key Information” above, different stock short names and different ISIN numbers.

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in one counter and sell in the other counter provided their brokers provide HKD and USD trading services at the same time and offer inter-counter transfer services to support Multi Counter trading. Inter-counter buy and sell is permissible even if the trades take places within the same trading day. However, investors should note that the trading price of Units traded in each counter may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

Units of the Sub-Fund traded in both counters are inter-transferable. Units traded in the USD counter can be transferred to the HKD counter by way of an inter-counter transfer and vice versa on a one to one basis. Inter-counter transfer of Units of the Sub-Fund will be effected and processed within CCASS only.

The fees and costs payable by an investor for buying and selling Units of the Sub-Fund on the SEHK are the same for both the USD and HKD counters. HKSCC will charge each CCASS participant a fee of HKD5 per instruction for effecting an inter-counter transfer of the Sub-Fund from one counter to another counter.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Multi Counter, including inter-counter transfers. Investors’ attention is also drawn to the risk factor in this Appendix entitled “Multi Counter Risk”.

Exchange Listing and Trading (Secondary Market)

General

Units traded in HKD and USD are listed on the SEHK.

Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on one or more other stock exchanges. Investors’ attention is drawn to the section entitled “Exchange Listing and Trading (Secondary Market)” in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units traded in HKD and USD have commenced. Units will trade on the SEHK in board lots of 200 Units.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Units on the SEHK until dealings begin on the SEHK.

Redemptions

Units can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in (i) cash (in USD only) or (ii) a combination of cash (in USD only) and in-kind. Any accepted Redemption Application will be effected by the payment of cash and/or transfer of Securities in accordance with the Operating Guidelines and the Trust Deed.

Distribution policy

The Manager intends to declare and distribute net dividends to Unitholders semi-annually (in June and December each year) subject to the Manager's discretion. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD. Distributions may be made out of capital as well as income at the Manager's discretion. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. The Manager may amend the policy with respect to distribution out of capital or effectively out of capital subject to the SFC's prior approval (if required) and by giving not less than one month's prior notice to investors.

Each Unitholder will receive distributions in USD only, whether such Units are traded in HKD counter or USD counter. Unitholders without USD accounts may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers regarding arrangements for distributions.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions. Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from management of the Sub-Fund's cash and holding of investment products. There can be no assurance that the Manager will pay distributions for the Sub-Fund.

Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction in the Net Asset Value per Unit.

The composition of distributions payable on Units (i.e. the relative amounts of distributions paid and the percentages of dividends out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the website www.samsungetfhk.com (this website has not been reviewed by the SFC).

Fees and expenses

Management Fee

The Manager is entitled to receive a management fee of up to 1% per year of the Net Asset Value of the Sub-Fund. The current management fee in respect of the Sub-Fund is 0.65% per year and is accrued daily and calculated as at each Dealing Day and payable monthly in USD in arrears. This fee is payable out of the Trust Fund.

Trustee's and Registrar's Fee

The Trustee receives out of the assets of the Sub-Fund a monthly trustee's fee, payable in arrears, accrued daily and calculated as at each Dealing Day at 0.07% per year of the Net Asset Value of the Sub-Fund, subject to a monthly minimum of USD1,500.

The Registrar's fee for updating of the register record of the Sub-Fund is included in the Trustee's Fee. The Registrar is entitled to receive from a Participating Dealer an administrative transaction fee of USD600 per Participating Dealer per transaction for handling any creation and redemption of Units of the Sub-Fund (payable by the Participating Dealer).

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As of the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Additional information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General information on the Index

The Index of the Sub-Fund is the NYSE® FANG+™ Index. The Index is an equal weighted index designed to track the performance of highly-traded growth stocks of technology and tech-enabled companies in the technology, media & communications and consumer discretionary sectors such as Facebook, Apple, Amazon, Netflix and Alphabet's Google. The Index comprises at least 10 stocks.

The Index is compiled and published by ICE Data Indices, LLC (the "**Index Provider**"). The Manager (and each of its Connected Persons) is independent of the Index Provider.

The Index is a price return index. A price return index seeks to replicate the price return from holding a portfolio consisting of the Index constituents and the performance of the Index is calculated on the basis that any dividends from securities comprising the Index are not re-invested. The Index is denominated and quoted in USD.

As at 15 October 2021, it comprised 10 constituents with total market capitalisation of approximately USD9.156 trillion.

The Index was launched on 26 September 2017 and had a base level of 1,000 on 19 September 2014.

Index methodology

The following rules are applied to select the Index constituents at the initial Index constitution and at each ongoing Index reconstitution:

1. The selection universe of the Index (the "**Index Universe**") includes all common stocks, ADRs or GDRs listed on the following stock exchange in the United States:
   - New York Stock Exchange
   - NASDAQ
   - NYSE American
   - NYSE Arca
   - Cboe BZX
2. Securities must be classified within the Consumer Discretionary, Media & Communications or Technology sectors based on the ICE Uniform Sector Classification schema.
3. Securities must have a full company market capitalisation (including all listed and unlisted share classes) of at least USD5 billion.
4. Securities must have been seasoned (i.e. been actively trading) for at least six months on the specific share class to be included in the Index.
5. Securities must have a trailing six-month average daily traded value (ADTV or daily

turnover) of at least USD50 million on the specific share class to be included in the Index.

6. For any Securities with multiple qualifying share classes, the most liquid share class is included in the Index based on its trailing six-month ADTV in Step 5.

7. Securities are excluded from the Index Universe if they are not representative of the high-growth technology and internet/social media industry. Qualifying companies have significant revenue exposures to one or more of the areas of search, social networking, autonomous driving, electric vehicles, smartphones, mobile payments, e-commerce, online games, streaming media, online entertainment, cryptocurrencies and blockchain, big data, artificial intelligence, machine learning, digital advertising, cloud services and other innovative technologies.

8. An Index advisory committee established by the Index Provider is responsible for the selection of a minimum of 10 securities from the above-qualifying candidates for inclusion in the Index. The advisory committee's selections are subject to the review and approval of the Index Provider's governance committee.

Index calculation

The Index level is calculated by dividing the modified Index market capitalisation by the Index divisor. The divisor was set on the Index inception date to yield an Index level of 1000.00 on 19 September 2014. The divisor will be updated as a result of corporate actions and composition changes.

Weighting methodology

Each of the constituents in the Index is equally weighted at each quarterly reconstitution of the Index (as described below). In between each Index reconstitution, the weightings of the Index constituents in the Index may fluctuate, and as a result the Index constituents may not be equal-weighted and the weighting of a single constituent may exceed 10% of the Index. The newly adjusted portfolio after each quarterly reconstitution becomes the basis for the Index's value effective on the first trading day following the quarterly adjustments. The divisor is adjusted to ensure continuity of the Index's value.

Index adjustments

Periodic review

The Index is reconstituted quarterly after the close of the third Friday of March, June, September and December. The company-specific revenue data and other information used to reconstitute the Index is as of the second Friday of the reconstitution month, with exception of the prices used to determine new Index shares, which is as of the third Friday of the reconstitution month.

The general aim of the quarterly reconstitutions of the Index is to ensure that the selection and weightings of the constituents continue to reflect, as closely as possible, the Index's objective. The Index Provider reserves the right to, at any time, change the number of stocks comprising the Index by adding or deleting one or more stocks, or replacing one or more stocks contained in the Index with one or more substitute stocks of its choice, if in the Index Provider's discretion such addition, deletion or substitution is necessary or appropriate to maintain the quality and/or character of the Index. Such Index constituent changes or decisions are reviewed by the Index Provider's governance committee to ensure that they are made objectively, without bias and in accordance with applicable law and regulation and Index Provider's policies and procedures.

Corporate actions

Constituents may be added to or removed from the Index as a result of corporate actions.

In case of a corporate action that affects one or more constituents, the Index Provider will publish an announcement explaining its treatment in the Index shortly after the details have become available and have been confirmed. When possible, the addition or removal of a constituent is announced at least three trading days before the effective date of the change.

However, depending on the availability of public information, less advance notice may be given. In the case of mergers and acquisitions, every effort is made to remove the company at some reasonable time ahead of the suspension in trading in the acquired company. There are certain situations and corporate actions that require the removal of a company that has already ceased trading. In those cases, the company is removed from the Index at its last traded price, or, at the discretion of the Index Provider, at a derived price that most accurately represents its post-suspension value.

Once a corporate action has been actioned in the Index, the Index Provider will confirm the changes and final terms such as Index divisor in a separate announcement.

If a corporate action leads to the removal of a Security in between the quarterly reconstitutions, then the Index advisory committee is responsible for the selection of a replacement security to be added to the Index at the latest Index weight of the Security being deleted, subject to review and approval by the Index Provider's governance committee.

Index constituents

You can obtain the list of the Index constituents and additional information of the Index (including the last closing Index level and other important news relating to the Index) from the website of the Index Provider https://www.theice.com/fangplus (this website has not been reviewed by the SFC).

Index Provider disclaimer

Source ICE Data Indices, LLC ("ICE Data"), is used with permission. NYSE® FANG+™ Index is a service/trade mark of ICE Data Indices, LLC or its affiliates and has been licensed, along with the NYSE® FANG+™ Index ("Index") for use by Samsung Asset Management (Hong Kong) Limited in connection with Samsung NYSE FANG+ ETF (the "Product"). Neither Samsung Asset Management (Hong Kong) Limited, Samsung ETFs Trust (the "Trust") nor the Product, as applicable, is sponsored, endorsed, sold or promoted by ICE Data Indices, LLC, its affiliates or its Third Party Suppliers ("ICE Data and its Suppliers"). ICE Data and its Suppliers make no representations or warranties regarding the advisability of investing in securities generally, in the Product particularly, the Trust or the ability of the Index to track general stock market performance. ICE Data's only relationship to Samsung Asset Management (Hong Kong) Limited is the licensing of certain trademarks and trade names and the Index or components thereof. The Index is determined, composed and calculated by ICE Data without regard to the LICENSEE or the Product or its holders. ICE Data has no obligation to take the needs of the Licensee or the holders of the Product into consideration in determining, composing or calculating the Index. ICE Data is not responsible for and has not participated in the determination of the timing of, prices of, or quantities of the Product to be issued or in the determination or calculation of the equation by which the Product is to be priced, sold, purchased, or redeemed. Except for certain custom index calculation services, all information provided by ICE Data is general in nature and not tailored to the needs of LICENSEE or any other person, entity or group of persons. ICE Data has no obligation or liability in connection with the administration, marketing, or trading of the Product. ICE Data is not an investment advisor. Inclusion of a security within an index is not a recommendation by ICE Data to buy, sell, or hold such security, nor is it considered to be investment advice.

ICE DATA AND ITS SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE

INDICES, INDEX DATA AND ANY INFORMATION INCLUDED IN, RELATED TO, OR DERIVED THEREFROM ("INDEX DATA"). ICE DATA AND ITS SUPPLIERS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY WITH RESPECT TO THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES AND THE INDEX DATA, WHICH ARE PROVIDED ON AN "AS IS" BASIS AND YOUR USE IS AT YOUR OWN RISK.

Index licence agreement

The initial term of the licence of the Index commenced on 10 December 2020 and shall be valid for an initial term of twelve months. After the expiry of the initial term, the licence shall renew automatically for consecutive renewal terms of one year, unless either party to the licence agreement provides written notice of termination to the other party of its intent not to renew at least 180 days prior to the end of the initial term or the then current term. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Appendix dated 22 October 2021

APPENDIX 3: Samsung Bloomberg Global Semiconductor ETF

Key information

Set out below is a summary of key information in respect of this Sub-Fund which should be read together with the full text of this Appendix and this Prospectus.

Index	Bloomberg Global Semiconductor Top 20 Index
Type of Index	Price return index
Initial Issue Date	8 November 2021 (the Business Day immediately before the Listing Date)
Listing Date (SEHK)	Expected to be 9 November 2021, but may be postponed by the Manager to a date no later than 7 December 2021
Issue Price during the Initial Offer Period	USD2.00
Exchange Listing	SEHK – Main Board
Stock Code	03132
Stock Short Name	SAMSUNG SEMICON
Trading Board Lot Size	100 Units
Base Currency	US dollars (USD)
Trading Currency	Hong Kong dollars (HKD)
Distribution Policy	**Semi-annually (usually in June and December of each year) (if any) subject to the Manager's discretion. Distributions on all Units will be in USD only*.** Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from the Sub-Fund's cash and holdings of investment products. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion.
Creation/Redemption Policy	Cash (in USD only) or a combination of cash (in USD only) and in-kind
Application Unit Size (only by or through Participating Dealers)	Minimum 250,000 Units (or multiples thereof)
Dealing Deadline	During the Initial Offer Period: 4:00 p.m. (Hong Kong time) After Listing: 11:00 a.m. (Hong Kong time)
Management Fee	Currently 0.85% per year of the Net Asset Value

Investment Strategy	Primarily full replication strategy. Please refer to the section on "What is the investment strategy?" below
Maximum Deviation from Index Weighting	3 percentage points
Financial Year End	31 March. The first financial year of the Sub-Fund will end on 31 March 2022. The first half-yearly unaudited financial report and the first audited annual report of the Sub-Fund will be for the period ending 30 September 2021 and 31 March 2022 respectively.
Listing Agent	Altus Capital Limited
Initial Market Makers#	AP Capital Management (Hong Kong) Limited Phillip Securities Pte Ltd.
Initial Participating Dealers#	ABN AMRO Clearing Hong Kong Limited Mirae Asset Securities (HK) Limited Korea Investment & Securities Asia Limited Phillip Securities (Hong Kong) Limited iFAST Securities (HK) Limited Valuable Capital Limited The Hongkong and Shanghai Banking Corporation Limited Merrill Lynch Far East Limited
Service Agent	HK Conversion Agency Services Limited
Website	www.samsungetfhk.com

* *All Units will receive distributions in USD only. In the event that the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers regarding arrangements for distributions and to consider the risk factor entitled "Other currency distributions risk" below.*

\# *Please refer to the Manager's website for the latest lists of Market Makers and Participating Dealers. The latest list of Market Makers is also available at www.hkex.com.hk.*

What is the investment objective?

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective.

What is the investment strategy?

In order to achieve the Sub-Fund's investment objective, the Manager intends to primarily use a full replication strategy through investing directly in the Index constituents in substantially the same weightings in which they are included in the Index. Please refer to the section "The Index" below for further information.

Where the adoption of a full replication strategy is not efficient or practicable or where the Manager considers appropriate in the best interest of the Sub-Fund and the Unitholders, the Manager may pursue a representative sampling strategy, and invest, directly or indirectly, in a representative sample of the Securities in the Index that collectively reflects the investment characteristics of the Index and aims to replicate its performance. The Sub-Fund, in using a representative sampling strategy, may or may not hold all of the Securities included in the Index, and may hold a portfolio of Securities which are not included in the Index, provided that these collectively feature a high correlation with the Index. In pursuing a representative sampling strategy, the Manager may cause the Sub-Fund to deviate from the Index weighting on the condition that the maximum deviation from the Index weighting of any constituent will not exceed 3 percentage points above or below such weighting.

The Sub-Fund may switch between the full replication strategy and the representative sampling strategy without prior notice to investors, in its absolute discretion, and as often as it believes is appropriate in order to achieve the investment objective of the Sub-Fund by tracking the Index as closely as possible to the benefit of investors.

The Sub-Fund may invest up to 100% of its Net Asset Value directly in the Index constituents, which include common stocks, American Depositary Receipts ("**ADRs**") and Global Depositary Receipts ("**GDRs**") listed on stock exchanges globally.

The Sub-Fund may also invest in money market funds and in cash deposits for cash management purposes although such investments are not anticipated to exceed 5% of the Net Asset Value of the Sub-Fund.

The Manager may enter into securities lending transactions on behalf of the Sub-Fund with a maximum level of up to 25% of the Sub-Fund's Net Asset Value and an expected level of approximately 20% of the Sub-Fund's Net Asset Value at any one time, and the Manager has the right to recall the securities lent out at any time. All such transactions will only be entered into with institutions of appropriate financial standing which are acceptable to the Manager. As part of its Securities Lending Transactions, the Sub-Fund will receive as collateral sufficient cash and/or liquid assets, the value of which, during the duration of the securities lending agreement, will be equal to at least 100% of the global valuation of the securities lent (interests, dividends and other eventual rights included), marked to market on a daily basis. The Trustee will be responsible for the safekeeping of such collateral received and held in custody. The valuation of the collateral generally takes place on trading day T. If the value of the collateral falls below 100% of the global valuation of the securities lent on any trading day T, the Manager will call for additional collateral on trading day T, and the borrower will have to deliver additional collateral to make up for the difference in securities value by 4 p.m. on trading day T+1. The Sub-Fund will not engage in any reinvestment of collateral received. The global valuation of the securities lent will be disclosed in the annual audited financial reports and interim half yearly unaudited financial reports of the Sub-Fund.

To the extent the Sub-Fund undertakes Securities Lending Transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered by the Manager, a securities lending agent and/or other service providers in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the Sub-Fund. The cost relating to Securities Lending Transactions will be borne by the borrower.

Currently, the Manager has no intention to invest the Sub-Fund in any financial derivative instruments for hedging or non-hedging (i.e. investment) purposes, and will not enter into Sale and Repurchase Transactions or Reverse Repurchase Transactions and other similar over-the-counter transactions.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the Unitholders in the event the Manager wishes to adopt investment strategy other than full replication strategy or representative sampling strategy. The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of this Prospectus.

Use of derivatives

The Sub-Fund will not use derivatives for any purpose.

Risk factors specific to the Sub-Fund

In addition to the risk factors presented in Part 1 of this Prospectus, the risk factors set forth below are also specific risks, in the opinion of the Manager, considered to be relevant and presently applicable to the Sub-Fund.

Sector Concentration Risk

Due to the concentration of the Index in the semiconductor sector, the performance of the Index may be more volatile when compared to other broad-based stock indices. The price volatility of the Sub-Fund may be greater than the price volatility of exchange traded funds tracking more board-based indices.

Semiconductor sector risk

The Sub-Fund is subject to the risk that companies that are in the semiconductor industry may be particularly affected by certain factors as specified below, which may, in certain circumstances, cause the value of securities of all companies within the semiconductor sector of the market to deteriorate. Specific factors faced by semiconductor companies which may affect the value of their securities include, but are not limited to, domestic and international competition pressures (including competition from subsidised foreign competitors with lower production costs), rapid obsolescence of products as a result of the fast-developing nature of the semiconductor industry, the economic performance of the customers of semiconductor companies which may in turn affect the growth and market outlook of the semiconductor industry, capital equipment expenditures which could be substantial and suffer from rapid obsolescence and potential shortages of raw materials or equipment which could result in an increase in prices of raw materials or equipment, longer delivery time of products or even production stoppage. Companies in the semiconductor sector also typically rely on heavy and significant spending on research and development, and there is no guarantee that the products produced by these companies will materialise into commercially successful products.

Furthermore, as the semiconductor sector may be deemed sensitive to national interests, the sector may be subject to government intervention, sanctions and trade protectionism. Companies in the semiconductor sector may be highly dependent upon government subsidies and incentives (including but not limited to preferential tax treatments) and contracts with government entities, and may be negatively affected if such subsidies are reduced, such preferential tax treatments expires or are discontinued, or contracts are unavailable due to changes in government policies.

The success of companies in the semiconductor sector is typically dependent on the companies' ability to maintain relationships with their technology partners. If a company's relationship with a technology partner were impaired or terminated, the company may not be able to enter into a new technology alliance on a timely basis or on commercially favourable terms, which could result in significant additional cost or disruptions to its businesses.

The semiconductors sector is also characterised by cyclical market patterns and periodic overcapacity. Business conditions in this industry may change rapidly from periods of production shortages and strong demand to periods of weak demand. Any future downturn in the industry could harm the business and operating results of semiconductor companies.

Emerging markets risk

The Sub-Fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk, currency devaluation, inflation and the likelihood of a high degree of volatility.

High market volatility and potential settlement difficulties in the markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Sub-Fund.

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.

Risks associated with depositary receipts

Exposure to depositary receipts including ADRs and GDRs may generate additional risks compared to a direct exposure to the corresponding underlying stocks, in particular, the risk of non-segregation under applicable law of the depositary bank who hold the underlying stock as collateral and its own assets. In case of bankruptcy of the depositary bank, there could be a risk that the underlying shares would not be attributed to holders of depositary receipts, although segregation is an integral part of the depositary agreement regulating the issuance of the depositary receipts. In such case, the most likely scenario would be the trading suspension and thereafter a freeze of the price of the depositary receipts impacted by such bankruptcy event. Bankruptcy events in respect of the depositary banks issuing the depositary receipts may negatively affect the performance and/or the liquidity of the Sub-Fund. There are fees related to depositary receipts, for example fees charged by banks for the custody of underlying assets of depositary receipts, which may impact the performance of the depositary receipts. Also, holders of depositary receipts are not direct shareholders of the underlying company and generally do not have voting and other shareholder rights as shareholders do. The Sub-Fund may also be subject to liquidity risk as depositary receipts are often less liquid than the corresponding underlying stocks.

Risk associated with small-capitalisation/mid-capitalisation companies

The Sub-Fund may invest in small-capitalisation/mid-capitalisation companies, the stock of which may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Foreign exchange risk

Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund and a substantial portion of the dividends distributed by the underlying investments of a Sub-Fund may therefore be received in currencies other than its base currency. In addition, the base currency of the Sub-Fund is USD but the trading currency of the Sub-Fund is in HKD. Any fluctuation in the exchange rate of the base currency of the Sub-Fund relative to the relevant currencies will affect the Sub-Fund's Net Asset Value regardless of the performance of its underlying investments. As a Sub-Fund's Net Asset Value is calculated in its base currency, an investor may lose money if the relevant foreign currencies depreciate against the Sub-Fund's base currency, irrespective of the positive performance of the underlying investments.

New index risk

The Index is new and has minimal operating history by which investors can evaluate its previous performance. There can be no assurance as to the performance of the Index. The Sub-Fund may be riskier than other exchange traded funds tracking more established indices with longer operating history.

Distributions out of or effectively out of capital risk

The Manager may, at its discretion make distributions out of capital. The Manager may also, at its discretion, make distributions out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of the capital. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of or effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Unit. The Manager may amend its distribution policy subject to the SFC's prior approval (if required) and by giving not less than one month's prior notice to Unitholders.

Other currency distributions risk

Investors should note that all Units will receive distributions in the base currency (USD) only. In the event that the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such distribution from USD to HKD or any other currency. The Unitholder may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.

Trading differences risks

As the exchanges on which the Index constituents are listed 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. Furthermore, the market price of underlying Securities listed on the above exchanges which are established outside Hong Kong may not be available during part or all of the SEHK trading sessions due to trading hour differences which may result in the trading price of the Sub-Fund deviating away from the Net Asset Value.

Securities listed on certain exchanges may be subject to trading bands which restrict increases and decreases in the trading price. Units listed on the SEHK are not. The prices quoted by the SEHK market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the Index level and as a result, the level of premium or discount of the Unit price of the Sub-Fund to its Net Asset Value may be higher.

Market suspension of trading risk

Some stock exchanges on which the Sub-Fund will invest may have the right to suspend or limit trading in any Security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets.

Foreign investments restrictions risk

Some countries in which the Sub-Fund will invest may restrict foreign investment or the repatriation of income, capital or the proceeds from sale of Securities, or may intervene with foreign exchange rates. The Sub-Fund may incur higher costs investing in these countries. These restrictions may limit the Sub-Fund's ability to invest in these countries, delay the investment or repatriation of capital of the Sub-Fund and impact the Sub-Fund’s ability to track the performance of the Index.

Securities Lending Transactions risks

The borrower may fail to return the securities in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the Sub-Fund’s ability in meeting delivery or payment obligations from redemption requests and may trigger claims.

There is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This may result in significant losses for the Sub-Fund if the borrower fails to return the securities lent out.

By undertaking Securities Lending Transactions, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays or failure may restrict the Sub-Fund’s ability in meeting delivery or payment obligations from redemption requests and may trigger claims.

Risk Associated with the PRC

Economic, Political and Social Risks of the PRC

The economy of the PRC, which has been in a state of transition from a planned economy to a more market oriented economy, differs from the economies of most developed countries in many respects, including the level of government involvement, its state of development, its growth rate, control of foreign exchange, and allocation of resources.

Although the majority of productive assets in the PRC are still owned by the PRC government at various levels, in recent years, the PRC government has implemented economic reform measures emphasising utilisation of market forces in the development of the economy of the PRC and a high level of management autonomy. The economy of the PRC has experienced significant growth in the past 25 years, but growth has been uneven both geographically and among various sectors of the economy. Economic growth has also been accompanied by periods of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth.

For more than 25 years, the PRC government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities market in the PRC as well as the underlying Securities of the Sub-Fund. Further, the PRC government may from time to time adopt corrective measures to control the growth of the PRC economy which may also have an adverse impact on the capital growth and performance of the Sub-Fund.

Political changes, social instability and adverse diplomatic developments in the PRC could result in the imposition of additional government restrictions including expropriation of assets, confiscatory taxes or nationalisation of some or all of the property held by the underlying issuers of the Securities in the Sub-Fund’s portfolio.

PRC Laws and Regulations Risk

The regulatory and legal framework for capital markets and joint stock companies in the PRC may not be as well developed as those of developed countries. PRC laws and regulations affecting securities markets are relatively new and evolving, and because of the limited volume of published cases and judicial interpretation and their non-binding nature, interpretation and enforcement of these regulations involve significant uncertainties. In addition, as the PRC legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on their business operations.

Restricted Markets Risk

The Sub-Fund may invest in Securities in respect of which the PRC imposes limitations or restrictions on foreign ownership or holdings. Such legal and regulatory restrictions or limitations may have adverse effects on the liquidity and performance of such Sub-Fund holdings as compared to the performance of the Index. This may increase the risk of tracking error and, at the worst, the Sub-Fund may not be able to achieve its investment objective.

Accounting and Reporting Standards Risk

Accounting, auditing and financial reporting standards and practices applicable to PRC companies may be different to those standards and practices applicable to countries that have more developed financial markets. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

Changes in PRC taxation risk

The PRC Government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies and foreign investors in such companies.

Risks Associated with A-Shares

A-Shares Market Suspension and Volatility Risk

A-Shares may only be bought from, or sold to, the Sub-Fund from time to time where the relevant A-Shares may be sold or purchased on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, as appropriate. Given that the A-Shares market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the creation and realisation of Units may be disrupted. A Participating Dealer is unlikely to realise or create Units if it considers that A-Shares may not be available. High market volatility and potential settlement difficulties in the A-Shares market may also result in significant fluctuations in the prices of the securities traded on the A-Shares market and thereby may adversely affect the value of the relevant Sub-Fund.

Risks associated with the RMB currency

RMB is not Freely Convertible and subject to Exchange Controls and Restrictions Risk

It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government. Since 1994, the conversion of RMB into USD has been based on rates set by the PBOC, which are set daily based on the previous day's PRC interbank foreign exchange market rate. On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. In addition, a market maker system was introduced to the interbank spot foreign exchange market. In July 2008, the PRC announced that its exchange rate regime was further transformed into a managed floating mechanism based on market supply and demand.

Given the domestic and overseas economic developments, the PBOC decided to further improve the RMB exchange rate regime in June 2010 to enhance the flexibility of the RMB exchange rate. In April 2012, the PBOC decided to take a further step to increase the flexibility of the RMB exchange rate by expanding the daily trading band from +/-0.5% to +/-1%. Effective 11 August 2015 the RMB central parity is fixed against the USD by reference to the closing rate of the inter-bank foreign exchange market on the previous day (rather than the previous morning's official setting).

However it should be noted that the PRC government's policies on exchange control and repatriation restrictions are subject to change, and any such change may adversely impact the Sub-Fund. There can be no assurance that the RMB exchange rate will not fluctuate widely against the USD or any other foreign currency in the future.

Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, currently continue to be subject to significant foreign exchange controls and require the approval of the SAFE. On the other hand, the existing PRC foreign exchange regulations have significantly reduced government foreign exchange controls for transactions under the current account, including trade and service related foreign exchange transactions and payment of dividends. Nevertheless, the Manager cannot predict whether the PRC government will continue its existing foreign exchange policy or when the PRC government will allow free conversion of the RMB to foreign currency.

Future Movements in RMB Exchange Rates Risk

The exchange rate of RMB ceased to be pegged to US dollar on 21 July 2005, resulting in a more flexible RMB exchange rate system. China Foreign Exchange Trading System, authorised by the PBOC, promulgates the central parity rate of RMB against US dollar, Euro, Yen, British Pound and Hong Kong dollar at 9:15 a.m. on each business day, which will be the daily central parity rate for transactions on the Inter-bank Spot Foreign Exchange Market and OTC transactions of banks. The exchange rate of RMB against the above-mentioned currencies fluctuates within a range above or below such central parity rate. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including US dollar and Hong Kong dollar, are susceptible to movements based on external factors.

There can be no assurance that such exchange rates will not fluctuate widely against US dollar, Hong Kong dollar or any other foreign currency in the future. From 1994 to July 2005, the exchange rate for RMB against US dollar and the Hong Kong dollar was relatively stable. Since July 2005, the RMB has begun to appreciate until August 2015 when the PBOC introduced a one-off devaluation of RMB. There can be no assurance that RMB will not be subject to further devaluation. The future movements in RMB exchange rates are uncertain and the fluctuations may have a positive or negative impact on investors' investment in the Sub-Fund.

Offshore RMB ("CNH") Market Risk

The onshore RMB ("CNY") is the only official currency of the PRC and is used in all financial transactions between individuals, state and corporations in the PRC. Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC. Since June 2010, the offshore RMB ("CNH") is traded officially, regulated jointly by the Hong Kong Monetary Authority and the PBOC. While both CNY and CNH represent RMB, they are traded in different and separated markets. The two RMB markets operate independently where the flow between them is highly restricted. Though the CNH is a proxy's of the CNY, they do not necessarily have the same exchange rate and their movement may not be in the same direction. This is because these currencies act in separate jurisdictions, which leads to separate supply and demand conditions for each, and therefore separate but related currency markets.

However, the current size of RMB-denominated financial assets outside the PRC is limited. As at 30 June 2016, the total amount of RMB (CNH) deposits held by institutions authorised to engage in RMB banking business in Hong Kong amounted to approximately RMB712 billion. In addition, participating authorised institutions are also required by the Hong Kong Monetary Authority to maintain a total amount of RMB (in the form of cash and its settlement account balance with the Renminbi Clearing Bank) of no less than 25% of their RMB deposits, which further limits the availability of RMB that participating authorised institutions can utilise for conversion services for their customers. RMB business participating banks do not have direct RMB liquidity support from PBOC. The Renminbi Clearing Bank only has access to onshore liquidity support from PBOC (subject to annual and quarterly quotas imposed by PBOC) to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions. Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the relevant settlement agreement between Hong Kong banks and the PBOC will not be terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC may affect the ability of investors to acquire Units or to sell Units of the Sub-Fund affecting the liquidity and therefore the trading price of the Units on the SEHK. To the extent the Manager is required to source RMB in the offshore market, there is no assurance that it will be able to source such RMB on satisfactory terms, if at all.

The offering

Initial Offer Period

During the Initial Offer Period, Participating Dealers (acting for themselves or for their clients) may apply for Units (to be available for trading on the Listing Date) by means of a cash Creation Application (in USD only) on each Dealing Day for themselves and/or their clients by transferring cash in accordance with the Operating Guidelines.

The current Dealing Deadline during the Initial Offer Period is 4:00 p.m. (Hong Kong time) 4 Business Days prior to the Listing Date, or such other time as the Manager (in consultation with the Trustee) may determine on any day when the trading hours of the SEHK are reduced.

The Issue Price of Units which is the subject of a Creation Application during the Initial Offer Period is USD2 per Unit, or such other amount determined by the Manager with the approval of the Trustee prior to the Initial Offer Period.

After Listing

Dealings in the Units on the SEHK are expected to commence on 9 November 2021 but may be postponed by the Manager to a date no later than 7 December 2021.

The current Dealing Deadline After Listing is 11:00 a.m. (Hong Kong time) on the relevant Dealing Day, or such other time as the Manager (in consultation with the Trustee) may determine on any day when the trading hours of the SEHK are reduced.

Applications for creation of Units may be made by way of (i) a cash Creation Application (in USD only) or (ii) a combination of cash (in USD only) and in-kind Creation Application. Settlement for subscribing Units is due at the time specified in the Operating Guidelines on the relevant Dealing Day in accordance with the Operating Guidelines.

Summary of timetable

The following table summarises all key events and the Manager's expected timetable:

Initial Offer Period commences • Participating Dealers may submit Creation Applications for themselves or for their clients in a minimum number of 250,000 Units (or multiples thereof)	 • 9:30 a.m. (Hong Kong time) on 25 October 2021 or such other date or time as the Manager may determine
The date that is 4 Business Days prior to the Listing Date • Latest time for Creation Applications by Participating Dealers for Units to be available for trading on the Listing Date	 • 4:00 p.m. (Hong Kong time) on 3 November 2021 or such other date or time as the Manager may determine
After Listing (period commences on the Listing Date) • All investors may start trading Units on the SEHK through any designated brokers; and • Participating Dealers may apply for creation and redemption (for themselves or for their clients) in a minimum number of 250,000 Units (or multiples thereof) continually	 • Commence at 9:30 a.m. (Hong Kong time) on 9 November 2021, but may be postponed by the Manager to a date no later than 7 December 2021 • Until 11:00 a.m. (Hong Kong time) on each Dealing Day or such other time as the Manager (in consultation with the Trustee) may determine on any day when the trading hours of the SEHK are reduced

Exchange Listing and Trading (Secondary Market)

General

Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in the Units.

Units are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought as at the date of this Prospectus. Application may be made in the future for a listing of Units on one or more other stock exchanges. Investors' attention is drawn to the section entitled "Exchange Listing and Trading (Secondary Market)" in Part 1 of this Prospectus for further information.

Dealings on the SEHK in Units are expected to begin on 9 November 2021. Units will trade on the SEHK in board lots of 100 Units.

Participating Dealers should note that they will not be able to sell or otherwise deal in the Units on the SEHK until dealings begin on the SEHK.

Redemptions

Units can be redeemed directly (through a Participating Dealer). Redemption proceeds may be paid in (i) cash (in USD only) or (ii) a combination of cash (in USD only) and in-kind. Any accepted Redemption Application will be effected by the payment of cash and/or transfer of Securities in accordance with the Operating Guidelines and the Trust Deed.

Distribution policy

The Manager intends to declare and distribute net dividends to Unitholders semi-annually (in June and December each year) subject to the Manager's discretion. The Manager will make an announcement prior to any distribution in respect of the relevant distribution amount in USD. Distributions may be made out of capital as well as income at the Manager's discretion. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. The Manager may amend the policy with respect to distribution out of capital or effectively out of capital subject to the SFC's prior approval (if required) and by giving not less than one month's prior notice to investors.

Each Unitholder will receive distributions in USD only. Unitholders without USD accounts may have to bear the fees and charges associated with the conversion of such dividend from USD into HKD or any other currency. Unitholders are advised to check with their brokers regarding arrangements for distributions.

Distribution payment rates in respect of Units will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions. Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from management of the Sub-Fund's cash and holding of investment products. There can be no assurance that the Manager will pay distributions for the Sub-Fund.

Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment out of or effectively out of the Sub-Fund's capital may result in an immediate reduction in the Net Asset Value per Unit.

The composition of distributions payable on Units (i.e. the relative amounts of distributions paid and the percentages of dividends out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the website www.samsungetfhk.com (this website has not been reviewed by the SFC).

Fees and expenses

Management Fee

The Manager is entitled to receive a management fee of up to 1% per year of the Net Asset Value of the Sub-Fund. The current management fee in respect of the Sub-Fund is 0.85% per year and is accrued daily and calculated as at each Dealing Day and payable monthly in USD in arrears. This fee is payable out of the Trust Fund.

Trustee's and Registrar's Fee

The Trustee receives out of the assets of the Sub-Fund a monthly trustee's fee, payable in arrears, accrued daily and calculated as at each Dealing Day at 0.07% per year of the Net Asset Value of the Sub-Fund, subject to a monthly minimum of USD1,500.

The Registrar's fee for updating of the register record of the Sub-Fund is included in the Trustee's

Fee. The Registrar is entitled to receive from a Participating Dealer an administrative transaction fee of USD600 per Participating Dealer per transaction for handling any creation and redemption of Units of the Sub-Fund (payable by the Participating Dealer).

The Index

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. As of the date of this Prospectus, the summary of the Index in this section is accurate and consistent with the complete description of the Index. Additional information on the Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

General information on the Index

The Index of the Sub-Fund is the Bloomberg Global Semiconductor Top 20 Index. The Index is a free float market capitalisation weighted index which seeks exposure to a set of global companies that derive significant revenue from semiconductor businesses. The Index selects the largest 20 securities from the Parent Index based on total company level product segment revenue in the latest fiscal year from semiconductor businesses, i.e. industries classified as Bloomberg Industry Classification standard (BICS) Level 3 "Semiconductors" industries. The Index is constructed with a 15% cap on the weight of each constituent at each quarterly rebalancing of the Index in March, June, September and December.

The Index is compiled and published by Bloomberg Index Services Limited (the "**Index Provider**"). The Manager (and each of its Connected Persons) is independent of the Index Provider.

The Index is a price return index. A price return index seeks to replicate the price return from holding a portfolio consisting of the Index constituents and the performance of the Index is calculated on the basis that any dividends from securities comprising the Index are not re-invested. The Index is denominated and quoted in USD.

As at 15 October 2021, it comprised 20 constituents with total market capitalisation of approximately USD3,425,797.01 million.

The Index was launched on 31 August 2021 and had a base level of 1,000 on 30 March 2015.

Index methodology

The Index is derived from the common stock, ADR and GDR constituents of the Bloomberg World Large, Mid & Small Cap Index (the "**Parent Index**"). The Parent Index is a float market-cap-weighted benchmark that covers 99% of the developed and emerging markets globally.

The Parent Index applies, among others, the following selection criteria in selecting its constituents:

(1) Minimum trading volume

A security will be eligible for inclusion in the Parent Index if it has a minimum trading volume (calculated by dividing the three-month average trading volume of the security by its share in the Parent Index) of over 0.001 (the "**Minimum Trading Volume Requirement**"), subject to the following:

- New securities with a first trading day following the relevant selection date are not subject to the Minimum Trading Volume Requirement.
- Securities failing the Minimum Trading Volume requirement can still qualify for inclusion in the Parent Index if their free float market capitalisation is greater than the developed market 95th percentile of cumulative float market capitalisation based on the selection date of the

last semi-annual reconstitution. The same process applies for securities classified in emerging markets, with the free float market capitalisation requirement set at half of the cut-offs in respect of developed markets.

(2) Minimum float market capitalisation

Securities must have a free float adjusted market capitalization of at least half of the 99th percentile of cumulative float market capitalisation at country level. Minimum float market capitalisation cut-offs are reviewed semi-annually during the March and September reconstitutions.

The Index selects the largest 20 securities that are common stocks, ADRs or GDRs from the Parent Index based on total company level product segment revenue in the latest fiscal year from semiconductor businesses, i.e. industries classified as Bloomberg Industry Classification Standard (BICS) Level 3 "Semiconductors" industries (as further explained below). The methodology of the Parent Index is available on the website of the Index Provider at https://www.bloomberg.com/professional/product/indices/bloomberg-equity-indices-resources/ (this website has not been reviewed by the SFC).

The list of industries classified as BICS Level 3 "Semiconductors" industries are as follows:

- Semiconductor Manufacturing
  - Back End Capital Equipment
  - Front End Capital Equipment
  - Assembly Material & Solutions
  - Assembly & Testing Services
  - Foundry Services
  - Silicon Products
- Semiconductor Devices
  - Analog ICs
  - Discrete
  - Intellectual Property – Semi
  - Memory ICs
  - Logic, Processors & App Specific

Index calculation

The price return (PR) Index Value is calculated on each calculation day using the following formula:

$$PR\ Index_t = \frac{\sum_{i=1}^{n} P_{i,t} \times N_{i,t} \times TF_{i,t} \times CA_{i,t} \times FX_{i,t}}{Divisor_t}$$

Where:

$PR\ Index_t$	The price return Index Value on Calculation Day t
$Divisor_t$	The divisor of the index on Calculation Day t

$P_{i,}$	The price of Index constituent i in local currency on Calculation Day t
$N_{i,t}$	The Index Shares for Index constituent i on Calculation Day t
$TF_{i,t}$	The Tilt Factor for Index constituent i on Calculation Day t Note: $TF_{i,t}$ is equal to 1 for market capitalization weighted indices
$CA_{i,t}$	The Corporate Action Coefficient for Index constituent i on Calculation Day t NOTE: $CA_{i,t}$ is equal to 1 for market capitalization weighted indices
$FX_{i,t}$	The FX Fixing Rate with respect to Index constituent i on Calculation Day t
n	denotes the total number of Index constituents

NOTE: if the Index has no Index constituents, $n = 0$, then $PR\ Index_t = PR\ Index_{t-1}$

The Index level is calculated by dividing the modified Index market capitalisation by the Index divisor. The divisor was set on the Index inception date to yield an Index level of 1,000 on 30 March 2015. The divisor will be updated as a result of corporate actions and composition changes.

Weighting methodology

The Index securities are modified market capitalisation weighted. The initial weight of each issuer is determined by dividing the free float market capitalisation of each issuer by the sum of the free float market capitalisations of all the issuers in the Index.

Using a capping process, the initial weights are distributed such that the issuers by free float market capitalisation are subject to a 15% cap. Any excess weight from capping is then redistributed proportionally to the remaining uncapped issuers.

If there are multiple securities per issuer, then the issuer weight is redistributed proportionally to all of the securities within the issuer based on the free float market capitalisation of each security.

Index maintenance

To ensure that the Index accurately reflects the aggregate performance of its constituents, the Index must be rebalanced periodically and maintained on a daily basis for corporate actions, corporate events, any restatements, data integrity and changes to the methodology.

The Index is reconstituted semi-annually in March and September for addition and deletion of constituents. The Index eligibility process and Index construction process are applied using data as of any business day in the last week in January and July respectively. The Index reconstitutions are generally announced on the last Wednesday in February and August. The Index reconstitutions will then become effective on the second Wednesday in March and September respectively.

The Index is also rebalanced for share updates quarterly in March, June, September and December. The share updates of the Index are generally announced on the last Wednesday in February, May, August and November. The share updates of the Index will then become effective on the second Wednesday in March, June, September and December respectively.

Index constituents

You can obtain the list of the Index constituents and additional information of the Index (including the last closing Index level and other important news relating to the Index) from the website of the Index Provider https://www.bloomberg.com/professional/product/indices/bloomberg-equity-indices/ or the website of the Manager https://www.samsungetfhk.com/ (these websites have not been reviewed by the SFC).

Index Provider disclaimer

BLOOMBERG and BLOOMBERG INDICES (the “Indices”) are trademarks or service marks of Bloomberg Finance L.P. Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited, the administrator of the Indices (collectively, “Bloomberg”) or Bloomberg's licensors own all proprietary rights in the Indices. Bloomberg does not guarantee the timeliness, accuracy or completeness of any data or information relating to the Indices. Bloomberg makes no warranty, express or implied, as to the Indices or any data or values relating thereto or results to be obtained therefrom, and expressly disclaims all warranties of merchantability and fitness for a particular purpose with respect thereto. It is not possible to invest directly in an Index. Back-tested performance is not actual performance. Past performance is not an indication of future results. To the maximum extent allowed by law, Bloomberg, its licensors, and its and their respective employees, contractors, agents, suppliers and vendors shall have no liability or responsibility whatsoever for any injury or damages - whether direct, indirect, consequential, incidental, punitive or otherwise - arising in connection with the Indices or any data or values relating thereto - whether arising from their negligence or otherwise. This document constitutes the provision of factual information, rather than financial product advice. Nothing in the Indices shall constitute or be construed as an offering of financial instruments or as investment advice or investment recommendations (i.e., recommendations as to whether or not to “buy”, “sell”, “hold”, or to enter or not to enter into any other transaction involving any specific interest or interests) by Bloomberg or a recommendation as to an investment or other strategy by Bloomberg. Data and other information available via the Indices should not be considered as information sufficient upon which to base an investment decision. All information provided by the Indices is impersonal and not tailored to the needs of any person, entity or group of persons. Bloomberg does not express an opinion on the future or expected value of any security or other interest and do not explicitly or implicitly recommend or suggest an investment strategy of any kind. Customers should consider obtaining independent advice before making any financial decisions.

The BLOOMBERG TERMINAL service and Bloomberg data products (the “Services”) are owned and distributed by Bloomberg Finance L.P. (“BFLP”) except (i) in Argentina, Australia and certain jurisdictions in the Pacific islands, Bermuda, China, India, Japan, Korea and New Zealand, where Bloomberg L.P. and its subsidiaries distribute these products, and (ii) in Singapore and the jurisdictions serviced by Bloomberg’s Singapore office, where a subsidiary of BFLP distributes these products.

Index licence agreement

The initial term of the licence of the Index commenced on 29 July 2021 and shall be valid for an initial term of two years. After the expiry of the initial term, the licence shall renew automatically for consecutive renewal terms of one year, unless either party to the licence agreement provides written notice of termination to the other party of its intent not to renew at least 30 days prior to the end of the initial term or the then current term. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

Appendix dated 22 October 2021