

SAMSUNG HSI DAILY (2X) LEVERAGED  
PRODUCT (Stock code: 7205)  
SAMSUNG HSI DAILY (-1X) INVERSE  
PRODUCT ((Stock Code: 7312)  
SAMSUNG HSCEI DAILY (2X) LEVERAGED  
PRODUCT (Stock Code: 7228)  
SAMSUNG HSCEI DAILY (-1X) INVERSE  
PRODUCT (Stock Code: 7328)  
(SUB-FUNDS OF SAMSUNG LEVERAGED AND  
INVERSE INVESTMENT PRODUCT SERIES)

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Reports and Financial Statements  
For the year ended 31 March 2019

SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT  
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT  
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT  
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

MANAGEMENT AND ADMINISTRATION

**MANAGER**

Samsung Asset Management (Hong Kong)  
Limited  
4513-14, Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

**DIRECTORS OF THE MANAGER**

CHOI Sungjin  
HONG Eui Suk  
KIM Yousang

**INVESTMENT ADVISER**

Samsung Asset Management Co., Limited  
17th Fl., Samsung Electronics Bldg  
11 Seocho-daero 74-gil, Seocho-gu  
Seoul 06620  
South Korea

**SERVICE AGENT**

HK Conversion Agency Services Limited  
8/F, Two Exchange Square  
8 Connaught Place Central  
Hong Kong

**TRUSTEE AND REGISTRAR**

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

**AUDITOR**

Deloitte Touche Tohmatsu  
35/F, One Pacific Place  
88 Queensway  
Hong Kong

**LISTING AGENT**

Altus Capital Limited  
21 Wing Wo Street  
Central  
Hong Kong

**PARTICIPATING DEALERS**

*Please refer to the Manager's website  
([www.samsungetf.com.hk](http://www.samsungetf.com.hk)) for the latest lists of Market Makers  
and Participating Dealers for each of the Sub-Funds of  
Samsung Leveraged and Inverse Investment Product Series*

SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT  
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT  
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT  
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS

The Samsung Leveraged and Inverse Investment Product Series (the "Trust") is an umbrella unit trust established under Hong Kong law by a trust deed dated 27 May 2016 ("the Trust Deed") between Samsung Asset Management (Hong Kong) Limited ("the Manager") and HSBC Institutional Trust Services (Asia) Limited ("the Trustee"). The Trust has a number of sub-funds (the "Products" or individually a "Product") which are products traded on the exchange.

**SAMSUNG HSI Daily (2x) Leveraged Product**

Samsung HSI Daily (2x) Leveraged Product (the "Product") is a sub-fund of Samsung Leveraged and Inverse Investment Product Series, an umbrella unit trust established under Hong Kong law. Units of the Product ("Units") are listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). These Units are traded on the SEHK like listed stocks. It is a futures-based product which invests directly in futures contracts on the Hang Seng Index traded on the Hong Kong Futures Exchange Limited (HSI Futures Contracts) so as to give the Product twice (2x) the daily performance of the Hang Seng Index.

As at 31 March 2019, net asset value per unit of the Sub-fund was HKD 8.9584, and there were 18,900,000 units outstanding. The net asset value was HKD 169,314,671.

**SAMSUNG HSI Daily (-1x) Inverse Product**

Samsung HSI Daily (-1x) Inverse Product (the "Product") is a sub-fund of Samsung Leveraged and Inverse Investment Product Series, an umbrella unit trust established under Hong Kong law. Units of the Product ("Units") are listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). These Units are traded on the SEHK like listed stocks. It is a futures-based product which invests directly in futures contracts on the Hang Seng Index traded on the Hong Kong Futures Exchange Limited (HSI Futures Contracts) so as to give the Product the inverse (-1x) daily performance of the Hang Seng Index.

As at 31 March 2019, net asset value per unit of the Sub-fund was HKD 4.3910, and there were 22,500,000 units outstanding. The net asset value was HKD 98,797,590.

SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT  
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT  
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT  
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS - continued

**SAMSUNG HSCEI Daily (2x) Leveraged Product**

Samsung HSCEI Daily (2x) Leveraged Product (the "Product") is a sub-fund of Samsung Leveraged and Inverse Investment Product Series, an umbrella unit trust established under Hong Kong law. Units of the Product ("Units") are listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). These Units are traded on the SEHK like listed stocks. It is a futures-based product which invests directly in futures contracts on the Hang Seng China Enterprises Index traded on the Hong Kong Futures Exchange Limited (HSCEI Futures Contracts) so as to give the Product twice (2x) the daily performance of the Hang Seng China Enterprises Index.

As at 31 March 2019, net asset value per unit of the Sub-fund was HKD 7.3744, and there were 31,800,000 units outstanding. The net asset value was HKD 234,506,332.

**SAMSUNG HSCEI Daily (-1x) Inverse Product**

Samsung HSCEI Daily (-1x) Inverse Product (the "Product") is a sub-fund of Samsung Leveraged and Inverse Investment Product Series, an umbrella unit trust established under Hong Kong law. Units of the Product ("Units") are listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). These Units are traded on the SEHK like listed stocks. It is a futures-based product which invests directly in futures contracts on the Hang Seng China Enterprises Index traded on the Hong Kong Futures Exchange Limited (HSCEI Futures Contracts) so as to give the Product the inverse (-1x) daily performance of the Hang Seng China Enterprises Index.

As at 31 March 2019, net asset value per unit of the Sub-fund was HKD 4.7148, and there were 21,300,000 units outstanding. The net asset value was HKD 100,425,200.

For and on behalf of  
Samsung Asset Management (Hong Kong) Limited

31 July 2019

SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT  
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT  
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT  
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

REPORT OF THE TRUSTEE

TO THE UNITHOLDERS OF  
SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT,  
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT,  
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT,  
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

We hereby confirm that, in our opinion, the Manager of the Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product (collectively referred to as the "Sub-Funds") has, in all material respects, managed the Sub-Funds in accordance with the provisions of the trust deed dated 27 May 2016, for the year ended 31 March 2019.

For and on behalf of  
HSBC Institutional Trust Services (Asia) Limited

31 July 2019

SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT  
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT  
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT  
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER'S RESPONSIBILITIES

The Manager of the Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product (collectively referred to as the "Sub-Funds") is required by the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission and the trust deed dated 27 May 2016 (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of each of the Sub-Funds at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that each of Sub-Funds will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage each of the Sub-Funds in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities in relation to each of the Sub-Funds.

Samsung Leveraged and Inverse Investment Product Series (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 March 2019, the Trust has established with four sub-funds, namely Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product.

TRUSTEE'S RESPONSIBILITIES

The Trustee of the Sub-Funds is required to:

- ensure that each of the Sub-Funds in all material respects are managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of each of the Sub-Funds and rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not managing each of the Sub-Funds in accordance with the Trust Deed.



## INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF  
SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT,  
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT,  
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT,  
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT  
PRODUCT SERIES)

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### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product (collectively referred to as the "Sub-Funds"), sub-funds of Samsung Leveraged and Inverse Investment Product Series (the "Trust"), set out on pages 11 to 53, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of each of the Sub-Funds of the Trust as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of each of the Sub-Funds of the Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF  
SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT,  
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT,  
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT,  
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT  
PRODUCT SERIES) - continued

### Report on the Audit of the Financial Statements - continued

#### Key Audit Matters - continued

Key audit matter	How our audit addressed the key audit matter
<b><i>Existence, completeness and valuation of derivative financial assets and liabilities</i></b>	
<p>We identified the existence, completeness and valuation of derivative financial assets and liabilities as a key audit matter due to the financial risks of futures contracts.</p> <p>As described in notes 6 and 12 to the financial statements, the Sub-Funds' derivative financial assets and liabilities as at 31 March 2019 were mainly comprised of futures contracts traded in futures exchange markets.</p>	<p>Our procedures in relation to existence, completeness and valuation of derivative financial assets and liabilities included:</p> <ul style="list-style-type: none"><li>• Checking the details of the derivative financial assets and liabilities against the independent confirmations from the broker; and</li><li>• Checking the fair values of derivative financial assets and liabilities to independent and publicly available pricing sources.</li></ul>

#### Other Information

The Manager and the Trustee of the Sub-Funds are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements of each of the Sub-Funds of the Trust does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF  
SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT,  
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT,  
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT,  
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT  
PRODUCT SERIES) \_\_\_\_\_ - continued

### **Report on the Audit of the Financial Statements** - continued

#### **Responsibilities of Manager, Trustee and Those Charged with Governance for the Financial Statements**

The Manager and the Trustee of the Sub-Funds are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and Trustee of the Sub-Funds are responsible for assessing the ability of each of the Sub-Funds of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and Trustee either intend to liquidate each of the Sub-Funds of the Trust or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing each of the Sub-Funds' financial reporting process.

In addition, the Manager and the Trustee of the Sub-Funds are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 27 May 2016 (the "Trust Deed") and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds (the "SFC Code") issued by the Hong Kong Securities and Futures Commission.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Chapter 5 of Section II of the SFC Code, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF  
SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT,  
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT,  
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT,  
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT  
PRODUCT SERIES) - continued

### **Report on the Audit of the Financial Statements** - continued

#### **Auditor's Responsibilities for the Audit of the Financial Statements** - continued

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Sub-Funds of the Trust.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.
- Conclude on the appropriateness of the Manager's and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the each of the Sub-Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause each of the Sub-Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF  
SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT,  
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT,  
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT,  
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT  
PRODUCT SERIES) \_\_\_\_\_ - continued

**Report on the Audit of the Financial Statements** - continued

**Auditor's Responsibilities for the Audit of the Financial Statements** - continued

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the Relevant Disclosure Provisions of Appendix E of the SFC Code**

In our opinion, the financial statements of each of the Sub-Funds of the Trust have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the Appendix E of the SFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Tong, Mei Yin.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
31 July 2019

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019**

	NOTES	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT		SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT	
		2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Derivative financial assets	6, 12	3,691,450	-	-	3,586,053
Interest receivable		513,932	159,175	263,678	103,789
Due from a broker	7	28,472,472	49,926,579	7,469,334	11,860,477
Prepayments		6,890	-	6,890	-
Other receivables		14,219	14,219	14,219	14,219
Money market fixed deposits		125,000,000	136,000,000	70,000,000	107,000,000
Bank balances		11,696,611	23,409,169	22,146,196	34,015,492
<b>Total assets</b>		<b>169,395,574</b>	<b>209,509,142</b>	<b>99,900,317</b>	<b>156,580,030</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Derivative financial liabilities	6, 12	-	9,744,847	1,070,400	-
Management fee payable	4	95,319	108,388	49,397	69,557
Trustee fee payable	4	25,383	20,730	20,308	14,743
Accrued expenses and other payables		246,425	189,701	248,846	196,420
<b>Total liabilities</b>		<b>367,127</b>	<b>10,063,666</b>	<b>1,388,951</b>	<b>280,720</b>
<b>Net assets attributable to unitholders</b>		<b>169,028,447</b>	<b>199,445,476</b>	<b>98,511,366</b>	<b>156,299,310</b>
Representing:					
Total number of units in issue	10	18,900,000	20,700,000	22,500,000	34,800,000
Net assets value per unit	10	8.9433	9.6350	4.3783	4.4914

# As defined in note 1 to the financial statements

The financial statements on pages 11 to 53 were approved by the Manager and the Trustee on 31 July 2019 and were signed on their behalf by:

\_\_\_\_\_  
MANAGER  
SAMSUNG ASSET MANAGEMENT  
(HONG KONG) LIMITED

\_\_\_\_\_  
TRUSTEE  
HSBC INSTITUTIONAL TRUST  
SERVICES (ASIA) LIMITED

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#**

**STATEMENT OF FINANCIAL POSITION - continued  
AS AT 31 MARCH 2019**

	NOTES	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT		SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT	
		2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Derivative financial assets	6, 12	2,346,003	-	-	2,556,100
Interest receivable		450,068	173,308	347,874	100,362
Due from a broker	7	37,818,925	59,049,808	7,502,934	9,645,802
Due from a unitholder		5,258,682	7,874,712	1,414,470	-
Prepayments		6,890	-	6,890	-
Other receivables		14,219	14,219	14,219	14,219
Money market fixed deposits		165,000,000	160,000,000	75,000,000	78,000,000
Bank balances		23,719,565	25,623,628	16,685,279	27,867,910
<b>Total assets</b>		<b>234,614,352</b>	<b>252,735,675</b>	<b>100,971,666</b>	<b>118,184,393</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Derivative financial liabilities	6, 12	-	10,630,752	515,150	-
Management fee payable	4	107,989	122,189	42,931	48,061
Trustee fee payable	4	28,709	24,201	20,084	10,774
Accrued expenses and other payables		257,546	199,321	254,525	200,480
<b>Total liabilities</b>		<b>394,244</b>	<b>10,976,463</b>	<b>832,690</b>	<b>259,315</b>
<b>Net assets attributable to unitholders</b>		<b>234,220,108</b>	<b>241,759,212</b>	<b>100,138,976</b>	<b>117,925,078</b>
<b>Representing:</b>					
Total number of units in issue	10	31,800,000	29,100,000	21,300,000	24,900,000
Net assets value per unit	10	7.3654	8.3079	4.7014	4.7359

# As defined in note 1 to the financial statements

The financial statements on pages 11 to 53 were approved by the Manager and the Trustee on 31 July 2019 and were signed on their behalf by:

\_\_\_\_\_  
MANAGER  
SAMSUNG ASSET MANAGEMENT  
(HONG KONG) LIMITED

\_\_\_\_\_  
TRUSTEE  
HSBC INSTITUTIONAL TRUST  
SERVICES (ASIA) LIMITED

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES<sup>#</sup>**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019**

	NOTES	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT		SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT	
		2019	2018 <sup>1</sup>	2019	2018 <sup>1</sup>
		HK\$	HK\$	HK\$	HK\$
REVENUE					
Bank interest income		1,526,742	483,397	1,017,807	375,397
TRADING AND OTHER GAINS AND LOSSES					
Net (loss) gain on derivative financial instruments		(14,959,100)	79,603,857	1,671,450	(35,121,798)
Net foreign exchange loss		(72)	(144)	(72)	(144)
		<u>(14,959,172)</u>	<u>79,603,713</u>	<u>1,671,378</u>	<u>(35,121,942)</u>
EXPENSES, NET OF REIMBURSEMENT BY MANAGER					
Management fee	4	(1,138,281)	(1,205,139)	(723,093)	(906,791)
Trustee fee	4	(217,930)	(222,487)	(143,760)	(167,407)
Safe custody and bank charges		(200)	-	(200)	(890)
Establishment costs		-	(485,287)	-	(485,287)
Audit fee		(87,500)	(90,000)	(87,500)	(90,000)
Accounting and professional fees	4	(70,200)	(70,200)	(70,200)	(70,200)
Listing fees		(15,000)	(20,281)	(15,000)	(20,281)
Brokerage and other transaction fees		(253,615)	(287,165)	(100,740)	(128,455)
Interest expense, net		(129,214)	(158,960)	(39,667)	(59,710)
Other operating expenses		(483,869)	(396,035)	(486,109)	(396,514)
		<u>(2,395,809)</u>	<u>(2,935,554)</u>	<u>(1,666,269)</u>	<u>(2,325,535)</u>
(LOSS) PROFIT AND TOTAL COMPREHENSIVE (EXPENSE) INCOME FOR THE YEAR/ PERIOD REPRESENTING CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS RESULTING FROM OPERATIONS		<u>(15,828,239)</u>	<u>77,151,556</u>	<u>1,022,916</u>	<u>(37,072,080)</u>

<sup>#</sup> As defined in note 1 to the financial statements

<sup>1</sup>for the period from 10 March 2017 (date of commencement of operations) to 31 March 2018



**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES<sup>#</sup>**

**STATEMENT OF COMPREHENSIVE INCOME - continued  
FOR THE YEAR ENDED 31 MARCH 2019**

	NOTES	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT		SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT	
		2019 HK\$	2018 <sup>1</sup> HK\$	2019 HK\$	2018 <sup>1</sup> HK\$
REVENUE					
Bank interest income		1,922,622	550,515	1,134,726	367,267
TRADING AND OTHER GAINS AND LOSSES					
Net (loss) gain on derivative financial instruments		(28,458,495)	63,073,660	4,812,901	(26,697,744)
Net foreign exchange loss		(72)	(144)	(72)	(144)
		<u>(28,458,567)</u>	<u>63,073,516</u>	<u>4,812,829</u>	<u>(26,697,888)</u>
EXPENSES, NET OF REIMBURSEMENT BY MANAGER					
Management fee	4	(1,408,366)	(1,405,345)	(771,573)	(873,061)
Trustee fee	4	(266,471)	(259,448)	(152,756)	(161,180)
Safe custody and bank charges		(200)	-	(200)	-
Establishment costs		-	(485,287)	-	(485,286)
Audit fee		(87,500)	(90,000)	(87,500)	(90,000)
Accounting and professional fees	4	(70,200)	(70,200)	(70,200)	(70,200)
Listing fees		(15,000)	(20,281)	(15,000)	(20,281)
Brokerage and other transaction fees		(666,728)	(697,614)	(213,373)	(249,162)
Interest expense, net		(155,425)	(185,070)	(38,966)	(59,727)
Other operating expenses		(485,149)	(396,674)	(484,509)	(396,354)
Reimbursement of expenses	4	-	-	-	40,000
		<u>(3,155,039)</u>	<u>(3,609,919)</u>	<u>(1,834,077)</u>	<u>(2,365,251)</u>
(LOSS) PROFIT AND TOTAL COMPREHENSIVE (EXPENSE) INCOME FOR THE YEAR/ PERIOD REPRESENTING CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS RESULTING FROM OPERATIONS		<u>(29,690,984)</u>	<u>60,014,112</u>	<u>4,113,478</u>	<u>(28,695,872)</u>

<sup>#</sup> As defined in note 1 to the financial statements

<sup>1</sup>for the period from 10 March 2017 (date of commencement of operations) to 31 March 2018

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES<sup>#</sup>**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE YEAR ENDED 31 MARCH 2019**

		SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY (-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
	<u>NOTE</u>	HK\$	HK\$	HK\$	HK\$
Balance at 10 March 2017 (date of commencement of operations)		-	-	-	-
Profit (loss) and total comprehensive income (expense) for the period		77,151,556	(37,072,080)	60,014,112	(28,695,872)
Subscription of units	10	234,598,140	278,281,560	292,125,810	249,785,100
Redemption of units	10	(112,304,220)	(84,910,170)	(110,380,710)	(103,164,150)
		122,293,920	193,371,390	181,745,100	146,620,950
Balance as at 31 March 2018		199,445,476	156,299,310	241,759,212	117,925,078
(Loss) profit and total comprehensive (expense) income for the year		(15,828,239)	1,022,916	(29,690,984)	4,113,478
Subscription of units	10	55,145,190	75,305,940	106,748,850	58,694,940
Redemption of units	10	(69,733,980)	(134,116,800)	(84,596,970)	(80,594,520)
		(14,588,790)	(58,810,860)	22,151,880	(21,899,580)
Balance at 31 March 2019		169,028,447	98,511,366	234,220,108	100,138,976

# As defined in note 1 to the financial statements

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES<sup>#</sup>**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019**

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT		SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT	
	2019 HK\$	2018 <sup>1</sup> HK\$	2019 HK\$	2018 <sup>1</sup> HK\$
<b>OPERATING ACTIVITIES</b>				
(Loss) profit and total comprehensive (expense) income for the year/period	(15,828,239)	77,151,556	1,022,916	(37,072,080)
Adjustments for:				
Bank interest income	(1,526,742)	(483,397)	(1,017,807)	(375,397)
Interest expense	129,214	158,960	39,667	59,710
Operating cash flows before movements in working capital	(17,225,767)	76,827,119	44,776	(37,387,767)
(Increase) decrease in derivative financial assets	(3,691,450)	-	3,586,053	(3,586,053)
Increase in prepayments	(6,890)	-	(6,890)	-
Decrease (increase) in due from a broker	21,454,107	(49,926,579)	4,391,143	(11,860,477)
Increase in other receivables	-	(14,219)	-	(14,219)
Decrease (increase) in money market fixed deposits	11,000,000	(136,000,000)	37,000,000	(107,000,000)
(Decrease) increase in derivative financial liabilities	(9,744,847)	9,744,847	1,070,400	-
(Decrease) increase in management fee payable	(13,069)	108,388	(20,160)	69,557
Increase in trustee fee payable	4,653	20,730	5,565	14,743
Increase in accrued expenses and other payables	56,724	189,701	52,426	196,420
Cash from (used in) operations	1,833,461	(99,050,013)	46,123,313	(159,567,796)
Bank interest received	1,171,985	324,222	857,918	271,608
Interest paid	(129,214)	(158,960)	(39,667)	(59,710)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>2,876,232</b>	<b>(98,884,751)</b>	<b>46,941,564</b>	<b>(159,355,898)</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from subscription of units	55,145,190	234,598,140	75,305,940	278,281,560
Payments on redemption of units	(69,733,980)	(112,304,220)	(134,116,800)	(84,910,170)
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>	<b>(14,588,790)</b>	<b>122,293,920</b>	<b>(58,810,860)</b>	<b>193,371,390</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(11,712,558)</b>	<b>23,409,169</b>	<b>(11,869,296)</b>	<b>34,015,492</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD</b>	<b>23,409,169</b>	<b>-</b>	<b>34,015,492</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD</b>	<b>11,696,611</b>	<b>23,409,169</b>	<b>22,146,196</b>	<b>34,015,492</b>
Analysis of balances of cash and cash equivalents				
Bank balances	11,696,611	23,409,169	22,146,196	34,015,492

<sup>#</sup> As defined in note 1 to the financial statements

<sup>1</sup>for the period from 10 March 2017 (date of commencement of operations) to 31 March 2018

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES<sup>#</sup>**

**STATEMENT OF CASH FLOWS - continued  
FOR THE YEAR ENDED 31 MARCH 2019**

	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT		SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT	
	2019 HK\$	2018 <sup>1</sup> HK\$	2019 HK\$	2018 <sup>1</sup> HK\$
<b>OPERATING ACTIVITIES</b>				
(Loss) profit and total comprehensive (expense) income for the year/period	(29,690,984)	60,014,112	4,113,478	(28,695,872)
Adjustments for:				
Bank interest income	(1,922,622)	(550,515)	(1,134,726)	(367,267)
Interest expense	155,425	185,070	38,966	59,727
Operating cash flows before movements in working capital	(31,458,181)	59,648,667	3,017,718	(29,003,412)
(Increase) decrease in derivative financial assets	(2,346,003)	-	2,556,100	(2,556,100)
Increase in prepayments	(6,890)	-	(6,890)	-
Decrease (increase) in due from a broker	21,230,883	(59,049,808)	2,142,868	(9,645,802)
Increase in other receivables	-	(14,219)	-	(14,219)
(Increase) decrease in money market fixed deposits	(5,000,000)	(160,000,000)	3,000,000	(78,000,000)
(Decrease) increase in derivative financial liabilities	(10,630,752)	10,630,752	515,150	-
(Decrease) increase in management fee payable	(14,200)	122,189	(5,130)	48,061
Increase in trustee fee payable	4,508	24,201	9,310	10,774
Increase in accrued expenses and other payables	58,225	199,321	54,045	200,480
Cash (used in) from operations	(28,162,410)	(148,438,897)	11,283,171	(118,960,218)
Bank interest received	1,645,862	377,207	887,214	266,905
Interest paid	(155,425)	(185,070)	(38,966)	(59,727)
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>(26,671,973)</b>	<b>(148,246,760)</b>	<b>12,131,419</b>	<b>(118,753,040)</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from subscription of units	109,364,880	284,251,098	57,280,470	249,785,100
Payments on redemption of units	(84,596,970)	(110,380,710)	(80,594,520)	(103,164,150)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>24,767,910</b>	<b>173,870,388</b>	<b>(23,314,050)</b>	<b>146,620,950</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,904,063)</b>	<b>25,623,628</b>	<b>(11,182,631)</b>	<b>27,867,910</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD</b>	<b>25,623,628</b>	<b>-</b>	<b>27,867,910</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD</b>	<b>23,719,565</b>	<b>25,623,628</b>	<b>16,685,279</b>	<b>27,867,910</b>
Analysis of balances of cash and cash equivalents				
Bank balances	23,719,565	25,623,628	16,685,279	27,867,910

<sup>#</sup> As defined in note 1 to the financial statements

<sup>1</sup>for the period from 10 March 2017 (date of commencement of operations) to 31 March 2018

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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1. GENERAL

Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product (collectively referred to as the "Sub-Funds"), sub-funds of Samsung Leveraged and Inverse Investment Product Series (the "Trust"), are established under a trust deed dated 27 May 2016 (the "Trust Deed"). The Trust is an umbrella unit trust and the terms of the Trust Deed are governed by the laws of Hong Kong. The Trust and sub-funds are authorised under the Section 104 of the Hong Kong Securities and Futures Ordinance (the "SFO") and the sub-funds are funds falling under Chapter 8.4A, 8.6 and Appendix I of the Hong Kong Code on Unit Trusts and Mutual Funds (the "SFC Code").

The Trust has established four sub-funds with the dates of commencement of operations and listing on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") set out below.

	Date of commencement <u>of operations</u>	Date of listing on Hong Kong <u>Stock Exchange</u>
Samsung HSI Daily (2x) Leveraged Product	10 March 2017	14 March 2017
Samsung HSI Daily (-1x) Inverse Product	10 March 2017	14 March 2017
Samsung HSCEI Daily (2x) Leveraged Product	10 March 2017	14 March 2017
Samsung HSCEI Daily (-1x) Inverse Product	10 March 2017	14 March 2017

The investment activities of the Trust are managed by Samsung Asset Management (Hong Kong) Limited (the "Manager") and the trustee of the Trust is delegated to HSBC Institutional Trust Services (Asia) Limited (the "Trustee").

The financial statements of each of the Sub-Funds are presented in Hong Kong dollars ("HKD"), which is also the functional currency of each of the Sub-Funds. The Manager considers HKD as the currency that most faithfully represents the primary economic environment in which each of the Sub-Funds operates and the economic effects of the underlying transactions, events and conditions.

The financial statements of the Sub-Funds cover from 1 April 2018 to 31 March 2019, which are not entirely comparable with the comparative amounts for the period from 10 March 2017 (date of commencement of operations) to 31 March 2018.

These financial statements are prepared in respect of each of the Sub-Funds including Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product on a standalone basis.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

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1. GENERAL - continued

Samsung HSI Daily (2x) Leveraged Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the Hang Seng Index ("HSI"). HSI is a free float-adjusted market capitalisation weighted index compiled and managed by the Hang Seng Indexes Company Limited. The Manager adopts a futures-based replication investment strategy through investing directly in the spot month futures contracts to obtain required exposure to the index.

The Manager anticipates that no more than 20% of the net assets value of the Sub-Fund from time to time will be used as margin to acquire the HSI futures contracts. Not less than 70% of the net assets value of the Sub-Fund will be invested in HKD denominated investment products, such as deposits with banks in Hong Kong and Hong Kong Securities and Futures Commission ("SFC") authorised money market funds.

Samsung HSI Daily (-1x) Inverse Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of HSI. The Manager adopts a futures-based replication investment strategy through investing directly in the spot month futures contracts to obtain required exposure to the index.

The Manager anticipates that no more than 10% of the net assets value of the Sub-Fund from time to time will be used as margin to acquire HSI futures contracts. Not less than 90% of the net assets value of the Sub-Fund will be invested in HKD denominated investment products, such as deposits with banks in Hong Kong and SFC authorised money market funds.

Samsung HSCEI Daily (2x) Leveraged Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of the Hang Seng China Enterprises Index ("HSCEI"). HSCEI measures the performance of the largest and most liquid H-shares companies listed in Hong Kong. HSCEI adopts a free float-adjusted market capitalisation weighted methodology with a 10% cap on individual constituent weightings. HSCEI is a price return index. A price return index calculates the performance of the index constituents without adjustments for cash dividends or warrant bonuses.

The Manager adopts a futures-based replication investment strategy through investing directly in the spot month futures contracts to obtain required exposure to the index. The Manager anticipates that no more than 20% of the net assets value of the Sub-Fund from time to time will be used as margin to acquire the HSCEI futures contracts. Not less than 70% of the net assets value of the Sub-Fund will be invested in HKD denominated investment products, such as deposits with banks in Hong Kong and SFC authorised money market funds.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

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1. GENERAL - continued

Samsung HSCEI Daily (-1x) Inverse Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of HSCEI. The Manager adopts a futures-based replication investment strategy through investing directly in the spot month futures contracts to obtain required exposure to the index.

The Manager anticipates that no more than 10% of the net assets value of the Sub-Fund from time to time will be used as margin to acquire the HSCEI futures contracts. Not less than 90% of the net assets value of the Sub-Fund will be invested in HKD denominated investment products, such as deposits with banks in Hong Kong and SFC authorised money market funds.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Applications of new and amendments to IFRSs

In the current year, the Sub-Funds have applied the following new and amendments to IFRSs issued by the International Accounting Standards Board for the first time that may be relevant to the Sub-Funds and are mandatorily effective for the current year.

IFRS 9	Financial Instrument
IFRIC 22	Foreign Currency Transactions and Advance Consideration

Except as mentioned below, the application of the amendments to IFRSs in current year has had no material effect on the Sub-Funds' financial performance and positions for the current year and prior years and/or disclosures set out in these financial statements.

**Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments"**

In the current year, the Sub-Funds have applied IFRS 9 "Financial Instruments" ("IFRS 9") and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("ECL") for financial assets and (3) general hedge accounting.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

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2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL  
REPORTING STANDARDS ("IFRSs") - continued

**Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments"**

- continued

The Sub-Funds have applied IFRS 9 in accordance with the transition provisions set out in IFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening net assets attributable to unitholders, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparable information was prepared under IAS 39 "Financial Instruments: Recognition and Measurement".

Accounting policies resulting from application of IFRS 9 are disclosed in note 3.

Classification and measurement of financial assets and financial liabilities

The Manager and the Trustee of the Sub-Funds reviewed and assessed the Sub-Funds' financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date. At the date of initial application of IFRS 9, the Sub-Funds continue to classify and measure the financial assets on the same basis as previous.

Financial liabilities continue to be measured at either amortised cost or fair value through profit or loss ("FVTPL"). The criteria for designating a financial liability at FVTPL by applying the fair value option remains unchanged.

Impairment of financial assets under expected credit loss ("ECL") model

ECL for financial assets at amortised cost, including interest receivable, due from a broker, due from a unitholder, other receivables, money market fixed deposits and bank balances, are assessed on 12-month ECL ("12m ECL") basis as there had been no significant increase in credit risk since initial recognition.

As at 1 April 2018, the Manager and the Trustee of the Sub-Funds reviewed and assessed the Sub-Funds' existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9 and no additional credit loss allowance has been recognised against net assets attributable to unitholders.



SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

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2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL  
REPORTING STANDARDS ("IFRSs") - continued

New and amendments to IFRSs and interpretation in issue but not yet effective

The Sub-Funds have not early applied the following new and amendments to IFRSs and interpretation that have been issued but are not yet effective:

IFRS 16	Leases <sup>1</sup>
IFRS 17	Insurance Contracts <sup>3</sup>
IFRIC 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to IFRS 3	Definition of a Business <sup>4</sup>
Amendments to IFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to IAS 1 and IAS 8	Definition of Material <sup>5</sup>
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to IFRSs	Annual Improvements to IFRS Standards 2015 - 2017 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>4</sup> Effective for business combinations and asset acquisitions for which the acquisition date is  
on or after the beginning of the first annual period beginning on or after 1 January 2020

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2020

The Manager and the Trustee of the Sub-Funds anticipate that the application of these new and amendments to IFRSs and interpretation will have no material impact on the financial statements of the Sub-Funds for the foreseeable future and/or on the disclosures set out in these financial statements.

## SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES#

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### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The financial statements of each of the Sub-Funds have been prepared in accordance with IFRSs, the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code issued by the Hong Kong Securities and Futures Commission.

#### Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Sub-Funds take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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3. SIGNIFICANT ACCOUNTING POLICIES - continued

The principal accounting policies are set out below.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Sub-Funds become a party to the contractual provisions of the instruments.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which are derived from the Sub-Funds' ordinary course of business are presented as revenue.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

**Financial assets**

*Classification and subsequent measurement of financial assets (upon of application IFRS 9 with transitions in accordance with note 2)*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets of the Sub-Funds are subsequently measured at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Sub-Funds manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

*Amortised cost and interest income*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

*Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "net (loss) gain on derivative financial instruments" line item.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

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3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

**Financial assets** - continued

*Impairment of financial assets (upon application of IFRS 9 with transitions in accordance with note 2)*

The Sub-Funds recognise a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including interest receivable, due from a broker, due from a unitholder, other receivables, money market fixed deposits and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Sub-Funds' historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For interest receivable, due from a broker, due from a unitholder, other receivables, money market fixed deposits and bank balances, the Sub-Funds measure the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Sub-Funds recognise lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Sub-Funds compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Sub-Funds consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the Sub-Funds presume that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Sub-Funds have reasonable and supportable information that demonstrates otherwise.

The Sub-Funds regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

**Financial assets** - continued

*Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 2) - continued*

(ii) Definition of default

For internal credit risk management, the Sub-Funds consider an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Sub-Funds, in full.

Irrespective of the above, the Sub-Funds consider that default has occurred when a financial asset is more than 90 days past due unless the Sub-Funds have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) it is becoming probable that the issuer of the financial asset will enter bankruptcy or other financial reorganisation; or
- (d) the disappearance of an active market for that financial asset because of financial difficulties.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

**Financial assets** - continued

*Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 2) - continued*

(iv) Write-off policy

The Sub-Funds write off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Sub-Funds' recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Sub-Funds in accordance with the contract and the cash flows that the Sub-Funds expect to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Sub-Funds recognise an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

*Classification and subsequent measurement of financial assets (before application of IFRS 9 on 1 April 2018)*

The Sub-Funds' financial assets are mainly financial assets at FVTPL and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

**Financial assets** - continued

*Classification and subsequent measurement of financial assets (before application of IFRS 9 on 1 April 2018) – continued*

(i) *Financial assets at FVTPL*

The Sub-Funds' financial assets at FVTPL are held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that each of the Sub-Funds manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Derivative financial assets of the Sub-Funds classified as FVTPL are initially measured at fair value, with any gains or losses arising on re-measurement recognised in the statement of comprehensive income.

(ii) *Loans and receivables*

Loans and receivables, including due from a broker, due from a unitholder, other receivables, bank balances and money market fixed deposits and related interest receivable, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any identified impairment losses.

Interest income is recognised on an effective interest basis.

*Impairment of financial assets (before application of IFRS 9 on 1 April 2018)*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.



SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

**Financial assets** - continued

*Impairment of financial assets (before application of IFRS 9 on 1 April 2018) – continued*

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

*Derecognition of financial assets*

The Sub-Funds derecognise a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

**Financial liabilities and equity**

Debts and units issued by the Sub-Funds are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity. Puttable financial instruments include contractual obligations for the Sub-Funds to repurchase or redeem the related instruments for cash or another financial asset on exercise of the put. As an exception to the definition of financial liability, a unit which includes such obligation is classified as equity if the unit has all the following features:

- it entitles the holder to a pro rata share of the Sub-Funds' net assets in the event of the Sub-Funds' liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinated to all other classes of instruments have identical features;
- apart from the contractual obligation for the Sub-Funds to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds over the life of the instrument.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

**Financial liabilities and equity** - continued

In addition to the redeemable units meeting all of the above conditions, the Sub-Funds must have no other financial instrument or contract that has:

- total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds; and
- the effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Sub-Funds' redeemable units meet these conditions and are classified as equity. Units issued by the Sub-Funds are recognised at the proceeds received, net of direct issue costs, if any.

*Financial liabilities at FVTPL*

The Sub-Funds' financial liabilities at FVTPL are held for trading.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Sub-Funds manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Derivative financial liabilities of the Sub-Funds classified as FVTPL are initially measured at fair value, with any gains or losses arising on re-measurement recognised in the statement of comprehensive income.

*Other financial liabilities*

Other financial liabilities including management fee payable, trustee fee payable and other payables are subsequently measured at amortised cost, using the effective interest method.

*Derecognition of financial liabilities*

The Sub-Funds derecognise financial liabilities when, and only when, the Sub-Funds' obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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3. SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents comprise bank balances and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by each of the Sub-Funds in the management of short-term commitments.

Expenses

All expenses are recognised in statement of comprehensive income on an accrual basis.

Establishment costs

Establishment costs are recognised as an expense in the period in which they are incurred.

Reimbursement of expenses

Reimbursement of expenses are recognised in the statement of comprehensive income on an accrual basis.

Distributions to unitholders

Distributions to unitholders are recognised as liabilities in the statement of financial position in the period in which the distributions are approved by the Manager.

Subscriptions and redemptions

Subscriptions and redemptions of units are recognised on the dealing date on which the subscription application or redemption application is received and accepted.

Foreign currencies

Foreign currency transactions during the period are translated into the functional currency of each of the Sub-Funds at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into the functional currency of each of the Sub-Funds at the foreign exchange rates ruling at the reporting date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in profit or loss.

Foreign currency exchange differences relating to monetary items are presented separately in statement of comprehensive income.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

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3. SIGNIFICANT ACCOUNTING POLICIES - continued

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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4. TRANSACTIONS WITH THE RELATED PARTIES/CONNECTED PERSON

For disclosure purpose of note 4 to the financial statements, parties are considered to be related if one party provide key management personnel services to the other party or to the parent of the other party.

The following is a summary of significant related party balances/transactions entered into during the year ended 31 March 2019 and the period ended 31 March 2018 between each of the Sub-Funds, the Manager (also a connected person), the Trustee and the holding company of the Trustee. Connected persons are defined in the SFC Code. All transactions entered into during the year ended 31 March 2019 and the period ended 31 March 2018 were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, each of the Sub-Funds does not have any other significant transactions with its related parties/connected person except for those disclosed below.

Reimbursement of expenses from Manager

The Manager is required to reimburse expenses to the Sub-Funds in order to maintain the ongoing charges ratio of each of the Sub-Funds below 1.3% of the average net assets attributable to unitholders as stipulated in the Trust's prospectus. During the year ended 31 March 2019, the Manager has not made any reimbursement of expenses to the Sub-Funds. The reimbursement of expenses from Manager for the period ended 31 March 2018 are as follows:

Period ended 31 March 2018

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Reimbursement of expenses from Manager	-	-	-	40,000

There was no expense reimbursement receivable as at 31 March 2019 and 31 March 2018.

Management fee

The Manager is entitled to receive a management fee at 0.65% per annum on the net assets value of each of the Sub-Funds. The management fee is calculated and accrued on each dealing day and payable in monthly in arrears. The management fee for the year ended 31 March 2019 and the period ended 31 March 2018 and the management fee payable as at 31 March 2019 and 31 March 2018 are as follows:

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#**

**4. TRANSACTIONS WITH THE RELATED PARTIES/CONNECTED PERSON - continued**

**Management fee - continued**

**Year ended/as at 31 March 2019**

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
	HK\$	HK\$	HK\$	HK\$
Management fee	1,138,281	723,093	1,408,366	771,573
Management fee payable	95,319	49,397	107,989	42,931
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**Period ended/as at 31 March 2018**

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
	HK\$	HK\$	HK\$	HK\$
Management fee	1,205,139	906,791	1,405,345	873,061
Management fee payable	108,388	69,557	122,189	48,061
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**Trustee fee**

The Trustee is entitled to receive a trustee fee at 0.12% per annum on the net assets value of each of the Sub-Funds, subject to a monthly minimum of HK\$46,800. The minimum charge is waived for the first 24 months from the listing date for each of the Sub-Funds. The trustee fee is calculated and accrued on each dealing day and payable in monthly in arrears.

Pursuant to a letter issued by the Trustee to the Manager dated and effective from 22 March 2019, the Trustee has agreed to reduce the minimum monthly trustee fee from HK\$46,800 to HK\$11,500.

The trustee fee for the year ended 31 March 2019 and the period ended 31 March 2018 and the trustee fee payable as at 31 March 2019 and 31 March 2018 are as follows:

**Year ended/as at 31 March 2019**

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
	HK\$	HK\$	HK\$	HK\$
Trustee fee	217,930	143,760	266,471	152,756
Trustee fee payable	25,383	20,308	28,709	20,084
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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4. TRANSACTIONS WITH THE RELATED PARTIES/CONNECTED PERSON - continued

Trustee fee - continued

Period ended/as at 31 March 2018

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
	HK\$	HK\$	HK\$	HK\$
Trustee fee	222,487	167,407	259,448	161,180
Trustee fee payable	20,730	14,743	24,201	10,774
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Accounting and professional fees

The Sub-Funds have engaged the Trustee for accounting and professional services. The accounting and professional fees for the year ended 31 March 2019 and the period ended 31 March 2018 and the accounting and professional fees payable as at 31 March 2019 and 31 March 2018 are as follows:

Year ended/as at 31 March 2019

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
	HK\$	HK\$	HK\$	HK\$
Accounting and professional fees	70,200	70,200	70,200	70,200
Accounting and professional fees payable	46,800	46,800	46,800	46,800
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Period ended/as at 31 March 2018

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
	HK\$	HK\$	HK\$	HK\$
Accounting and professional fees	70,200	70,200	70,200	70,200
Accounting and professional fees payable	46,800	46,800	46,800	46,800
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#**

**4. TRANSACTIONS WITH THE RELATED PARTIES/CONNECTED PERSON - continued**

**Bank balances and money market fixed deposits**

All the cash at banks were maintained with a group company of the Trustee, i.e. The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), which carry interests at normal commercial rates. The bank balances, money market fixed deposits and interest receivable of each of the Sub-Funds held with HSBC as at 31 March 2019 and 31 March 2018 and the interest income earned on these bank balances during the year ended 31 March 2019 and the period ended 31 March 2018 are as follows:

**Year ended/as at 31 March 2019**

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
	HK\$	HK\$	HK\$	HK\$
Bank balances	11,696,611	22,146,196	23,719,565	16,685,279
Money market fixed deposits (Note)	125,000,000	70,000,000	165,000,000	75,000,000
Interest receivable	513,932	263,678	450,068	347,874
Interest income earned	1,526,742	1,017,807	1,922,622	1,134,726

**Note:**

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
Money market fixed deposits bear fixed interest rates ranging	from 1.02% to 1.78% per annum	from 1.30% to 1.85% per annum	from 1.02% to 1.85% per annum	from 1.24% to 1.78% per annum

**Period ended/as at 31 March 2018**

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
	HK\$	HK\$	HK\$	HK\$
Bank balances	23,409,169	34,015,492	25,623,628	27,867,910
Money market fixed deposits (Note)	136,000,000	107,000,000	160,000,000	78,000,000
Interest receivable	159,175	103,789	173,308	100,362
Interest income earned	483,397	375,397	550,515	367,267

**Note:**

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
Money market fixed deposits bear fixed interest rates ranging	from 0.42% to 0.81% per annum	from 0.56% to 0.79% per annum	from 0.34% to 0.91% per annum	from 0.56% to 0.81% per annum



**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#**

**5. TAXATION**

No provision for Hong Kong Profits Tax has been made for each of the Sub-Funds as they are authorised as collective investment schemes under Section 104 of the SFO and are therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance of Hong Kong.

**6. DERIVATIVE FINANCIAL ASSETS/LIABILITIES**

As at 31 March 2019

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
	HK\$	HK\$	HK\$	HK\$
<b>Derivative financial assets</b>				
Future contracts	3,691,450	-	2,346,003	-
<b>Derivative financial liabilities</b>				
Future contracts	-	(1,070,400)	-	(515,150)

As at 31 March 2018

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
	HK\$	HK\$	HK\$	HK\$
<b>Derivative financial assets</b>				
Future contracts	-	3,586,053	-	2,556,100
<b>Derivative financial liabilities</b>				
Future contracts	(9,744,847)	-	(10,630,752)	-

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES#**

**7. DUE FROM A BROKER**

As at 31 March 2019

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
	HK\$	HK\$	HK\$	HK\$
Deposits with a broker	28,472,472	7,469,334	37,818,925	7,502,934

As at 31 March 2018

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
	HK\$	HK\$	HK\$	HK\$
Deposits with a broker	49,926,579	11,860,477	59,049,808	9,645,802

Deposits with a broker are interest bearing, with an interest rate of overnight HIBOR minus 50 basis points

In accordance with the terms agreed between the broker and the Sub-Funds, interest expense was charged on the initial margin requirement, which was accrued daily and charged monthly, with an interest rate of 0.75% per annum.

As the interest income arising from the deposits with the broker is minimal, it is included and presented in the "interest expense, net" line item in the statement of comprehensive income.

**8. SOFT COMMISSION ARRANGEMENTS**

The Manager confirms that there has been no soft commission arrangements existing during the year ended 31 March 2019 and period ended 31 March 2018 in relation to directing transactions of each of the Sub-Funds through a broker or dealer.

**9. INVESTMENT LIMITATIONS**

Each of the Sub-Funds does not have constituent security that individually accounted for more than 10% of its respective net assets value. Each of the Sub-Funds has maintained at least 30% of its respective net assets value in deposits that are not used for margin requirements. The Manager and Trustee confirm that each of the Sub-Funds has complied with these requirements during the year ended 31 March 2019 and period ended 31 March 2018.

The Manager has applied to the SFC, and the SFC has granted, a waiver in respect of each of the Sub-Funds from the requirements under Chapter 8.4A (e) of the SFC Code that each of the Sub-Funds may not hold open positions in any futures contract month for which the combined margin requirements represents 5% or more of the net assets value of each of the Sub-Funds.

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#**

**10. UNITS ISSUED AND REDEEMED**

**Year ended 31 March 2019**

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
Number of units at the beginning of the year	20,700,000	34,800,000	29,100,000	24,900,000
Units issued	6,300,000	16,200,000	13,800,000	12,300,000
Units redeemed	<u>(8,100,000)</u>	<u>(28,500,000)</u>	<u>(11,100,000)</u>	<u>(15,900,000)</u>
Number of units in issue at the end of the year	<u><u>18,900,000</u></u>	<u><u>22,500,000</u></u>	<u><u>31,800,000</u></u>	<u><u>21,300,000</u></u>

**Year ended 31 March 2019**

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Subscription of units	55,145,190	75,305,940	106,748,850	58,694,940
Redemption of units	<u>(69,733,980)</u>	<u>(134,116,800)</u>	<u>(84,596,970)</u>	<u>(80,594,520)</u>
Net subscription of units during the year	<u><u>(14,588,790)</u></u>	<u><u>(58,810,860)</u></u>	<u><u>22,151,880</u></u>	<u><u>(21,899,580)</u></u>

**Period from 10 March 2017 (date of commencement of operations) to 31 March 2018**

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
Units issued	36,300,000	50,700,000	44,700,000	43,800,000
Units redeemed	<u>(15,600,000)</u>	<u>(15,900,000)</u>	<u>(15,600,000)</u>	<u>(18,900,000)</u>
Number of units in issue at the end of the period	<u><u>20,700,000</u></u>	<u><u>34,800,000</u></u>	<u><u>29,100,000</u></u>	<u><u>24,900,000</u></u>

**Period from 10 March 2017 (date of commencement of operations) to 31 March 2018**

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Subscription of units	234,598,140	278,281,560	292,125,810	249,785,100
Redemption of units	<u>(112,304,220)</u>	<u>(84,910,170)</u>	<u>(110,380,710)</u>	<u>(103,164,150)</u>
Net subscription of units during the period	<u><u>122,293,920</u></u>	<u><u>193,371,390</u></u>	<u><u>181,745,100</u></u>	<u><u>146,620,950</u></u>

As disclosed in note 3 to the financial statements, establishment costs are expensed as incurred. However, establishment costs of each of the Sub-Funds are required to be amortised over the first five financial years according to the provisions of the Trust's prospectus. Accordingly, the net assets attributable to unitholders reported in the financial statements was different from the net assets attributable to unitholders calculated under the accounting basis indicated in the Trust's prospectus. A reconciliation of the net assets attributable to unitholders is provided below:

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES#**

**10 UNITS ISSUED AND REDEEMED - continued**

As at 31 March 2019

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Net assets attributable to unitholders as reported in the statement of financial position	169,028,447	98,511,366	234,220,108	100,138,976
Adjustments for unamortized establishment costs	286,224	286,224	286,224	286,224
Net asset value calculated under accounting basis indicated in the Trust's prospectus	<u>169,314,671</u>	<u>98,797,590</u>	<u>234,506,332</u>	<u>100,425,200</u>
Net assets attributable to unitholders per unit as reported in the statement of financial position	<u>8.9433</u>	<u>4.3783</u>	<u>7.3654</u>	<u>4.7014</u>
Net assets attributable to unitholders per unit calculated under accounting basis indicated in the Trust's prospectus	<u>8.9584</u>	<u>4.3910</u>	<u>7.3744</u>	<u>4.7148</u>

As at 31 March 2018

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Net assets attributable to unitholders as reported in the statement of financial position	199,445,476	156,299,310	241,759,212	117,925,078
Adjustments for unamortized establishment costs	383,226	383,226	383,226	383,226
Net asset value calculated under accounting basis indicated in the Trust's prospectus	<u>199,828,702</u>	<u>156,682,536</u>	<u>242,142,438</u>	<u>118,308,304</u>
Net assets attributable to unitholders per unit as reported in the statement of financial position	<u>9.6350</u>	<u>4.4914</u>	<u>8.3079</u>	<u>4.7359</u>
Net assets attributable to unitholders per unit calculated under accounting basis indicated in the Trust's prospectus	<u>9.6536</u>	<u>4.5024</u>	<u>8.3210</u>	<u>4.7513</u>

**11. DISTRIBUTIONS**

During the year ended 31 March 2019 and the period ended 31 March 2018, no distributions were made to the unitholders of each of the Sub-Funds.

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#**

**12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS**

Categories of financial instruments

As at 31 March 2019

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
<b>Financial assets</b>				
FVTPL	3,691,450	-	2,346,003	-
Amortised cost	165,697,234	99,893,427	232,261,459	100,964,776
<b>Financial liabilities</b>				
FVTPL	-	1,070,400	-	515,150
Amortised cost	257,581	209,004	284,697	207,994

As at 31 March 2018

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
<b>Financial assets</b>				
FVTPL	-	3,586,053	-	2,556,100
Amortised cost	209,509,142	152,993,977	252,735,675	115,628,293
<b>Financial liabilities</b>				
FVTPL	9,744,847	-	10,630,752	-
Amortised cost	207,757	169,659	234,649	148,254

The Sub-Funds maintain investment portfolios as dictated by their respective investment management strategies. The Sub-Funds' investment objectives are disclosed in note 1 to the financial statements and the Sub-Funds' investment portfolios mainly comprise futures contracts.

The Sub-Funds' investing activities expose them to various types of risks that are associated with the financial instruments and markets in which they invest. The Manager and the Trustee have set out below the most important types of financial risks inherent in each type of financial instruments. The Manager and the Trustee would like to highlight that the following list of associated risks only sets out some of the risks but does not purport to constitute an exhaustive list of all the risks inherent in the investments in each of the Sub-Funds. Unitholders should note that additional information in respect of risks associated with financial instruments in the Sub-Funds can be found in the Trust's prospectus.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

12 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

The assets allocation is determined by the Sub-Funds' Manager who manages and monitors the composition of the assets to achieve the investment objectives.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Sub-Funds are discussed below.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Each of the Sub-funds are exposed to a price risk arising from changes in market prices. Price risk is managed by the Manager on an ongoing basis in accordance with the investment objectives of each of the Sub-Funds.

*Sensitivity analysis*

If the market price of the futures contracts had been 10% higher and all other variables were held constant, the (loss) profit for the year of each of the Sub-Funds would have been decreased/increased by approximately:

Year ended 31 March 2019

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
Movements in (loss) profit for the year	decreased by HK\$(33,729,000)	decreased by HK\$9,741,000	decreased by HK\$(46,747,000)	decreased by HK\$9,952,000

Period ended 31 March 2018

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
Movements in profit (loss) for the period	increased by HK\$39,816,000	increased by HK\$(15,476,000)	increased by HK\$48,244,000	increased by HK\$(11,745,000)

If the market price of the futures contracts had been 10% lower and all other variables were held constant, there would be an equal and opposite impact on the Sub-Funds' (loss) profit for the year/period.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

12 FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Interest rate risk

Interest rate risk arises from change in interest rates which may affect the value of interest bearing assets and therefore result in potential gain or loss to each of the Sub-Funds. Each of the Sub-Funds' interest rate risk is managed on an ongoing basis by the Manager.

The Sub-Funds are exposed to fair value interest rate risk in relation to money market fixed deposits that are carried at fixed interest rate. The Manager considers that the fair value interest rate risk is minimal as the carrying values of the money market fixed deposits approximate to their fair values and due to their short maturity terms.

The major financial assets bearing variable interest that are subject to cash flow interest rate risk are bank balances in saving accounts as below:

As at 31 March 2019

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Bank balances in savings accounts	11,696,611	22,146,196	23,719,565	16,685,279
Due from a broker	28,472,472	7,469,334	37,818,925	7,502,934

As at 31 March 2018

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Bank balances in savings accounts	23,409,169	34,015,492	25,623,628	27,867,910
Due from a broker	49,926,579	11,860,477	59,049,808	9,645,802

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Interest rate risk - continued

*Sensitivity analysis*

As at 31 March 2019 and 31 March 2018, if the interest rate had been 50 basis points higher with all other variables held constant, the profit (loss) for the period of each of the Sub-Funds would have been increased (decreased) by approximately:

As at 31 March 2019

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
(Decrease) increase in (loss) ↑ profit for the year	(201,000)	148,000	(308,000)	121,000

As at 31 March 2018

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Increase (decrease) in profit (loss) for the period	367,000	(229,000)	423,000	(188,000)

If interest rates had been 50 basis points lower with all other variables held constant there would be an equal and opposite impact on the Sub-Funds' (loss) profit for the year/period.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The functional currency of each of the Sub-Funds is HKD. Each of the Sub-Funds is exposed to currency risk primarily through recognised financial assets or liabilities that are denominated in United States dollars ("USD").

In view of the HKD pegged system to the USD, the Manager considers that the currency risk exposure is insignificant and no foreign currency sensitivity analysis is presented accordingly.



SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Credit risk and impairment assessment

Each of the Sub-Funds' maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Credit risk arising from transactions with a broker relates to transactions awaiting settlements, if any, and deposits placed in a broker. The risk relating to unsettled transactions and deposits placed in a broker is considered low due to the short settlement period and high credit ratings of a broker assigned by international credit rating agencies.

All of the money market fixed deposits and cash held by each of the Sub-Funds are deposited with a bank. Bankruptcy or insolvency of the banks may cause each of the Sub-Funds' rights with respect to the money market fixed deposits and cash at banks to be delayed or limited. As the bank has a credit rating of A (2018: Aa3) as determined by a well-known international credit rating agency, the Manager considers that the credit risk is minimal.

For the other credit exposures such as the derivative financial assets, the Sub-Funds ensure that the exposures are limited to reputable counterparties, such as the financial institution and broker, which are governed by regulators including the Hong Kong Monetary Authority and the Hong Kong Securities and Futures Commission and other overseas regulators. The risk of default in repayment is considered to be minimal by the Manager. For due from a unitholder, the amounts were very short term in nature and therefore the Manager also considers that the credit risk is minimal.

Substantially all of the assets of each of the Sub-Funds are held by HSBC Institutional Trust Services (Asia) Limited ("the Custodian"). Bankruptcy or insolvency of the Custodian may cause the Sub-Funds' rights with respect to assets held by the Custodian to be delayed or limited. The Manager monitors the credit quality and financial position of the Custodian on an ongoing basis. The Custodian is a group company of HSBC, which has a credit rating of A (2018: Aa3) as determined by a well-known international credit rating agency. As such, the Manager considers credit risk is considered insignificant.

During the year ended 31 March 2019 and the period ended 31 March 2018, the Manager considers that no impairment was made on the Sub-Funds' financial assets carried at amortised cost as the ECL is immaterial.

Other than concentration of credit risk on liquid funds which are deposited with a bank and a broker with high credit ratings, the Sub-Funds do not have any other significant concentration of credit risk.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Liquidity risk

Liquidity risk is the risk that each of the Sub-Funds will encounter difficulty in meeting obligations arising from their respective financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to each of the Sub-Funds. Each of the Sub-Funds is exposed to daily liquidity risk on redemption of units.

The Sub-Funds' policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and deposits placed in a broker to meet their liquidity requirements in the short and longer term.

The Sub-Funds' investments are considered to have insignificant exposure to liquidity risk as they are all readily realisable under normal market conditions.

As at 31 March 2019 and 31 March 2018, each of the Sub-Funds' financial liabilities are due within three months.

Capital management

Each of the Sub-Funds' capital as at the end of the reporting period is represented by their net assets attributable to unitholders.

The Sub-Funds' objective in managing the capital is to ensure a stable and strong base to maximise returns to all unitholders, and to manage liquidity risk arising from the redemptions. The Manager manages the capital of each of the Sub-Funds in accordance with the Sub-Funds' respective investment objectives and policies stated in the respective offering documents. Under certain circumstance, the Manager may suspend the issuance and redemption of units of each of the Sub-Funds as disclosed in the Trust's prospectus.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Specific instruments

Futures contracts are commitments either to purchase or sell a designated financial instrument, currency, commodity or index at a specified future date for a specified price and may be settled in cash. Futures are standardised exchange-traded contracts. Initial margin requirements for futures are met in cash or other instruments, and changes in future contract values are marked to market daily. Futures contracts have low credit risk because the counterparties are futures exchanges.

Futures contracts result in exposure to market risk based on changes in market prices relative to contracted prices. Market risks arise due to the possible movements in foreign currency exchange rates, indices, and securities' values underlying these instruments. In addition, because of the low margin deposits normally required in relation to notional contract sizes, a high degree of leverage may be typical of a futures contract and may result in substantial losses to each of the Sub-Funds.

The following is the open position of futures contracts as at 31 March 2019 and 31 March 2018.

**Samsung HSI Daily (2x) Leveraged Product**

As at 31 March 2019

<u>Type of contract</u>	<u>Expiration</u>	<u>Notional amount</u> HK\$	<u>Underlying</u>	<u>Fair value assets</u> <u>(liabilities)</u> HK\$
Futures - Long	April 2019	<u>337,293,200</u>	Hang Seng Index	<u>3,691,450</u>

As at 31 March 2018

<u>Type of contract</u>	<u>Expiration</u>	<u>Notional amount</u> HK\$	<u>Underlying</u>	<u>Fair value assets</u> <u>(liabilities)</u> HK\$
Futures - Long	April 2018	<u>398,162,500</u>	Hang Seng Index	<u>(9,744,847)</u>

**Samsung HSI Daily (-1x) Inverse Product**

As at 31 March 2019

<u>Type of contract</u>	<u>Expiration</u>	<u>Notional amount</u> HK\$	<u>Underlying</u>	<u>Fair value assets</u> <u>(liabilities)</u> HK\$
Futures - Short	April 2019	<u>(97,407,950)</u>	Hang Seng Index	<u>(1,070,400)</u>

As at 31 March 2018

<u>Type of contract</u>	<u>Expiration</u>	<u>Notional amount</u> HK\$	<u>Underlying</u>	<u>Fair value assets</u> <u>(liabilities)</u> HK\$
Futures - Short	April 2018	<u>(154,757,500)</u>	Hang Seng Index	<u>3,586,053</u>

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#**

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Specific instruments - continued

**Samsung HSCEI Daily (2x) Leveraged Product**

As at 31 March 2019

<u>Type of contract</u>	<u>Expiration</u>	<u>Notional amount HK\$</u>	<u>Underlying</u>	<u>Fair value assets (liabilities) HK\$</u>
Futures - Long	April 2019	467,471,400	Hang Seng China Enterprises Index	2,346,003

As at 31 March 2018

<u>Type of contract</u>	<u>Expiration</u>	<u>Notional amount HK\$</u>	<u>Underlying</u>	<u>Fair value assets (liabilities) HK\$</u>
Futures - Long	April 2018	482,442,300	Hang Seng China Enterprises Index	(10,630,752)

**Samsung HSCEI Daily (-1x) Inverse Product**

As at 31 March 2019

<u>Type of contract</u>	<u>Expiration</u>	<u>Notional amount HK\$</u>	<u>Underlying</u>	<u>Fair value assets (liabilities) HK\$</u>
Futures - Short	April 2019	99,522,500	Hang Seng China Enterprises Index	(515,150)

As at 31 March 2018

<u>Type of contract</u>	<u>Expiration</u>	<u>Notional amount HK\$</u>	<u>Underlying</u>	<u>Fair value assets (liabilities) HK\$</u>
Futures - Short	April 2018	(117,448,500)	Hang Seng China Enterprises Index	2,556,100

Fair value

The financial instruments held by each of the Sub-Funds are measured at their fair values on the reporting date. Fair value estimates are made at a specified point in time, based on market conditions and information about the financial instruments. Fair values can usually be reliably determined within a reasonable range of estimates.

**Valuation of financial instruments**

The accounting policy of each of the Sub-Funds on fair value measurements is detailed in the significant accounting policies in note 3 to the financial statements.

The following analyses derivative financial assets (liabilities) measured at FVTPL on the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised as at 31 March 2019.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Fair value - continued

**Valuation of financial instruments** - continued

*Samsung HSI Daily (2x) Leveraged Product*

As at 31 March 2019

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial assets - Futures contracts	3,691,450	-	-	3,691,450
	=====	=====	=====	=====

As at 31 March 2018

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial liabilities - Futures contracts	(9,744,847)	-	-	(9,744,847)
	=====	=====	=====	=====

*Samsung HSI Daily (-1x) Inverse Product*

As at 31 March 2019

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial liabilities - Futures contracts	(1,070,400)	-	-	(1,070,400)
	=====	=====	=====	=====

As at 31 March 2018

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial assets - Futures contracts	3,586,053	-	-	3,586,053
	=====	=====	=====	=====

*Samsung HSCEI Daily (2x) Leveraged Product*

As at 31 March 2019

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial assets - Futures contracts	2,346,003	-	-	2,346,003
	=====	=====	=====	=====

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Fair value - continued

**Valuation of financial instruments** - continued

*Samsung HSCEI Daily (2x) Leveraged Product* - continued

As at 31 March 2018

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial liabilities - Futures contracts	(10,630,752)	-	-	(10,630,752)
	=====	=====	=====	=====

*Samsung HSCEI Daily (-1x) Inverse Product*

As at 31 March 2019

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial liabilities - Futures contracts	(515,150)	-	-	(515,150)
	=====	=====	=====	=====

As at 31 March 2018

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial assets - Futures contracts	2,556,100	-	-	2,556,100
	=====	=====	=====	=====

For the year ended 31 March 2019 and the period ended 31 March 2018, there were no transfers of financial instruments between fair value hierarchy levels.

As at 31 March 2019 and 31 March 2018, except for derivative financial instruments as disclosed in the financial statements which are classified as the financial assets/liabilities at FVTPL, all other financial assets and financial liabilities are carried at amortised costs. The carrying values of those all other financial assets and liabilities are considered by the Manager to approximate to their fair values.

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#**

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Offsetting

As at 31 March 2019 and 31 March 2018, each of the Sub-Funds does not hold financial assets and liabilities that are eligible for offset in the statement of financial position but does hold those which are subject to a master netting arrangement or similar agreements that create the right of set-off of recognised amounts in the event of default, insolvency or bankruptcy of each of the Sub-Funds or its respective counterparties. Accordingly, the financial assets and liabilities of each of the Sub-Funds have been recognised in the statement of financial position on a gross basis.

The following table presents each of the Sub-Funds' financial assets and liabilities with respect to a single broker that are subject to enforceable master netting agreements in the event of default, insolvency or bankruptcy at the reporting date.

As at 31 March 2019

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
<b>Financial assets</b>				
Derivative financial assets	3,691,450	-	2,346,003	-
Due from a broker	28,472,472	7,469,334	37,818,925	7,502,934
<b>Financial liabilities</b>				
Derivative financial liabilities	-	(1,070,400)	-	(515,150)
Net position	<u>32,163,922</u>	<u>6,398,934</u>	<u>40,164,928</u>	<u>6,987,784</u>

As at 31 March 2018

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
<b>Financial assets</b>				
Derivative financial assets	-	3,586,053	-	2,556,100
Due from a broker	49,926,579	11,860,477	59,049,808	9,645,802
<b>Financial liabilities</b>				
Derivative financial liabilities	(9,744,847)	-	(10,630,752)	-
Net position	<u>40,181,732</u>	<u>15,446,530</u>	<u>48,419,056</u>	<u>12,201,902</u>

**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES<sup>#</sup>**

**13. SEGMENT INFORMATION**

The Manager makes the strategic resource allocations on behalf of each of the Sub-Funds and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager considers that each of the Sub-funds is a single operating segment which is investments in futures contracts and money market fixed deposits. The investment objectives of each of the Sub-Funds are disclosed in note 1 to the financial statements.

The internal financial information used by the Manager for each of the Sub-Funds' assets, liabilities and performance is the same as that disclosed in the statement of financial position and statement of comprehensive income.

The Sub-Funds are domiciled in Hong Kong. Each of the Sub-Funds has no non-current assets.

**14. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Manager and the Trustee on 31 July 2019.



**SAMSUNG HSI DAILY (2X) LEVERAGE PRODUCT**  
**(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE**  
**INVESTMENT PRODUCT SERIES)**

**INVESTMENT PORTFOLIO (UNAUDITED)**  
**AS AT 31 MARCH 2019**

	<u>Maturity date</u>		<u>Market value</u> HK\$	<u>% of total</u> <u>net assets</u> <u>attributable</u> <u>to</u> <u>unitholders</u>
<b>Money market fixed deposits</b>				
The Hongkong and Shanghai Banking Corporation Limited	15 April 2019		20,000,000	11.83
The Hongkong and Shanghai Banking Corporation Limited	14 May 2019		25,000,000	14.79
The Hongkong and Shanghai Banking Corporation Limited	06 June 2019		10,000,000	5.92
The Hongkong and Shanghai Banking Corporation Limited	11 June 2019		15,000,000	8.87
The Hongkong and Shanghai Banking Corporation Limited	24 July 2019		15,000,000	8.87
The Hongkong and Shanghai Banking Corporation Limited	12 August 2019		20,000,000	11.83
The Hongkong and Shanghai Banking Corporation Limited	13 September 2019		10,000,000	5.92
The Hongkong and Shanghai Banking Corporation Limited	31 October 2019		10,000,000	5.92
<b>Total money market fixed deposits</b>			<u>125,000,000</u>	<u>73.95</u>
<b>Futures contracts</b>				
	<u>Expiration date</u>	<u>Contracts</u>		
Hang Seng Index Future 29/04/2019	29 April 2019	232	3,691,450	2.18
<b>Total futures contracts</b>			<u>3,691,450</u>	<u>2.18</u>
<b>Total investments</b>			<u>128,691,450</u>	<u>76.13</u>
<b>Other net assets</b>			<u>40,336,997</u>	<u>23.87</u>
<b>Net assets attributable to unitholders</b>			<u><u>169,028,447</u></u>	<u><u>100.00</u></u>

SAMSUNG HSI DAILY (2X) LEVERAGE PRODUCT  
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES)

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)  
FOR THE YEAR ENDED 31 MARCH 2019

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<u>Investments</u>	Holdings as at <u>01/04/2018</u>	<u>Additions</u>	<u>Disposals</u>	Holdings as at <u>31/03/2019</u>
<b>Money market fixed deposits</b>				
The Hongkong and Shanghai Banking Corporation Limited	HK\$136,000,000	HK\$340,000,000	(HK\$351,000,000)	HK\$125,000,000
<b>Futures contracts</b>				
Hang Seng Index Future 27/04/2018	265	23	(288)	-
Hang Seng Index Future 30/05/2018	-	345	(345)	-
Hang Seng Index Future 28/06/2018	-	345	(345)	-
Hang Seng Index Future 30/07/2018	-	297	(297)	-
Hang Seng Index Future 30/08/2018	-	280	(280)	-
Hang Seng Index Future 27/09/2018	-	259	(259)	-
Hang Seng Index Future 30/10/2018	-	240	(240)	-
Hang Seng Index Future 29/11/2018	-	234	(234)	-
Hang Seng Index Future 28/12/2018	-	237	(237)	-
Hang Seng Index Future 30/01/2019	-	252	(252)	-
Hang Seng Index Future 27/02/2019	-	258	(258)	-
Hang Seng Index Future 28/03/2019	-	260	(260)	-
Hang Seng Index Future 29/04/2019	-	232	-	232

SAMSUNG HSI DAILY (2X) LEVERAGE PRODUCT  
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES)

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PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUND (UNAUDITED)  
FOR THE YEAR ENDED 31 MARCH 2019

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	<u>Performance</u> %
<b>Sub Fund</b>	
Samsung HSI Daily (2x) Leveraged Product	-7.20%
<b>Index</b>	
Hang Seng Index	-3.46%

Source: Unit-prices are provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of Samsung HSI Daily (2x) Leveraged Product which is calculated with reference to the unit-prices is provided by the Manager. Index information is provided by Hang Seng Indexes Company Limited.

Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

SAMSUNG HSI DAILY (2X) LEVERAGE PRODUCT  
 (A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
 INVESTMENT PRODUCT SERIES)

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PERFORMANCE RECORD (UNAUDITED)  
 FOR THE YEAR ENDED 31 MARCH 2019

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(a) Price record (Net assets value per unit)

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Year ended 31 March 2019	6.5611	10.7400
Period ended 31 March 2018	5.9814	11.8318

Note: The net assets value per unit is calculated under the accounting basis indicated in the Trust's prospectus.

(b) Net asset value

	<u>Net asset value</u> HK\$
As at 31 March 2019	169,028,447
As at 31 March 2018	199,445,476

(c) Net asset value per unit

	HK\$
As at 31 March 2019	8.9433
As at 31 March 2018	9.6350

SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT  
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES)

INVESTMENT PORTFOLIO (UNAUDITED)  
AS AT 31 MARCH 2019

	<u>Maturity date</u>		<u>Market value</u> HK\$	<u>% of total net assets attributable to unitholders</u>
<b>Money market fixed deposits</b>				
The Hongkong and Shanghai Banking Corporation Limited	15 April 2019		15,000,000	15.23
The Hongkong and Shanghai Banking Corporation Limited	17 May 2019		10,000,000	10.15
The Hongkong and Shanghai Banking Corporation Limited	27 June 2019		10,000,000	10.15
The Hongkong and Shanghai Banking Corporation Limited	15 July 2019		5,000,000	5.08
The Hongkong and Shanghai Banking Corporation Limited	13 August 2019		10,000,000	10.15
The Hongkong and Shanghai Banking Corporation Limited	13 September 2019		20,000,000	20.30
<b>Total money market fixed deposits</b>			<u>70,000,000</u>	<u>71.06</u>
<b>Futures contracts</b>				
	<u>Expiration date</u>	<u>Contracts</u>		
Hang Seng Index Future 29/04/2019	29 April 2019	(67)	(1,070,400)	(1.09)
<b>Total futures contracts</b>			<u>(1,070,400)</u>	<u>(1.09)</u>
<b>Total investments</b>			68,929,600	69.97
<b>Other net assets</b>			29,581,766	30.03
<b>Net assets attributable to unitholders</b>			<u>98,511,366</u>	<u>100.00</u>

SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT  
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES)

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)  
FOR THE YEAR ENDED 31 MARCH 2019

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<u>Investments</u>	Holdings as at <u>01/04/2018</u>	<u>Additions</u>	<u>Disposals</u>	Holdings as at <u>31/03/2019</u>
<b>Money market fixed deposits</b>				
The Hongkong and Shanghai Banking Corporation Limited	HK\$107,000,000	HK\$175,000,000	(HK\$212,000,000)	HK\$70,000,000
<b>Futures contracts</b>				
Hang Seng Index Future 27/04/2018	(103)	116	(13)	-
Hang Seng Index Future 30/05/2018	-	109	(109)	-
Hang Seng Index Future 28/06/2018	-	117	(117)	-
Hang Seng Index Future 30/07/2018	-	102	(102)	-
Hang Seng Index Future 30/08/2018	-	87	(87)	-
Hang Seng Index Future 27/09/2018	-	102	(102)	-
Hang Seng Index Future 30/10/2018	-	110	(110)	-
Hang Seng Index Future 29/11/2018	-	89	(89)	-
Hang Seng Index Future 28/12/2018	-	82	(82)	-
Hang Seng Index Future 30/01/2019	-	86	(86)	-
Hang Seng Index Future 27/02/2019	-	73	(73)	-
Hang Seng Index Future 28/03/2019	-	77	(77)	-
Hang Seng Index Future 29/04/2019	-	2	(69)	(67)

SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT  
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES)

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PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUND (UNAUDITED)  
FOR THE YEAR ENDED 31 MARCH 2019

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	<u>Performance</u> %
<b>Sub Fund</b>	
Samsung HSI Daily (-1x) Inverse Product	-2.47%
<b>Index</b>	
Hang Seng Index	-3.46%

Source: Unit-prices are provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of Samsung HSI Daily (-1x) Inverse Product which is calculated with reference to the unit-prices is provided by the Manager. Index information is provided by Hang Seng Indexes Company Limited.

Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT  
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES)

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PERFORMANCE RECORD (UNAUDITED)  
FOR THE YEAR ENDED 31 MARCH 2019

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(a) Price record (Net assets value per unit)

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Year ended 31 March 2019	4.2212	5.2545
Period ended 31 March 2018	4.1403	6.0061

Note: The net assets value per unit is calculated under the accounting basis indicated in the Trust's prospectus.

(b) Net asset value

	<u>Net asset value</u> HK\$
As at 31 March 2019	98,511,366
As at 31 March 2018	156,299,310

(c) Net asset value per unit

	HK\$
As at 31 March 2019	4.3783
As at 31 March 2018	4.4914



**SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT  
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES)**

**INVESTMENT PORTFOLIO (UNAUDITED)  
AS AT 31 MARCH 2019**

	<u>Maturity date</u>	<u>Market value HK\$</u>	<u>% of total net assets attributable to unitholders</u>
<b>Money market fixed deposits</b>			
The Hongkong and Shanghai Banking Corporation Limited	15 April 2019	20,000,000	8.54
The Hongkong and Shanghai Banking Corporation Limited	24 April 2019	10,000,000	4.27
The Hongkong and Shanghai Banking Corporation Limited	14 May 2019	15,000,000	6.41
The Hongkong and Shanghai Banking Corporation Limited	21 May 2019	15,000,000	6.41
The Hongkong and Shanghai Banking Corporation Limited	06 June 2019	10,000,000	4.27
The Hongkong and Shanghai Banking Corporation Limited	17 June 2019	5,000,000	2.13
The Hongkong and Shanghai Banking Corporation Limited	22 July 2019	15,000,000	6.40
The Hongkong and Shanghai Banking Corporation Limited	12 August 2019	20,000,000	8.54
The Hongkong and Shanghai Banking Corporation Limited	13 September 2019	35,000,000	14.94
The Hongkong and Shanghai Banking Corporation Limited	26 September 2019	20,000,000	8.54
<b>Total money market fixed deposits</b>		<u>165,000,000</u>	<u>70.45</u>
<b>Futures contracts</b>			
	<u>Expiration date</u>	<u>Contracts</u>	
Hang Seng China Enterprise Index Futures 29/04/2019	29 April 2019	822	2,346,003
<b>Total futures contracts</b>			<u>2,346,003</u>
<b>Total investments</b>			<u>167,346,003</u>
<b>Other net assets</b>			<u>66,874,105</u>
<b>Net assets attributable to unitholders</b>			<u><u>234,220,108</u></u>

**SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT  
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES)**

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)  
FOR THE YEAR ENDED 31 MARCH 2019**

<u>Investments</u>	<u>Holdings as at 01/04/2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>Holdings as at 31/03/2019</u>
<b>Money market fixed deposits</b>				
The Hongkong and Shanghai Banking Corporation Limited	HK\$160,000,000	HK\$380,044,618	(HK\$375,044,618)	HK\$165,000,000
<b>Futures contracts</b>				
Hang Seng China Enterprises Index Futures 27/04/2018	801	74	(875)	-
Hang Seng China Enterprises Index Futures 30/05/2018	-	1,060	(1,060)	-
Hang Seng China Enterprises Index Futures 28/06/2018	-	936	(936)	-
Hang Seng China Enterprises Index Futures 30/07/2018	-	896	(896)	-
Hang Seng China Enterprises Index Futures 30/08/2018	-	908	(908)	-
Hang Seng China Enterprises Index Futures 27/09/2018	-	898	(898)	-
Hang Seng China Enterprises Index Futures 30/10/2018	-	850	(850)	-
Hang Seng China Enterprises Index Futures 29/11/2018	-	815	(815)	-
Hang Seng China Enterprises Index Futures 28/12/2018	-	765	(765)	-
Hang Seng China Enterprises Index Futures 30/01/2019	-	789	(789)	-
Hang Seng China Enterprises Index Futures 27/02/2019	-	795	(795)	-
Hang Seng China Enterprises Index Futures 28/03/2019	-	845	(845)	-
Hang Seng China Enterprises Index Futures 29/04/2019	-	822	-	822

SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT  
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES)

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PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUND (UNAUDITED)  
FOR THE YEAR ENDED 31 MARCH 2019

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	<u>Performance</u> %
<b>Sub Fund</b>	
Samsung HSCEI Daily (2x) Leveraged Product	-11.38%
<b>Index</b>	
Hang Seng China Enterprises Index	-5.16%

Source: Unit-prices are provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of Samsung HSCEI Daily (2x) Leveraged Product which is calculated with reference to the unit-prices is provided by the Manager. Index information is provided by Hang Seng Indexes Company Limited.

Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT  
 (A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
 INVESTMENT PRODUCT SERIES)

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PERFORMANCE RECORD (UNAUDITED)  
 FOR THE YEAR ENDED 31 MARCH 2019

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(a) Price record (Net assets value per unit)

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Year ended 31 March 2019	5.5698	9.0005
Period ended 31 March 2018	5.5892	11.0613

Note: The net assets value per unit is calculated under the accounting basis indicated in the Trust's prospectus.

(b) Net asset value

	<u>Net asset value</u> HK\$
As at 31 March 2019	234,220,108
As at 31 March 2018	241,759,212

(c) Net asset value per unit

	HK\$
As at 31 March 2019	7.3654
As at 31 March 2018	8.3079

SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES)

INVESTMENT PORTFOLIO (UNAUDITED)  
AS AT 31 MARCH 2019

	<u>Maturity date</u>	<u>Market value</u> HK\$	<u>% of total net assets attributable to unitholders</u>
<b>Money market fixed deposits</b>			
The Hongkong and Shanghai Banking Corporation Limited	15 April 2019	20,000,000	19.97
The Hongkong and Shanghai Banking Corporation Limited	14 May 2019	15,000,000	14.98
The Hongkong and Shanghai Banking Corporation Limited	11 June 2019	5,000,000	4.99
The Hongkong and Shanghai Banking Corporation Limited	15 July 2019	15,000,000	14.98
The Hongkong and Shanghai Banking Corporation Limited	12 August 2019	5,000,000	4.99
The Hongkong and Shanghai Banking Corporation Limited	13 September 2019	15,000,000	14.98
<b>Total money market fixed deposits</b>		<u>75,000,000</u>	<u>74.89</u>
<b>Futures contracts</b>			
	<u>Expiration date</u>	<u>Contracts</u>	
Hang Seng China Enterprise Index Futures 29/04/2019	29 April 2019	(175)	(0.51)
<b>Total futures contracts</b>		<u>(515,150)</u>	<u>(0.51)</u>
<b>Total investments</b>		74,484,850	74.38
<b>Other net assets</b>		25,654,126	25.62
<b>Net assets attributable to unitholders</b>		<u>100,138,976</u>	<u>100.00</u>

**SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT**  
**(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE**  
**INVESTMENT PRODUCT SERIES)**

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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<u>Investments</u>	<u>Holdings</u> as at <u>01/04/2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>Holdings</u> as at <u>31/03/2019</u>
<b>Money market fixed deposits</b>				
The Hongkong and Shanghai Banking Corporation Limited	HK\$78,000,000	HK\$208,000,000	(HK\$211,000,000)	HK\$75,000,000
<b>Futures contracts</b>				
Hang Seng China Enterprises Index Futures 27/04/2018	(195)	251	(56)	-
Hang Seng China Enterprises Index Futures 30/05/2018	-	296	(296)	-
Hang Seng China Enterprises Index Futures 28/06/2018	-	328	(328)	-
Hang Seng China Enterprises Index Futures 30/07/2018	-	300	(300)	-
Hang Seng China Enterprises Index Futures 30/08/2018	-	277	(277)	-
Hang Seng China Enterprises Index Futures 27/09/2018	-	265	(265)	-
Hang Seng China Enterprises Index Futures 30/10/2018	-	281	(281)	-
Hang Seng China Enterprises Index Futures 29/11/2018	-	243	(243)	-
Hang Seng China Enterprises Index Futures 28/12/2018	-	232	(232)	-
Hang Seng China Enterprises Index Futures 30/01/2019	-	234	(234)	-
Hang Seng China Enterprises Index Futures 27/02/2019	-	187	(187)	-
Hang Seng China Enterprises Index Futures 28/03/2019	-	194	(194)	-
Hang Seng China Enterprises Index Futures 29/04/2019	-	-	(175)	(175)

SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES)

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PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUND (UNAUDITED)  
FOR THE YEAR ENDED 31 MARCH 2019

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	<u>Performance</u> %
<b>Sub Fund</b>	
Samsung HSCEI Daily (-1x) Inverse Product	-0.78%
<b>Index</b>	
Hang Seng China Enterprises Index	-5.16%

Source: Unit-prices are provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of Samsung HSCEI Daily (-1x) Inverse Product which is calculated with reference to the unit-prices is provided by the Manager. Index information is provided by Hang Seng Indexes Company Limited.

Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT  
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES)

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PERFORMANCE RECORD (UNAUDITED)  
FOR THE YEAR ENDED 31 MARCH 2019

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(a) Price record (Net assets value per unit)

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Year ended 31 March 2018	4.5133	5.4852
Period ended 31 March 2018	4.2150	6.1709

Note: The net assets value per unit is calculated under the accounting basis indicated in the Trust's prospectus.

(b) Net asset value

	<u>Net asset value</u> HK\$
As at 31 March 2019	100,138,976
As at 31 March 2018	117,925,078

(c) Net asset value per unit

	HK\$
As at 31 March 2019	4.7014
As at 31 March 2018	4.7359

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**SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
INVESTMENT PRODUCT SERIES#**

**UNDERLYING INDEX CONSTITUENT STOCKS DISCLOSURE (UNAUDITED)  
AS AT 31 MARCH 2019**

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The following are those constituent stocks that accounted for more than 10% of the weighting of the Hang Seng Index and Hang Seng China Enterprises Index.

As at 31 March 2019

**Hang Seng Index**

Constituent stock	Weighting of the index (%)
N/A	N/A

**Hang Seng China Enterprises Index**

Constituent stock	Weighting of the index (%)
Tencent Holdings Ltd	10.15

As at 31 March 2018

**Hang Seng Index**

Constituent stock	Weighting of the index (%)
N/A	N/A

**Hang Seng China Enterprises Index**

Constituent stocks	Weighting of the index (%)
Industrial and Commercial Bank of China Limited	10.27%
China Construction Bank Corporation	10.13%