GLOBAL X
by Mirae Asset

PRODUCT KEY FACTS

Global X Exchange Traded Funds Series OFC* (*This includes synthetic ETFs) -
Global X Hang Seng TECH Covered Call Active ETF (Listed Class)
31 August 2026

Issuer: Mirae Asset Global Investments (Hong Kong) Limited

- **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:	3417
Trade lot size:	100 Shares
Manager:	Mirae Asset Global Investments (Hong Kong) Limited
Custodian:	Cititrust Limited
Administrator:	Citibank, N.A., Hong Kong Branch
Ongoing charges over a year*:	0.75%
Base currency:	Hong Kong dollar (HKD)
Trading currency:	Hong Kong dollar (HKD)
Financial year end of the Sub-Fund:	31 March
Distribution policy:	Monthly at the Manager's discretion. Distributions may be paid out of capital or effectively out of capital, but may not be so paid if the cost of the Sub-Fund's operations is higher than the return from management of the Sub-Fund's cash and holdings of investment products. **Distributions on any Shares will be in HKD only.**
ETF Website[#]:	https://www.globalxetfs.com.hk/

* The ongoing charges figure is an annualised figure based on the ongoing expenses of the Sub-Fund, expressed as a percentage of the Sub-Fund's average Net Asset Value (as defined below) of the Listed Class of Shares (as defined below) of the Sub-Fund over the same period. The figure may vary from year to year. As the Sub-Fund adopts a single management fee structure, the ongoing charges of the Sub-Fund will be equal to the amount of the single management fee, which is capped at 0.75% of the average Net Asset Value of the Listed Class of Shares of the Sub-Fund. Any ongoing expenses exceeding 0.75% of the average Net Asset Value of the Listed Class of Shares of the Sub-Fund will be borne by the Manager and will not be charged to the Sub-Fund. Please refer to "Ongoing fees payable by the Sub-Fund" below and the Prospectus for details.

[#] This website has not been reviewed or approved by the Securities and Futures Commission (the "SFC").

What is this product?

- Global X Hang Seng TECH Covered Call Active ETF (the "Sub-Fund") is a sub-fund of the Global X Exchange Traded Funds Series OFC* (*This includes synthetic ETFs) (the "Company"), which is a public umbrella open-ended fund company established under Hong Kong law with variable capital with limited liability and segregated liability between sub-funds. The Sub-Fund is an actively managed exchange traded fund falling under Chapter 8.10 of the Code on Unit Trusts and Mutual Funds (the "Code").
- **The Sub-Fund offers both listed class of Shares (the "Listed Class of Shares") and unlisted classes of Shares (the "Unlisted Classes of Shares"). This statement contains information about the offering of the Listed Class of Shares, and unless otherwise specified, references to "Shares" in this statement shall refer to the "Listed Class of Shares". Investors should refer to a separate statement for the offering of the Unlisted Classes of Shares.**
- The Listed Class of Shares of the Sub-Fund are listed on The Stock Exchange of Hong Kong Limited (the "SEHK") and are traded on the SEHK like listed stocks.
- The Sub-Fund is denominated in HKD. Creations and redemptions are in HKD only.

Objective and investment strategy

Objective

The investment objective of the Sub-Fund is to generate income by primarily (i) investing in constituent equity securities in the Hang Seng TECH Index (the "Reference Index" or the "HS TECH") through direct investment and/or exchange traded funds that track the performance of the Reference Index including the Global X Hang Seng TECH ETF; and (ii) selling (i.e. "writing") call options on the Reference Index to receive payments of money from the purchaser of call options (i.e. "premium").

Strategy

In seeking to achieve the Sub-Fund's investment objective, the Sub-Fund will obtain exposure to the constituent equity securities in the Reference Index in substantially the same weightings as these securities have in the Reference Index through investing (i) directly in constituent equity securities of the Reference Index (the "HS TECH Equities") and exchange traded funds that track the performance of the Reference Index which are either authorised by the SFC[1] or eligible schemes[2] under Chapter 7.11A of the Code (the "HS TECH ETF") of at least 50% but not exceeding 100% of its net asset value (the "Net Asset Value"); and/or (ii) in long positions of front-month Hang Seng TECH Index futures contracts (the "HS TECH Futures") listed on the Hong Kong Futures Exchange Limited (the "HKFE") with notional value of up to 50% of its Net Asset Value. "Front-month" HS TECH Futures are monthly contracts with the shortest time to maturity. In determining the means of exposure, the Manager will take into account factors such as diversification, liquidity, transaction and operational costs, fund size of the HS TECH ETF, capacity constraints and the overall efficiency in achieving the Sub-Fund's investment objective.

Currently, the Manager has determined that the HS TECH ETF that the Sub-Fund may invest in includes up to 70% of its Net Asset Value in Global X Hang Seng TECH ETF (the "Underlying Fund"). The Underlying Fund is a collective investment scheme also managed by the Manager and is a sub-fund of the Global X ETF Series. Global X ETF Series and the Underlying Fund have been authorised by the SFC[1]. The Underlying Fund seeks to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Reference Index. The Underlying Fund is a passively managed index tracking exchange traded fund which may switch between full replication strategy and representative sampling strategy. The Underlying Fund may enter into securities lending transactions with a maximum level of up to 50% and expected level of approximately 20% of the Underlying Fund's net asset value, and is able to recall the securities lent out at any time. No more than 10% of the Underlying Fund's net asset value may be invested in futures for investment and hedging purposes, and the Underlying Fund's net derivative exposure may be up to 50% of its net asset value. The offering documents of the Underlying Fund are available at https://www.globalxetfs.com.hk/ (this website has not been reviewed or approved by the SFC). The Manager may from time to time change the investment of the Sub-Fund to other HS TECH ETF, subject to the SFC's prior approval (if required).

The Sub-Fund will also adopt a covered call strategy which involves writing listed or over-the-counter ("OTC") call options on the Reference Index (the "HS TECH Call Options") with notional value ranging from 70% to 100% of the aggregate value of the constituent equity securities of the Reference Index and the HS TECH ETF held by the Sub-Fund as well as the notional value of the long positions in HS TECH Futures held by the Sub-Fund (the "Covered Call Exposure"). The HS TECH Call Options are cash-settled and European-style options that are exercisable only at expiry.

When there will be an increase in the number of Shares due to creation/subscription of Shares, the Sub-Fund may have to write additional HS TECH Call Options in order to maintain the Covered Call Exposure. The Sub-Fund may seek to write additional HS TECH Call Options with the same specified exercise price (i.e. "strike price") and expiration date as the existing HS TECH Call Options that have been written. Depending on the latest level of the Reference Index, the additional HS TECH Call Options to be written can be in-the-money, at-the-money or out-of-the-money (as further discussed below). The Sub-Fund may also write additional HS TECH Call Options with strike price and expiration date different from the existing HS TECH Call Options that have been written, with factors including but not limited to the liquidity and bid-ask spread of the HS TECH Call Options, premium of the HS TECH Call Options, as well as the potential risks of writing the HS TECH Call Options (taking into account, among other things, the market situation such as the recent market developments or short-term shocks that could impact the stock market and the volatility of the Reference Index) being considered.

<u>Moneyness of HS TECH Call Options</u>

Moneyness is a term to describe whether an option is "in-the-money", "at-the-money" or "out-of-the-money". An "in-the-

[1] SFC authorisation is not a recommendation or endorsement of Global X ETF Series and the Underlying Fund 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.
[2] "Eligible schemes" include UCITS schemes domiciled in Luxembourg and Ireland, and collective investment schemes domiciled in the United Kingdom authorized as UK UCITS, as determined by the SFC from time to time.

money" call option is a call option with a strike price that is below the current market price of the underlying asset (i.e. the latest level of the Reference Index in the case of the Sub-Fund). A call option is "at-the-money" if it has a strike price which is at or very near to the current market price of the underlying asset, and a call option is "out-of-the-money" if it has a strike price which exceeds the current market price of the underlying asset.

The moneyness of an option will affect the likelihood of the option being exercised. An "in-the-money" call option is likely to be exercised by the purchaser at expiry in order to make a profit from the favourable price difference between the strike price and the market price of the underlying asset, whereas the likelihood of exercise for an "at-the-money" call is relatively lower. An "out-of-the-money" call option has no intrinsic value and is not likely to be exercised at expiry.

The strike price of the in-the-money HS TECH Call Options written by the Sub-Fund will be capped at 30% below the index level of the Reference Index when written, whereas the strike price of the out-of-the-money HS TECH Call Options written by the Sub-Fund will be capped at 30% above the index level of the Reference Index when written. The tenor of the HS TECH Call Options shall not exceed one year when they are written by the Sub-Fund.

<u>Rolling of HS TECH Call Options</u>

When existing HS TECH Call Options written by the Sub-Fund expire, the Sub-Fund seeks to write front-month at-the-money or out-of-the-money HS TECH Call Options to maintain the Covered Call Exposure. It is the intention of the Sub-Fund to primarily write at-the-money HS TECH Call Options when existing HS TECH Call Options written by the Sub-Fund expire as the Sub-Fund aims to receive higher levels of premium. "Front-month" HS TECH Call Options are monthly contracts with the shortest time to maturity. The Sub-Fund may also write back-month HS TECH Call Options, with factors including but not limited to the liquidity and bid-ask spread of the HS TECH Call Options, premium of the HS TECH Call Options as well as the potential risks of writing the HS TECH Call Options (taking into account, among other things, the market situation such as the recent market developments or short-term shocks that could impact the stock market and the volatility of the Reference Index) being considered. "Back-month" HS TECH Call Options are those with longer time to maturity.

The Sub-Fund may also write weekly, out-of-the-money only, HS TECH Call Options, which are weekly contracts expiring at the end of each week with the shortest time to maturity, with factors including but not limited to the liquidity and bid-ask spread of the HS TECH Call Options, premium of the HS TECH Call Options as well as the potential risks of writing the HS TECH Call Options (taking into account, among other things, the market situation such as the recent market developments or short-term shocks that could impact the stock market and the volatility of the Reference Index) being considered.

The Manager may also "roll" the HS TECH Call Options prior to expiration (i.e. closing an existing HS TECH Call Option which is about to expire and write another HS TECH Call Option with a later expiration date). A call option expires on a designated date (the "expiration date"). In determining whether to roll the HS TECH Call Options, the Manager will consider various factors including but not limited to the liquidity and bid-ask spread of the HS TECH Call Options, premium of the HS TECH Call Options, the potential risks of rolling the HS TECH Call Options (taking into account, among other things, the market situation such as the recent market developments or short-term shocks that could impact the stock market and the volatility of the Reference Index) as well as whether such "rolling" is in the best interest of the investors. There is no guarantee that such rolling strategy will produce the desired results.

<u>Advantages and disadvantages of adopting a covered call strategy</u>

The objective of adopting a covered call strategy is to generate income and reduce potential loss against the downward market. Each time the Sub-Fund writes a HS TECH Call Option, the Sub-Fund receives a premium. If the value of the securities relating to the Reference Index held by the Sub-Fund declines, the premium that the Sub-Fund received for writing the HS TECH Call Option may reduce such loss to some extent.

However, the downside of adopting a covered call strategy is that the Sub-Fund's opportunity to profit from an increase in the level of the Reference Index is limited to the strike price of the HS TECH Call Options written, plus the premium received. In return for the premium, the Sub-Fund gives the purchaser of the HS TECH Call Options the right to receive a cash payment equal to any positive difference between the level of the Reference Index and the strike price of the HS TECH Call Options at expiry (the "cash payment at expiry"). Insofar as the Sub-Fund's Covered Call Exposure is concerned, during the tenor of the HS TECH Call Options, the Sub-Fund may not be able to benefit from any potential increases in the value of the Reference Index above the strike price of the HS TECH Call Options (i.e. the Sub-Fund may still be benefited from potential increases in the value of the Reference Index above the strike price of the HS TECH Call Options for the Sub-Fund's exposure to the Reference Index that exceeds the notional value of the HS TECH Call Options written). The purchaser may exercise the HS TECH Call Options at the strike price at expiry and as such, the Sub-Fund will be obligated to give the cash payment at expiry to the purchaser. The Sub-Fund will not benefit from any appreciation of the Reference Index beyond the strike price of the HS TECH Call Options and the cash payment at expiry to the purchaser may be more than the premium received if the positive difference between the level of the Reference Index and the strike price of the HS TECH Call Options is greater than the premium received. When the value of the securities relating to the Reference Index held by the Sub-Fund is rallying rapidly, the Sub-Fund is expected to underperform the Reference Index.

As the Sub-Fund seeks to write covered HS TECH Call Options to maintain the Covered Call Exposure, its ability to benefit from capital appreciation of the Reference Index is limited as a result. Please refer to the risk factor "Covered call option writing risk" below for further details.

For the avoidance of doubt, the Sub-Fund does not seek to track the Reference Index given its covered call strategy.

Margin requirements and other investments

In acquiring the HS TECH Futures and selling the HS TECH Call Options, the Manager anticipates that not more than 25% of the Net Asset Value of the Sub-Fund will be used as margin from time to time. Under exceptional circumstances (for instance, when there is increased margin requirement by the HKFE, the SEHK and/or brokers in extreme market turbulence), the margin exposure may increase substantially beyond 25% of the Net Asset Value of the Sub-Fund.

The Sub-Fund may invest in not more than 30% of its Net Asset Value in cash (HKD or USD) and/or other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and money market funds (which are authorised under Chapter 8.2 of the Code or eligible schemes under Chapter 7.11A of the Code) in accordance with the requirements of the Code. The Sub-Fund will invest not more than 30% of its Net Asset Value in such money market funds.

The Manager currently has no intention to invest the Sub-Fund in any financial derivative instruments (other than investing in the HS TECH Futures and writing the HS TECH Call Options) for hedging or non-hedging (i.e. investment) purposes and will not enter into sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter transactions. The Manager will seek the prior approval of the SFC (if required), and provide at least one month's prior notice to Shareholders before the Manager engages in any such investments.

Securities lending transactions

The Manager may, on behalf of the Sub-Fund, enter into securities lending transactions with a maximum level of up to 50% and expected level of approximately 20% of its net asset value and is able to recall the securities lent out at any time.

As part of the securities lending transactions, the Sub-Fund must receive cash and/or non-cash collateral of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included) valued on a daily basis. The collateral will be marked-to-market on a daily basis and will be subject to safekeeping by the Custodian or an agent appointed by the Custodian. Non-cash collateral received may not be sold, re-invested or pledged. Any re-investment of cash collateral received shall be subject to the requirements as set out in the Code. 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 investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in Part 1 of the Prospectus.

Please refer to https://www.globalxetfs.com.hk/ (this website has not been reviewed or approved by the SFC) for more information on the Sub-Fund's covered call strategy and the HS TECH Call Options written by the Sub-Fund.

Use of derivatives/ investment in derivatives

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

What are the key risks?

Investment involves risks. You may suffer substantial / total loss by investing in this Sub-Fund. Please refer to the Prospectus for details including the risk factors.

1. General 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. Equity market risk

- The Sub-Fund's and the Underlying 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, geopolitical and economic conditions and issuer-specific factors.

3. Active investment management risk

- The Sub-Fund employs an actively managed investment strategy. In addition to seeking to obtain exposure to the constituent equity securities in the Reference Index in substantially the same weightings as these securities have in the Reference Index through investing directly in constituent equity securities of the Reference Index and HS TECH ETF and long positions of HS TECH Futures, the Sub-Fund also writes call options on the Reference Index. For the avoidance of doubt, the Sub-Fund does not seek to track the Reference Index. The Sub-Fund may fail to meet its objective as a result of the implementation of investment process which may cause the Sub-Fund to underperform as compared to direct investments in the constituent equity securities of the Reference Index.

4. Covered call option writing risk

- The Sub-Fund adopts a covered call strategy which involves writing call options on the Reference Index. The market value of a HS TECH Call Option may be affected by an array of factors including but not limited to supply and demand, interest rates, the current market price of the Reference Index in relation to the strike price of the HS TECH Call Options, the actual or perceived volatility of the Reference Index and the time remaining until the expiration date. The Sub-Fund's ability to utilise HS TECH Call Options successfully will depend on the ability of the Manager to correctly predict future price fluctuations, which cannot be assured and are subject to market behaviour or unexpected events.
- In writing the covered HS TECH Call Options, Sub-Fund will receive a premium from purchasers and the premium income will vary depending on different factors. However, in the case of an increase in the market price of the constituent equity securities of the Reference Index, the Sub-Fund's opportunity to profit from such an increase is limited to the strike price of the HS TECH Call Options. In the event that the level of the Reference Index is on a continuous rise, the exercise of written HS TECH Call Options by purchasers could result in the Sub-Fund's existing long positions in HS TECH Equities, HS TECH Futures and/or HS TECH ETF being liquidated for settlement of cash payment at expiry of HS TECH Call Options, and subsequent long positions would need to be re-established at a higher market level, thereby limiting the quantity of HS TECH Equities, HS TECH Futures and/or HS TECH ETF in which the Sub-Fund will be able to invest and accordingly, the quantity of the HS TECH Call Options which may be written by the Sub-Fund will also decrease.
- On the other hand, the Sub-Fund will take an underlying long position in HS TECH Equities, HS TECH Futures and HS TECH ETF and, as the writer of the HS TECH Call Options which are covered by the underlying long positions, the Sub-Fund will continue to bear the risk of declines in the market value of the Reference Index. If a HS TECH Call Option expires and if there is a decline in the market value of the Reference Index during the option period, the premiums received by the Sub-Fund from writing the HS TECH Call Options may not be sufficient to offset the loss realised.
- In addition, the Sub-Fund's ability to sell the HS TECH Equities, HS TECH Futures and/or HS TECH ETF underlying the HS TECH Call Options will be limited in order to maintain the Covered Call Exposure unless the Sub-Fund cancels out its short positions in the written HS TECH Call Options by purchasing offsetting identical HS TECH Call Options prior to their expiry. There is no guarantee that such offsetting identical HS TECH Call Options will be available on terms favourable to the Sub-Fund or at all. Even if the Sub-Fund is able to cancel out its short positions in the written HS TECH Call Options in the manner as aforementioned, the Sub-Fund may still sustain a loss in selling the underlying HS TECH Equities, HS TECH Futures and/or HS TECH ETF in the event that the market value of the Reference Index declines.
- Also, the Sub-Fund may write HS TECH Call Options over an exchange or in the OTC market. The HS TECH Call Options in the OTC markets may not be as liquid as exchange-listed options. There may be a limited number of counterparties which are willing to enter into HS TECH Call Options as purchasers or the Sub-Fund may find the terms of such counterparties to be less favorable than the terms available for listed options. Moreover, the SEHK may suspend the trading of options in volatile markets. If trading is suspended, the Sub-Fund may not be able to write HS TECH Call Options at times that may be desirable or advantageous to do so.

5. Futures contracts risk

- *Market risk:* The use of futures contracts involves risks that are potentially greater than the risks of investing directly in securities and other more traditional assets. Although the HS TECH Futures market is relatively developed, the Sub-Fund is subject to a potential risk that it may not be able to terminate or sell positions. A liquid secondary market may not always exist for the Sub-Fund's positions at times when the Sub-Fund wishes to terminate or sell such positions.
- *Volatility risk:* The price of HS TECH Futures can be highly volatile and is influenced by, among other things, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and changing investor confidence in future fluctuations in the price of the Reference Index.
- *Leverage risk:* Typically, a futures trading account has a high degree of leverage, due to the low margin deposits that are normally required in futures trading. Consequently, a small price movement in HS TECH Futures may bring proportionally substantial impacts on and material losses to the Sub-Fund, which may

materially and adversely impact its Net Asset Value. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested by the Sub-Fund.

- *Negative roll yields and "contango" risk*: Excluding other considerations, if the market for HS TECH Futures is in a "contango" market, i.e. the prices are higher in the distant delivery months than in the nearer delivery months, the sale of the HS TECH Futures would take place at a price that is lower than the price of the contract which such HS TECH Futures will be rolled to. Accordingly sale proceeds from selling existing HS TECH Futures when rolling will not be sufficient to purchase the same number of contracts with later expiration date which have a higher price, thereby creating a negative "roll yield". By contrast, if the market for these contracts is in "backwardation", i.e. the prices of the HS TECH Futures with later expiration dates are lower than the prices of HS TECH Futures with earlier expiration dates, the sale of the current contracts would take place at a price that is higher than the price of the contracts with later expiration date, thereby creating a positive "roll yield". Contango or backwardation could last for an undetermined period of time. The presence of contango in the market for HS TECH Futures could result in negative "roll yields," which could adversely affect the Net Asset Value of the Sub-Fund. The impact of contango on the Sub-Fund's performance may be greater than it would have been if the Sub-Fund rolled HS TECH Futures less frequently. Investors should note that save for the transaction cost incurred, "rolling" in itself is not a loss or return-generating event. The roll yield is typically realised over time.

6. Margin requirement risk

- Investing in HS TECH Futures and writing HS TECH Call Options generally involve the posting of margin. Additional funds may need to be posted as margin to meet margin calls based upon daily marking to market of the HS TECH Futures and the HS TECH Call Options. Increases in the amount of margin or similar payments may result in the need for the Sub-Fund to liquidate its investments at unfavourable prices in order to meet margin calls. If the Sub-Fund is unable to meet its investment objective as a result of margin requirements imposed by the HKFE, the SEHK and/or the Sub-Fund’s brokers, the Sub-Fund may experience significant losses which may exceed the amount of the Sub-Fund’s initial investment, and the investors may suffer substantial or total loss of their own investments.

7. Failure of clearing house risk

- HS TECH Futures and HS TECH Call Options are registered, cleared and guaranteed by the HKFE Clearing Corporation. In the event of the bankruptcy of the 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 applicable laws. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt clearing house if the 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.

8. Holding of HS TECH Futures restriction in number risk

- The positions of futures contracts or stock options contracts held or controlled by the Manager, including positions held for the Manager’s own account or for the funds under its management (such as the Sub-Fund) but controlled by the Manager, may not in aggregate exceed the relevant maximum under the Securities and Futures (Contracts Limits and Reportable Positions) Rules (the “Rules”). Accordingly, if the position held or controlled by the Manager reaches the relevant position limit or if the Net Asset Value of the Sub-Fund grows significantly, the restrictions under the Rules may prevent creations of additional Shares due to the inability of the Sub-Fund to acquire further HS TECH Futures. This may cause a divergence between the trading price of a Share on the SEHK and the Net Asset Value per Share. In the event that the relevant position limit is reached or is closed to being reached, the Manager will evaluate its existing positions and consider partially or fully closing out certain positions, or obtain exposure to the Reference Index through investment in HS TECH Equities or HS TECH ETF.

9. Concentration risk

- The Sub-Fund and the Underlying Fund are subject to concentration risk as a result of tracking the performance of securities incorporated in, or with the majority of revenue derived from, or with a principal place of business in, the Greater China region. The Sub-Fund and the Underlying Fund may likely be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations resulting from adverse conditions in a single region.
- In addition, to the extent that the constituent securities of the Reference Index are concentrated in Hong Kong listed securities of a particular sector or market (i.e., technology), the investments of the Sub-Fund and the Underlying Fund may be similarly concentrated. The value of the Sub-Fund and the Underlying Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Sub-Fund and the Underlying Fund may be more susceptible to adverse conditions in such particular market/sector.

10. Risks related to companies with a technology theme

- The Sub-Fund's and the Underlying Fund's investments are concentrated in companies with a technology theme. Many of the companies with a high business exposure to a technology theme have a relatively short operating history. Technology companies are often characterised by relatively higher volatility in price performance when compared to other economic sectors. Companies in the technology sector also face intense competition, and there may also be substantial government intervention, which may have an adverse effect on profit margins. Rapid changes could render obsolete the products and services offered by these companies. 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.
- The Sub-Fund and the Underlying Fund may be exposed to risks associated with different technology sectors and themes (including industries, consumer discretionary, healthcare, financials, information technology, internet (including mobile), fintech, cloud, e-commerce, or digital). A downturn in the business for companies in these sectors or themes may have adverse effects on the Sub-Fund and the Underlying Fund.

11. Risks of investing in the Underlying Fund

- The Sub-Fund, through its substantial investment in the Underlying Fund, will be subject to the risks applicable to the Underlying Fund. The Underlying Fund is passively managed. The manager of the Underlying Fund does not have any discretion to select stock individually or to take defensive positions in declining markets. Hence, any fall in the Reference Index will result in a fall in the value of the Underlying Fund, and a fall in the value of the Sub-Fund. The Underlying Fund may be subject to tracking error risk, which is the risk that its performance may not track that of the Reference Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The manager of the Underlying Fund will monitor and seek to manage such risk in minimising tracking error, but there can be no assurance of exact or identical replication at any time of the performance of the Reference Index.
- Furthermore, there can be no assurance that the Underlying Fund's investment objectives and strategies will be successfully achieved or that the performance of the Underlying Fund will be identical to the performance of the Reference Index particularly on a day-to-day basis. In addition, there can be no assurance that the Underlying Fund will always have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made. There could also be trading suspension of the Underlying Fund in the secondary market. These factors may have an adverse impact on the Sub-Fund and its investors.
- In addition to the expenses and charges charged by the Sub-Fund, investors should note that there may be additional fees involved when investing into the Underlying Fund. No subscription fee, redemption fee and management fee at the Underlying Fund level may be levied on the Sub-Fund in respect of its investment in the Underlying Fund.

12. Reliance on the same operators risk / Potential conflicts of interest risk

- Some of the operators of the Sub-Fund are also operators of the Underlying Fund. In the event of a financial catastrophe or the insolvency of any such operator, it could affect the provision of services to both the Sub-Fund and the Underlying Fund. In such an event, the operations of both the Sub-Fund and the Underlying Fund could be disrupted and the value of both the Sub-Fund and the Underlying Fund may be adversely affected.
- As the Sub-Fund invests in the Underlying Fund which is also managed by the Manager, potential conflicts of interest may arise. The Manager will use its best endeavours to avoid and resolve such conflicts fairly.

13. Risks of investing in other collective investment schemes

- Collective investment schemes (other than the Underlying Fund) in which the Sub-Fund may invest may not be regulated by the SFC. There will be additional costs involved when investing into these underlying schemes. There can be no assurance that an underlying scheme's investment strategy will be successful or that its investment objective will be achieved. There is also no guarantee that the underlying schemes will always have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made.

14. Securities lending transactions risks

- The borrower may fail to return the securities in a timely manner or at all. The Sub-Fund and the Underlying Fund may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the Sub-Fund's and the Underlying Fund's ability in meeting delivery or payment obligations from redemption requests.
- As part of the securities lending transactions, the Sub-Fund and the Underlying Fund must receive cash collateral of at least 100% of the valuation of the securities lent valued on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the securities lent or change of value of securities lent. This may cause significant losses to the Sub-Fund and the Underlying Fund.
- By undertaking securities lending transactions, the Sub-Fund and the Underlying Fund are exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the Sub-Fund's and the Underlying Fund's ability in meeting delivery or payment obligations from redemption requests.

15. Differences in dealing arrangements between Listed and Unlisted Classes of Shares risk

- Investors of Listed Class of Shares and Unlisted Classes of Shares are subject to different pricing and dealing arrangements. The Net Asset Value per Share of each of the Listed Class of Shares and Unlisted Classes of Shares may be different due to different fees and cost applicable to each class. The trading hours of the SEHK applicable to the Listed Class of Shares in the secondary market and the dealing deadlines in respect of the Unlisted Classes of Shares are also different.
- Shares of the Listed Class of Shares are traded on the stock exchange on an intraday basis at the prevailing market price (which may diverge from the corresponding Net Asset Value), while Shares of the Unlisted Classes of Shares are sold through intermediaries based on the dealing day-end Net Asset Value and are dealt at a single valuation point with no access to intraday liquidity in an open market. Depending on market conditions, investors of the Listed Class of Shares may be at an advantage or disadvantage compared to investors of the Unlisted Classes of Shares.
- In a stressed market scenario, investors of the Unlisted Classes of Shares could redeem their Shares at Net Asset Value while investors of the Listed Class of Shares in the secondary market could only redeem at the prevailing market price (which may diverge from the corresponding Net Asset Value) and may have to exit the Sub-Fund at a significant discount. On the other hand, investors of the Listed Class of Shares could sell their Shares on the secondary market during the day thereby crystallising their positions while investors of the Unlisted Classes of Shares could not do so in a timely manner until the end of the day.

16. Differences in cost mechanisms between Listed and Unlisted Classes of Shares risk

- Investors should note that different cost mechanisms apply to Listed Class of Shares and Unlisted Classes of Shares. For Listed Class of Shares, the transaction fee and duties and charges in respect of creation and redemption applications are paid by the participating dealers applying for or redeeming such Shares and/or the Manager. Investors of Listed Class of Shares in the secondary market will not bear such transaction fees and duties and charges (but for the avoidance of doubt, may bear other fees, such as SEHK trading fees).
- On the other hand, the subscription and redemption of Unlisted Classes of Shares may be subject to a subscription fee and redemption fee, respectively, which will be payable to the Manager by the investor subscribing or redeeming. In addition, in order to protect the interests of all Shareholders of Unlisted Classes of Shares, in the event of substantial net subscriptions or net redemptions of an Unlisted Class of Shares of the Sub-Fund and/or exceptional market circumstances, in addition to the Subscription Price and/or Redemption Price, the Manager may (in its absolute discretion and taking into account the best interests of the Shareholders) impose a fiscal charge to account for the impact of the related costs.
- Any or all of these factors may lead to a difference in the Net Asset Value of the Listed Class of Shares and the Unlisted Classes of Shares.

17. Trading risks

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

18. Trading hours differences risks

- The HKFE and the SEHK have different trading hours. As the HKFE may be open when Shares in the Sub-Fund are not priced, the value of the HS TECH Futures in the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund's Shares. As a result, the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher.

19. Termination risk

- The Sub-Fund / Underlying Fund may be terminated early under certain circumstances, for example, if the Net Asset Value of the Sub-Fund / net asset value of the Underlying Fund is less than HK$50,000,000 (or its equivalent in the Sub-Fund's / Underlying Fund's base currency). Investors may not be able to recover their investments and suffer a loss when the Sub-Fund / Underlying Fund is terminated.

20. 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 Shares, and that at least one Market Maker gives not less than three months' notice prior to terminating market making arrangement under the relevant market maker agreement, liquidity in the market for Shares may be adversely affected if there is no or only one Market Maker for the Shares. There is also no guarantee that any market making activity will be effective.

21. Distributions paid out of capital / effectively out of capital risk

- Payments 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 such distributions may result in an immediate reduction in the Net Asset Value per Share of the Sub-Fund and will reduce the capital available for future investment.

How has the Sub-Fund performed?

Since the Sub-Fund is newly set up, there is insufficient data available to provide a useful indication of past performance to investors.

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 SEHK

Fee	What you pay
Brokerage fee	Market rates
Transaction levy	0.0027%[1] of the trading price
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015%[2] of the trading price
Trading fee	0.00565%[3] of the trading price
Stamp duty	Nil

[1] Transaction levy of 0.0027% of the trading price of the Shares, payable by each of the buyer and the seller.
[2] AFRC transaction levy of 0.00015% of the trading price of the Shares, payable by each of the buyer and the seller.
[3] Trading fee of 0.00565% of the trading price of the Shares, 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 Net Asset Value of the Sub-Fund which may affect the trading price.

	Annual rate (as a % of the Sub-Fund's Net Asset Value)
Management fee *	Currently 0.75% per annum
Custodian fee	Included in the Single Management Fee (as defined below)
Performance fee	Not applicable
Administration fee	Not applicable
Sub-Custodian fee	Included in the Single Management Fee
Registrar fee	Included in the Single Management Fee

** The management fee is a single flat fee, payable out of the assets of the Sub-Fund, to cover all of the fees, costs and expenses associated with the Sub-Fund (and its due proportion of any costs and expenses of the Company allocated to it) (the "Single Management Fee"). As the Single Management Fee is a single fixed rate, the ongoing charges figure of the Sub-Fund will be equal to the Single Management Fee. Any costs, fees and expenses associated with the Sub-Fund exceeding the Single Management Fee shall be borne by the Manager and shall not be charged to the Sub-Fund. For the avoidance of doubt, the Single Management Fee does not include (to the extent not included in the operational fees as set out in the Prospectus) brokerage and transaction costs such as the fees and charges relating to the investment and realisation of investments of the Sub-Fund and extraordinary items such as litigation expenses.*

Please note the Single Management Fee may be increased up to a permitted maximum level by providing one month's prior notice to Shareholders. Please refer to the section headed "Fees and Expenses" of the Prospectus for details.

Other fees

You may have to pay other fees when dealing in the Shares of the Sub-Fund. Please refer to the Prospectus for details.

Additional information

You can find the following information relating to the Sub-Fund (in English and Chinese) at the following website at https://www.globalxetfs.com.hk/ (which has not been reviewed or approved by the SFC):

- The Prospectus including this Product Key Facts Statement (as revised from time to time)
- The latest annual financial reports and interim half yearly unaudited financial reports (in English only)
- Any notices relating to material changes to the Sub-Fund which may have an impact on its investors such as material alterations or additions to the Prospectus (including this Product Key Facts Statement) or the constitutive documents of the Company and/or the Sub-Fund
- Any public announcements made by the Manager in respect of the Sub-Fund, including information with regard to the Sub-Fund, the suspension of the creations and redemptions of Shares, the suspension of the calculation of the Net Asset Value, the changes in fees and the suspension and resumption of trading in its Shares
- The near real time indicative Net Asset Value per Share of the Sub-Fund in HKD (updated every 15 second throughout each Dealing Day)
- The last Net Asset Value of the Sub-Fund in HKD only and the last Net Asset Value per Share of the Sub-Fund in HKD only (updated on a daily basis on each Dealing Day)
- The past performance information of both the Listed Class of Shares and Unlisted Classes of Shares of the Sub-Fund
- The ongoing charges of both the Listed Class of Shares and Unlisted Classes of Shares of the Sub-Fund
- The full portfolio information of the Sub-Fund (updated on a daily basis), including details of the HS TECH Call Options written by the Sub-Fund
- The latest list of the Participating Dealers and Market Makers for the Sub-Fund
- The composition of distributions (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital), if any, for a 12-month rolling period
- The proxy voting policy of the Manager
- A “performance simulator” which simulates the potential performance of the Sub-Fund based on its holdings
- Additional information on the Sub-Fund’s covered call strategy

Please refer to the Prospectus for details.

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.

The Company has been registered with the SFC as an open-ended fund company. The Company and the Sub-Fund have been authorised as collective investment schemes by the SFC. SFC registration and authorisation do not represent a recommendation or endorsement of the Company or the Sub-Fund nor do they guarantee the commercial merits of the Company, the Sub-Fund or their performance. They do not mean the Company or the Sub-Fund is suitable for all investors nor do they represent an endorsement of their suitability for any particular investor or class of investors.