

# PRODUCT KEY FACTS

## Samsung Asia Pacific ex NZ

## Metaverse Theme ETF

*A sub-fund established under the Samsung ETFs Trust*

Issuer: Samsung Asset Management  
(Hong Kong) Limited

三星資產運用（香港）有限公司

30 April 2024

***This is an active exchange traded fund.  
This statement provides you with key information about this product.  
This statement is a part of the Prospectus.  
You should not invest in this product based on this statement alone.***

### Quick facts

|                                  |  |
|----------------------------------|--|
| Stock code:                      | 03172  |
| Stock short name:                | A SS ASIA META   |
| Trading lot size:                | 50 Units   |
| Manager:                         | Samsung Asset Management (Hong Kong) Limited<br>三星資產運用（香港）有限公司   |
| Trustee and Registrar:           | HSBC Institutional Trust Services (Asia) Limited   |
| Custodian:                       | The Hongkong and Shanghai Banking Corporation Limited  |
| PRC Custodian:                   | HSBC Bank (China) Company Limited  |
| Ongoing charges over a year:     | 1.38%*   |
| Trading currency:                | Hong Kong dollars (HKD)  |
| Base currency:                   | Hong Kong dollars (HKD)  |
| Distribution policy:             | <b>Annually (usually in December of each year) (if any) in HKD subject to the Manager's discretion on all Units.</b> 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. |
| Financial year end of this fund: | 31 March   |
| ETF Website:                     | <a href="http://www.samsungetfhk.com">www.samsungetfhk.com</a> (this website has not been reviewed by the SFC)   |

### What is this product?

- Samsung Asia Pacific ex NZ Metaverse Theme ETF (the “**Sub-Fund**”) is a sub-fund of Samsung ETFs Trust, an umbrella unit trust established under Hong Kong law. Units of the Sub-Fund (the “**Units**”) are listed on The Stock Exchange of Hong Kong Limited (the “**SEHK**”). These Units are traded on the SEHK like listed stocks.
- The Sub-Fund is an actively managed exchange traded fund (an “**ETF**”) falling under Chapter 8.10 of the Code on Unit Trusts and Mutual Funds issued by the SFC (the “**Code**”).

### Objective and Investment Strategy

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*The ongoing charges figure is an annualised figure based on expenses reported in the Sub-Fund's Interim Financial Report 2023 (Unaudited) for the period ending 30 September 2023 expressed as a percentage of the Sub-Fund's average NAV over the same period. This figure may vary from year to year.*

**Objective**

The investment objective of the Sub-Fund is to achieve long term capital growth by primarily investing in Asia Pacific region (excluding New Zealand) companies which engage in activities relating to or provide products, services or technologies that enable the development and operation of the Metaverse (as defined below) (the “**Metaverse Business**”). There can be no assurance that the Sub-Fund will achieve its investment objective.

**Strategy**

In seeking to achieve the Sub-Fund’s investment objective, the Sub-Fund will invest primarily (i.e. at least 70% of its NAV) in equity securities of companies (including American Depositary Receipts (“**ADRs**”)) which (i) are listed, headquartered, incorporated, operating in and/or deriving substantial amount of revenue from, the Asia Pacific region (excluding New Zealand); and (ii) are considered by the Manager from time to time as being involved in the Metaverse Business in both its current business and/or its future project pipeline.

The equities which the Sub-Fund will invest in may be listed on the Shanghai Stock Exchange (the “**SSE**”), the Shenzhen Stock Exchange (the “**SZSE**”) and/or the Beijing Stock Exchange (the “**BSE**”), which may include stocks on the ChiNext Board of the SZSE and/or the Science and Technology Innovation Board (the “**STAR Board**”) of the SSE. The Sub-Fund will invest in PRC securities through the qualified foreign investor (“**QFI**”) status granted to the Manager and/or through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively the “**Stock Connect**”). The Sub-Fund’s investment in PRC securities is expected to be up to 30% of the NAV of the Sub-Fund.

In addition, the Sub-Fund may invest in exchange traded funds whose underlying assets have an exposure to Metaverse Business in the Asia Pacific region (excluding New Zealand) or United States on an ancillary basis. These exchange traded funds may be managed by the Manager or its connected persons.

“Metaverse” refers to the concept of a virtual world or online space which aims to imitate, simulate or enhance physical reality by way of usage of technologies such as virtual reality and augmented reality technologies. Metaverse enables synchronous interactions, experiences and digital transactions to take place among users as well as an extensive volume of data and information sharing, thus facilitating increased interconnectedness between physical and digital activities. The Metaverse Business companies to be invested by the Sub-Fund may include but are not limited to the following categories: (i) augmented reality/virtual reality; (ii) artificial intelligence; (iii) social media; (iv) online gaming; (v) digital transactions; (vi) devices; (vii) platforms; and (viii) content. Please refer to the Prospectus for further details regarding each of the categories.

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 NAV 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 NAV and an expected level of approximately 20% of the Sub-Fund’s NAV at any one time, and the Manager has the right to recall the securities lent out at any time. As part of its securities lending transactions, the Sub-Fund will receive as collateral sufficient cash and/or liquid assets. The Trustee will be responsible for the safekeeping of such collateral received and held in custody. The Sub-Fund will not engage in any reinvestment of collateral received.

To the extent the Sub-Fund undertakes securities lending transactions, all revenues net of direct and indirect expenses shall be returned to the Sub-Fund. The cost relating to securities lending transactions will be borne by the borrower. Please refer to the Prospectus for further details.

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.

**Use of derivatives**

The Sub-Fund will not use derivatives for any purpose.

**What are the key risks?**

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

**1. Investment risk**

- The Sub-Fund’s investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.

**2. Active investment management risk**

- The Sub-Fund employs an actively managed investment strategy. The Sub-Fund does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. It may fail to meet its objective as a result of the Manager's selection of investments, and/or the implementation of processes which may cause the Sub-Fund to underperform as compared to other index tracking funds with a similar objective.

**3. Equity market risk**

- The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- The Sub-Fund may invest in small and/or mid-capitalisation companies. The stock of small-capitalisation and mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.
- Some stock exchanges on which the equity securities of 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.
- 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 and delay the investment or repatriation of capital of the Sub-Fund.

**4. Novel concept risk**

- The Metaverse is a novel concept. Certain aspects of the Metaverse are based on untested technologies. The risks that the Metaverse may present to companies involved in the Metaverse Business (as further explained below) may not emerge until the technologies are more widely used. The Metaverse may expose users to fraud or scam as certain users may engage in fraudulent activities or transactions through the dishonest or illegal use of technologies or services provided by companies involved in the Metaverse Business. Future regulatory developments could also affect the viability of the Metaverse and the business prospects of the companies involved in the Metaverse Business. The values of the companies involved in the Metaverse Business may not be a direct reflection of their connection to the Metaverse, and may be affected by other business operations. The Metaverse may not grow to a scale that provides identifiable economic benefit to many or all of the companies involved in the Metaverse Business.

**5. Risks related to companies involved in Metaverse Business**

- *Limited operating history risk.* Many companies involved in the Metaverse Business have relatively limited operating histories. Prices of the securities of these companies have historically been more volatile than other securities, especially over the short term. Also, companies involved in the Metaverse Business generally face intense competition, which may have an adverse effect on their profit margins.
- *Changes in technology risk.* The profitability of companies involved in the Metaverse Business is particularly susceptible to product or service obsolescence due to rapid technological developments, frequent new product or service introduction and unpredictable changes in growth rates and competition for the services of qualified personnel.
- *Governmental intervention risk.* Companies involved in the Metaverse Business are vulnerable to substantial governmental intervention. In the event that investments in these companies and/or access to their products are restricted, the financial condition and operating results of these companies may be adversely affected.
- *Regulatory risk and intellectual property risk.* The Metaverse Business is subject to increasing regulatory scrutiny, including laws and regulations with respect to privacy, data protection, content regulation, intellectual property and competition. These laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to business practices, monetary penalties, increased cost of operations or declines in user growth or user engagement or otherwise undermine the Metaverse Business.
- *Significant capital investment risk.* Companies in the Metaverse Business generally incur significant capital investments on the research and development of their products or services, which may result in competitive pressure on their capital costs and financial condition and in turn affect their profit margins and may even result in significant operating losses in the foreseeable future. There is also no guarantee that the products or services developed by these companies will be successful or widely accepted by the general market or at all.
- *Cyberattack risk.* Companies involved in the Metaverse Business are prone to failures of or breaches in cybersecurity. Certain companies involved in the Metaverse Business may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service. Such risks, if materialise, could result in substantial loss of business or user data or information and material adverse impact on their performance.
- *Impact from other related sectors risk.* the performance of the Sub-Fund may be exposed to risks associated with

different sectors and themes, including artificial intelligence, semiconductor, internet, software, communication services, interactive media and services as well as entertainment. Fluctuations in the business operations of companies in these sectors or themes will have an adverse impact on the NAV of the Sub-Fund.

#### **6. Sector concentration risk**

- The Sub-Fund's investments are concentrated in companies involved in the Metaverse Business, which may experience relatively higher volatility in price performance when compared to other economic sectors. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant sector.

#### **7. Geographical concentration risk**

- The Sub-Fund is subject to geographical concentration risks as it primarily invests in companies which have business operations related to the Metaverse Business and which may be listed, headquartered, incorporated, operating in and/or deriving substantial amount of revenue from the Asia Pacific region (excluding New Zealand). 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 region.

#### **8. PRC related risks**

- The PRC is an emerging market. The Sub-Fund invests in Chinese companies which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risk, currency risks / control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.
- The A-Share market in the PRC is highly volatile and may be subject to potential settlement difficulties. Prices of A-Shares may fluctuate to a greater degree than more developed markets. Such volatility may result in suspension of A-Shares or imposition of other measures by PRC authorities affecting the dealing/trading of Units, disrupting the creation and redemption of Units, and adversely affecting the value of the Sub-Fund. A participating dealer is also unlikely to create or redeem Units if it considers that A-Shares may not be available.
- Securities exchanges in PRC markets typically 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. All these may have a negative impact on the Sub-Fund.

#### **9. Stock Connect risks**

- The relevant regulations and rules on Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the Stock Connect is effected, the Sub-Fund's ability to invest in A-Shares or access PRC markets through the programme will be adversely affected, which may negatively affect the Sub-Fund's ability to achieve its investment objective.

#### **10. QFI regime risks**

- The Sub-Fund's ability to make investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect.
- The Sub-Fund may suffer substantial losses if the approval of the QFI status is being invalidated as the Sub-Fund may be prohibited from trading of relevant securities and repatriation of the Sub-Fund's monies, or if any of the key operators or parties is bankrupt/in default and/or is disqualified from performing its obligations.

#### **11. BSE, ChiNext market and/or STAR Board risks**

- *Higher fluctuation on stock prices and liquidity risk:* Listed companies on the BSE, ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. In particular, listed companies on the BSE, ChiNext market and/or STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the Main Board of the SZSE and the SSE (collectively, the "Main Boards").
- *Over-valuation risk:* Stocks listed on the BSE, ChiNext market and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.
- *Differences in regulation:* The rules and regulations regarding companies listed on the BSE, ChiNext market and/or STAR Board are less stringent in terms of profitability and share capital than those on the Main Boards. The securities traded on the BSE, ChiNext market and/or STAR Board may be susceptible to higher market volatility compared to securities traded on the Main Boards.
- *Delisting risk:* It may be more common and faster for companies listed on the BSE, ChiNext market and/or STAR Board

to delist. In particular, the BSE, ChiNext market and/or STAR Board have stricter criteria for delisting compared to other boards. This may have an adverse impact on the Sub-Fund if the companies that it invests in are delisted.

- *Risk associated with transfer of listing for stocks listed on the BSE:* A company listed on the BSE in which the Sub-Fund invests may apply for transfer of listing to the ChiNext market and/or STAR Board if permitted by the applicable laws and regulations, subject to meeting the listing requirements of the China Securities Regulatory Commission and the SSE or SZSE (as the case may be). The application for transfer of listing will be subject to the review and approval by SSE or SZSE (as the case may be). The application for transfer of listing, whether successful or not, may cause fluctuations in the price of the relevant stock, and hence the NAV of the Sub-Fund.
- *Concentration risk:* The BSE and STAR Board are newly established and may have a limited number of listed companies during the initial stage. Investments in the BSE and/or STAR Board may be concentrated in a small number of stocks and subject the Sub-Fund to higher concentration risk.
- Investments in the BSE, ChiNext market and/or STAR Board may result in significant losses for the Sub-Fund.

#### **12. 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.

#### **13. Risks associated with ADRs**

- Exposure to depositary receipts including ADRs may generate additional risks compared to a direct exposure to the underlying stocks, including the risk of non-segregation of the underlying stocks from the depositary bank's own assets and liquidity risks. These may negatively affect the performance and/or liquidity of the Sub-Fund. Also, depositary receipts holders generally do not have the same right as the direct shareholders of the underlying stocks. The performance of depositary receipts may also be impacted by the related fees.

#### **14. Currency risk**

- Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. The NAV of the Sub-Fund and its performance may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

#### **15. Renminbi ("RMB") currency and conversion risk**

- RMB is not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government. Such government policies and restrictions are subject to change. Non-RMB based investors are exposed to foreign exchange risk. Any depreciation of RMB could adversely affect the value of investors' investment in the Sub-Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

#### **16. Securities lending transactions risk**

- Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.

#### **17. Distributions out of or effectively out of capital risks**

- Payment of dividends 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 such distributions may result in an immediate reduction in the NAV per Unit of the Sub-Fund.

#### **18. Trading risks**

- The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Therefore, the Units may trade at a substantial premium or discount to the NAV.
- As investors will pay certain charges to buy or sell Units on the SEHK, investors may pay more or receive less than the NAV per Unit when buying or selling Units on the SEHK respectively.

#### **19. Trading differences risk**

- As the markets in which the Sub-Fund invests may be open when Units are not priced, the value of the securities in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund's Units.
- Differences in trading hours between the markets in which the Sub-Fund invests and the SEHK may also increase the level of premium or discount of the Unit price to Sub-Fund's NAV.
- Securities listed on certain stock exchanges are subject to trading bands which restrict increase and decrease in the trading price, while Units listed on the SEHK are not. This difference may also increase the level of premium or discount of the Unit price to the Sub-Fund's NAV.

**20. Reliance on the Manager risk**

- The Manager formulates the investment strategies of a Sub-Fund and the performance of a Sub-Fund is largely dependent on the services and skills of its officers and employees as well as (where relevant) the ability of the Sub-Fund to use the Manager’s QFI status in making investments. 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 be able to find successor managers with the requisite skills and qualifications as well as QFI status quickly (or at all).

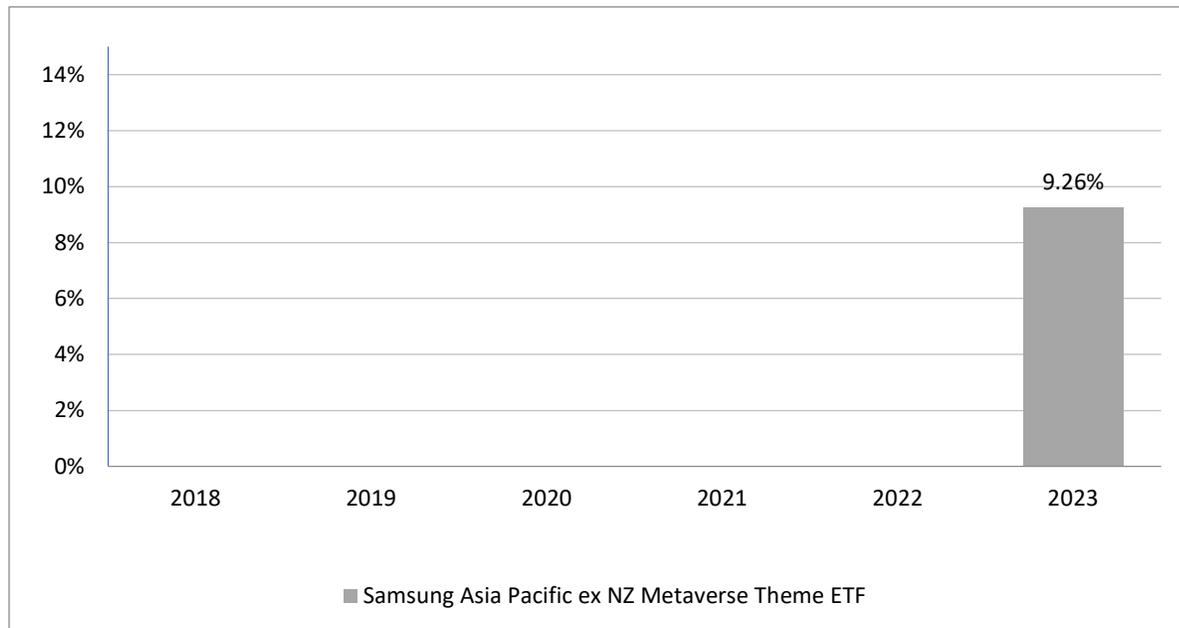
**21. Reliance on market maker risk**

- Although 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 and that at least one market maker gives not less than 3 months’ notice prior to termination of the market making arrangement, liquidity in the market for the Units may be adversely affected if there is no or only one market maker for the Units. There is no guarantee that any market making activity will be effective.

**22. Termination risk**

- The Sub-Fund may be terminated early under certain circumstances, for example, where the size of the Sub-Fund falls below USD 5 million. Any distribution received by a Unitholder on termination of the Sub-Fund may be less than the capital initially invested by the Unitholder and result in a loss.

**How has the fund performed?**



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance of the Sub-Fund is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Sub-Fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding your trading costs on SEHK.
- Where no past performance is shown, there was insufficient data available in that year to provide performance.
- Sub-Fund launch date: 7 July 2022

**Is there any guarantee?**

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

## What are the fees and charges?

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

| Fees   | What you pay                               |
|--|--|
| Brokerage fee  | Market rates                               |
| SFC transaction levy                                 | 0.0027% <sup>1</sup> of the trading price  |
| Financial Reporting Council (“FRC”) Transaction Levy | 0.00015% <sup>2</sup> of the trading price |
| SEHK trading fee                                     | 0.00565% <sup>3</sup> of the trading price |
| Stamp duty   | Nil  |

<sup>1</sup> SFC transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.

<sup>2</sup> FRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.

<sup>3</sup> Trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.

### Ongoing fees payable by the Sub-Fund

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

|  | Annual rate (as a % of NAV)  |
|--|--|
| <b>Management fee*</b><br>The Sub-Fund pays a management fee to the Manager. | 0.85%  |
| <b>Trustee’s fee*</b>  | Up to 0.12% per year of the NAV of the Sub-Fund, subject to a monthly minimum of HKD11,500 |
| <b>Performance fee</b>   | Nil  |
| <b>Administration fee</b>  | Nil  |

\* Please note that these fees may be increased up to a permitted maximum on giving 1 month’s notice to Unitholders. Please refer to the Prospectus under “Fees and Expenses” for details of these fees and other ongoing expenses that may be borne by the Sub-Fund.

### Other fees

You may have to pay other fees when dealing in the Units of the Sub-Fund.

### Additional information

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

- (a) the Prospectus and this product key facts statement (as revised from time to time);
- (b) the latest annual financial reports and interim unaudited financial report (in English only);
- (c) any notices relating to material changes to the Sub-Fund which may have an impact on its investor such as material alterations or additions to the Prospectus or the Sub-Fund’s constitutive documents;
- (d) any public announcements made by the Sub-Fund, including information with regard to the Sub-Fund, and notices of suspension of creation and redemption of Units, suspension of the calculation of the NAV, changes in fees and the suspension and resumption of trading;
- (e) the near real time indicative NAV per Unit updated every 15 seconds during SEHK trading hours throughout each dealing day in HKD;
- (f) the last NAV of the Sub-Fund in HKD and last NAV per Unit in HKD (updated on a daily basis);
- (g) the past performance information of the Sub-Fund;
- (h) the full portfolio information of the Sub-Fund (updated on a daily basis);
- (i) the composition of dividends for the Sub-Fund (i.e. the relative amounts paid out of (i) net distribution income, and (ii) capital), if any, for a rolling 12-month period; and

(j) the latest list of the participating dealers and market makers.

**Important**

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

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