

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)

Reports and Financial Statements  
For the year ended 31 March 2020

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 2020

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

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SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT  
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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  
KIM Minseok (appointed on 15 November 2019)  
PARK Sungjin (appointed on 15 November  
2019)  
HONG Eui Suk (resigned on 13 March 2020)  
KIM Yousang (resigned on 15 November 2019)

**INVESTMENT ADVISER**

Samsung Asset Management Co., Limited  
18th 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 2020, net asset value per unit of the Sub-fund was HKD 5.8118, and there were 12,900,000 units outstanding. The net asset value was HKD 74,972,430.

**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 2020, net asset value per unit of the Sub-fund was HKD 5.0031, and there were 10,200,000 units outstanding. The net asset value was HKD 51,031,773.

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 2020, net asset value per unit of the Sub-fund was HKD 5.1283, and there were 21,900,000 units outstanding. The net asset value was HKD 112,310,835.

**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 2020, net asset value per unit of the Sub-fund was HKD 5.1918, and there were 9,900,000 units outstanding. The net asset value was HKD 51,398,481.

For and on behalf of  
Samsung Asset Management (Hong Kong) Limited  
31 July 2020

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 OF THE TRUSTEE TO THE UNITHOLDERS

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 2020.

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

31 July 2020

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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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 the 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 2020, 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-Fund is required to:

- ensure that the Sub-Fund 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 the Sub-Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not managing the Sub-Fund 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 54, which comprise the statement of financial position as at 31 March 2020, 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 2020, 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

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<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 significance to the financial statements.</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 2020 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.

TO THE UNITHOLDERS OF  
SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT,  
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT,  
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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 2020

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

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020

	NOTES	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT		SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT	
		2020	2019	2020	2019
		HK\$	HK\$	HK\$	HK\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Derivative financial assets	6, 12	1,218,473	3,691,450	-	-
Interest receivable		11,649	513,932	4,564	263,678
Due from a broker	7	22,042,145	28,472,472	5,368,093	7,469,334
Prepayments		-	6,890	-	6,890
Other receivables		14,219	14,219	14,219	14,219
Money market fixed deposits		40,000,000	125,000,000	32,000,000	70,000,000
Bank balances		11,816,834	11,696,611	14,242,834	22,146,196
Total assets		<u>75,103,320</u>	<u>169,395,574</u>	<u>51,629,710</u>	<u>99,900,317</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Derivative financial liabilities	6, 12	-	-	458,250	1,070,400
Management fee payable	4	38,720	95,319	47,997	49,397
Trustee fee payable	4	12,065	25,383	12,066	20,308
Accrued expenses and other payables		269,060	246,425	268,579	248,846
Total liabilities		<u>319,845</u>	<u>367,127</u>	<u>786,892</u>	<u>1,388,951</u>
Net assets attributable to unitholders		<u>74,783,475</u>	<u>169,028,447</u>	<u>50,842,818</u>	<u>98,511,366</u>
Representing:					
Total number of units in issue	10	<u>12,900,000</u>	<u>18,900,000</u>	<u>10,200,000</u>	<u>22,500,000</u>
Net assets value per unit	10	<u>5.7972</u>	<u>8.9433</u>	<u>4.9846</u>	<u>4.3783</u>

# As defined in note 1 to the financial statements

The financial statements on pages 11 to 54 were approved by the Manager and the Trustee on 31 July 2020 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 FINANCIAL POSITION - continued  
AS AT 31 MARCH 2020

	NOTES	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT		SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT	
		2020	2019	2020	2019
		HK\$	HK\$	HK\$	HK\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Derivative financial assets	6, 12	2,691,713	2,346,003	-	-
Interest receivable		19,806	450,068	9,325	347,874
Due from a broker	7	31,554,034	37,818,925	5,523,321	7,502,934
Due from a unitholder		-	5,258,682	-	1,414,470
Prepayments		-	6,890	-	6,890
Other receivables		14,219	14,219	14,219	14,219
Money market fixed deposits		68,000,000	165,000,000	32,000,000	75,000,000
Bank balances		10,207,174	23,719,565	14,648,710	16,685,279
Total assets		<u>112,486,946</u>	<u>234,614,352</u>	<u>52,195,575</u>	<u>100,971,666</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Derivative financial liabilities	6, 12	-	-	660,050	515,150
Management fee payable	4	70,386	107,989	44,874	42,931
Trustee fee payable	4	12,200	28,709	12,066	20,084
Accrued expenses and other payables		282,480	257,546	269,059	254,525
Total liabilities		<u>365,066</u>	<u>394,244</u>	<u>986,049</u>	<u>832,690</u>
Net assets attributable to unitholders		<u>112,121,880</u>	<u>234,220,108</u>	<u>51,209,526</u>	<u>100,138,976</u>
Representing:					
Total number of units in issue	10	<u>21,900,000</u>	<u>31,800,000</u>	<u>9,900,000</u>	<u>21,300,000</u>
Net assets value per unit	10	<u>5.1197</u>	<u>7.3654</u>	<u>5.1727</u>	<u>4.7014</u>

# As defined in note 1 to the financial statements

The financial statements on pages 11 to 54 were approved by the Manager and the Trustee on 31 July 2020 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 2020

	NOTES	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT		SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT	
		2020	2019	2020	2019
		HK\$	HK\$	HK\$	HK\$
<b>INCOME</b>					
Bank interest income		1,235,682	1,526,742	1,074,940	1,017,807
Net (loss) gain on derivative financial instruments		(43,446,248)	(14,959,100)	13,512,350	1,671,450
Net foreign exchange gain (loss)		205	(72)	205	(72)
Net (loss) gain		<u>(42,210,361)</u>	<u>(13,432,430)</u>	<u>14,587,495</u>	<u>2,689,185</u>
<b>EXPENSES</b>					
Management fee	4	(763,723)	(1,138,281)	(612,708)	(723,093)
Trustee fee	4	(151,617)	(217,930)	(138,284)	(143,760)
Safe custody and bank charges		(1,270)	(200)	(870)	(200)
Audit fee		(82,500)	(87,500)	(82,500)	(87,500)
Legal fees		(7,788)	-	(7,788)	-
Accounting and professional fees	4	(70,200)	(70,200)	(70,200)	(70,200)
Listing fees		(15,000)	(15,000)	(15,000)	(15,000)
Brokerage and other transaction fees		(177,895)	(253,615)	(88,645)	(100,740)
Interest expense, net		-	(129,214)	-	(39,667)
Other operating expenses		(573,478)	(483,869)	(573,958)	(486,109)
		<u>(1,843,471)</u>	<u>(2,395,809)</u>	<u>(1,589,953)</u>	<u>(1,666,269)</u>
<b>(LOSS) PROFIT AND TOTAL COMPREHENSIVE (EXPENSE) INCOME FOR THE YEAR REPRESENTING CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS RESULTING FROM OPERATIONS</b>					
		<u>(44,053,832)</u>	<u>(15,828,239)</u>	<u>12,997,542</u>	<u>1,022,916</u>

# As defined in note 1 to the financial statements



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

STATEMENT OF COMPREHENSIVE INCOME - continued  
FOR THE YEAR ENDED 31 MARCH 2020

	NOTES	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT		SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT	
		2020	2019	2020	2019
		HK\$	HK\$	HK\$	HK\$
<b>INCOME</b>					
Bank interest income		2,167,170	1,922,622	1,102,354	1,134,726
Net (loss) gain on derivative financial instruments		(71,471,482)	(28,458,495)	10,326,500	4,812,901
Net foreign exchange gain (loss)		205	(72)	205	(72)
Net (loss) gain		<u>(69,304,107)</u>	<u>(26,535,945)</u>	<u>11,429,059</u>	<u>5,947,555</u>
<b>EXPENSES</b>					
Management fee	4	(1,308,367)	(1,408,366)	(636,551)	(771,573)
Trustee fee	4	(192,867)	(266,471)	(138,284)	(152,756)
Safe custody and bank charges		(1,270)	(200)	(870)	(200)
Audit fee		(82,500)	(87,500)	(82,500)	(87,500)
Legal fees		(7,788)	-	(7,788)	-
Accounting and professional fees	4	(70,200)	(70,200)	(70,200)	(70,200)
Listing fees		(15,000)	(15,000)	(15,000)	(15,000)
Brokerage and other transaction fees		(654,531)	(666,728)	(193,738)	(213,373)
Interest expense, net		-	(155,425)	-	(38,966)
Other operating expenses		(575,078)	(485,149)	(573,478)	(484,509)
		<u>(2,907,601)</u>	<u>(3,155,039)</u>	<u>(1,718,409)</u>	<u>(1,834,077)</u>
<b>(LOSS) PROFIT AND TOTAL COMPREHENSIVE (EXPENSE) INCOME FOR THE YEAR REPRESENTING CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS RESULTING FROM OPERATIONS</b>					
		<u>(72,211,708)</u>	<u>(29,690,984)</u>	<u>9,710,650</u>	<u>4,113,478</u>

# As defined in note 1 to the financial statements

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 2020

	<u>NOTES</u>	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
Balance as at 31 March 2018		<u>199,445,476</u>	<u>156,299,310</u>	<u>241,759,212</u>	<u>117,925,078</u>
(Loss) profit and total comprehensive (expense) income for the year		<u>(15,828,239)</u>	<u>1,022,916</u>	<u>(29,690,984)</u>	<u>4,113,478</u>
Subscription of units	10	<u>55,145,190</u>	<u>75,305,940</u>	<u>106,748,850</u>	<u>58,694,940</u>
Redemption of units	10	<u>(69,733,980)</u>	<u>(134,116,800)</u>	<u>(84,596,970)</u>	<u>(80,594,520)</u>
		<u>(14,588,790)</u>	<u>(58,810,860)</u>	<u>22,151,880</u>	<u>(21,899,580)</u>
Balance as at 31 March 2019		<u>169,028,447</u>	<u>98,511,366</u>	<u>234,220,108</u>	<u>100,138,976</u>
(Loss) profit and total comprehensive (expense) income for the year		<u>(44,053,832)</u>	<u>12,997,542</u>	<u>(72,211,708)</u>	<u>9,710,650</u>
Subscription of units	10	<u>9,038,850</u>	<u>6,544,140</u>	<u>52,600,440</u>	<u>7,207,500</u>
Redemption of units	10	<u>(59,229,990)</u>	<u>(67,210,230)</u>	<u>(102,486,960)</u>	<u>(65,847,600)</u>
		<u>(50,191,140)</u>	<u>(60,666,090)</u>	<u>(49,886,520)</u>	<u>(58,640,100)</u>
Balance at 31 March 2020		<u><u>74,783,475</u></u>	<u><u>50,842,818</u></u>	<u><u>112,121,880</u></u>	<u><u>51,209,526</u></u>

# 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 2020

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT		SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT	
	2020	2019	2020	2019
	HK\$	HK\$	HK\$	HK\$
<b>OPERATING ACTIVITIES</b>				
(Loss) profit and total comprehensive (expense) income for the year	(44,053,832)	(15,828,239)	12,997,542	1,022,916
Adjustments for:				
Bank interest income	(1,235,682)	(1,526,742)	(1,074,940)	(1,017,807)
Interest expense	-	129,214	-	39,667
Operating cash flows before movements in working capital	(45,289,514)	(17,225,767)	11,922,602	44,776
Decrease (increase) in derivative financial assets	2,472,977	(3,691,450)	-	3,586,053
Decrease (increase) in prepayments	6,890	(6,890)	6,890	(6,890)
Decrease in due from a broker	6,430,327	21,454,107	2,101,241	4,391,143
Decrease in money market fixed deposits	85,000,000	11,000,000	38,000,000	37,000,000
(Decrease) increase in derivative financial liabilities	-	(9,744,847)	(612,150)	1,070,400
Decrease in management fee payable	(56,599)	(13,069)	(1,400)	(20,160)
(Decrease) increase in trustee fee payable	(13,318)	4,653	(8,242)	5,565
Increase in accrued expenses and other payables	22,635	56,724	19,733	52,426
Cash from operations	48,573,398	1,833,461	51,428,674	46,123,313
Bank interest received	1,737,965	1,171,985	1,334,054	857,918
Interest paid	-	(129,214)	-	(39,667)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>50,311,363</b>	<b>2,876,232</b>	<b>52,762,728</b>	<b>46,941,564</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from subscription of units	9,038,850	55,145,190	6,544,140	75,305,940
Payments on redemption of units	(59,229,990)	(69,733,980)	(67,210,230)	(134,116,800)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(50,191,140)</b>	<b>(14,588,790)</b>	<b>(60,666,090)</b>	<b>(58,810,860)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>120,223</b>	<b>(11,712,558)</b>	<b>(7,903,362)</b>	<b>(11,869,296)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>11,696,611</b>	<b>23,409,169</b>	<b>22,146,196</b>	<b>34,015,492</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>11,816,834</b>	<b>11,696,611</b>	<b>14,242,834</b>	<b>22,146,196</b>
Analysis of balances of cash and cash equivalents				
Bank balances	11,816,834	11,696,611	14,242,834	22,146,196

<sup>#</sup> 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 - continued  
FOR THE YEAR ENDED 31 MARCH 2020

	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT		SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT	
	2020 HK\$	2019 HK\$	2020 HK\$	2019 HK\$
<b>OPERATING ACTIVITIES</b>				
(Loss) profit and total comprehensive (expense) income for the year	(72,211,708)	(29,690,984)	9,710,650	4,113,478
Adjustments for:				
Bank interest income	(2,167,170)	(1,922,622)	(1,102,354)	(1,134,726)
Interest expense	-	155,425	-	38,966
Operating cash flows before movements in working capital	(74,378,878)	(31,458,181)	8,608,296	3,017,718
(Increase) decrease in derivative financial assets	(345,710)	(2,346,003)	-	2,556,100
Decrease (increase) in prepayments	6,890	(6,890)	6,890	(6,890)
Decrease in due from a broker	6,264,891	21,230,883	1,979,613	2,142,868
Decrease (increase) in money market fixed deposits	97,000,000	(5,000,000)	43,000,000	3,000,000
(Decrease) increase in derivative financial liabilities	-	(10,630,752)	144,900	515,150
(Decrease) increase in management fee payable	(37,603)	(14,200)	1,943	(5,130)
(Decrease) increase in trustee fee payable	(16,509)	4,508	(8,018)	9,310
Increase in accrued expenses and other payables	24,934	58,225	14,534	54,045
Cash from (used in) operations	28,518,015	(28,162,410)	53,748,158	11,283,171
Bank interest received	2,597,432	1,645,862	1,440,903	887,214
Interest paid	-	(155,425)	-	(38,966)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>31,115,447</b>	<b>(26,671,973)</b>	<b>55,189,061</b>	<b>12,131,419</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from subscription of units	57,859,122	109,364,880	8,621,970	57,280,470
Payments on redemption of units	(102,486,960)	(84,596,970)	(65,847,600)	(80,594,520)
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>	<b>(44,627,838)</b>	<b>24,767,910</b>	<b>(57,225,630)</b>	<b>(23,314,050)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(13,512,391)</b>	<b>(1,904,063)</b>	<b>(2,036,569)</b>	<b>(11,182,631)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>23,719,565</b>	<b>25,623,628</b>	<b>16,685,279</b>	<b>27,867,910</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>10,207,174</b>	<b>23,719,565</b>	<b>14,648,710</b>	<b>16,685,279</b>
Analysis of balances of cash and cash equivalents				
Bank balances	10,207,174	23,719,565	14,648,710	16,685,279

# As defined in note 1 to the financial statements

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 2020

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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 8.6 and 8.8 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.

	<u>Date of commencement of operations</u>	<u>Date of listing on Hong Kong 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.

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<sup>#</sup>

### 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#

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 in the current year.

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRS Standards 2015 - 2017 Cycle

The application of the new and 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.

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

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 that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts <sup>1</sup>
Amendment to HKFRS 16	Covid-19-Related Rent Concessions <sup>6</sup>
Amendments to HKFRS 3	Definition of a Business <sup>2</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>5</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>4</sup>
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use <sup>5</sup>
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract <sup>5</sup>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform <sup>4</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 - 2020 <sup>5</sup>

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

<sup>2</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>3</sup> Effective for annual periods beginning on or after a date to be determined

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2020

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>6</sup> Effective for annual periods beginning on or after 1 June 2020

In addition to the above new and amendments to IFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in IFRS Standards, will be 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 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.



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.

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

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of preparation - continued

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.

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 ("FVTPL") 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

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

**Financial assets**

*Classification and subsequent measurement of financial assets*

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.

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

*Classification and subsequent measurement of financial assets* - continued

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.

*Impairment of financial assets*

The Sub-Funds recognise a loss allowance for expected credit loss ("ECL") on financial assets including interest receivable, due from a broker, due from a unitholder, other receivables, money market fixed deposits and bank balances, which are subject to impairment under IFRS 9. 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, 12-month ECL ("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.

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* - continued

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

**Financial assets** - continued

*Impairment of financial assets* - continued

(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.

(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 and 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.

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

*Derecognition of financial assets*

The Sub-Funds derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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.

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.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES - continued

#### Financial instruments - continued

#### **Financial liabilities and equity** - continued

#### *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.

#### Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and in banks and bank deposits with original maturities of three months or less.

#### 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.



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

### 3. SIGNIFICANT ACCOUNTING POLICIES - continued

#### 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.

#### 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.

### 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 years ended 31 March 2020 and 31 March 2019 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 years ended 31 March 2020 and 31 March 2019 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.

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

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 2020 and 2019 and the management fee payable as at 31 March 2020 and 2019 are as follows:

*Year ended/as at 31 March 2020*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
Management fee	763,723	612,708	1,308,367	636,551
Management fee payable	<u>38,720</u>	<u>47,997</u>	<u>70,386</u>	<u>44,874</u>

*Year ended/as at 31 March 2019*

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

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

Trustee fee

The Trustee is entitled to receive a trustee fee based on the net assets value of each of the Sub-Fund.

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

Pursuant to a letter issued by the Trustee to the Manager effective from 1 August 2019, the Trustee has agreed to reduce the trustee fee from 0.12% per annum to 0.08% per annum on the net assets value of the Sub-Funds. 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.

The trustee fee for the year ended 31 March 2020 and the 31 March 2019 and the trustee fee payable as at 31 March 2020 and 31 March 2019 are as follows:

*Year ended/as at 31 March 2020*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
Trustee fee	151,617	138,284	192,867	138,284
Trustee fee payable	<u>12,065</u>	<u>12,066</u>	<u>12,200</u>	<u>12,066</u>

*Year ended/as at 31 March 2019*

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

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

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

Accounting and professional fees

The Sub-Funds have engaged the Trustee for accounting and professional services. The accounting and professional fees for the years ended 31 March 2020 and 31 March 2019 and the accounting and professional fees payable as at 31 March 2020 and 31 March 2019 are as follows:

*Year ended/as at 31 March 2020*

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

*Year ended/as at 31 March 2019*

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

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

Bank balances and money market fixed deposits

The Sub-Funds maintained certain bank balances 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 2020 and 2019 and the interest income earned on these bank balances during the year ended 31 March 2020 and 2019 are as follows:

*Year ended/as at 31 March 2020*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
Bank balances	5,789,770	7,214,504	1,152,964	7,120,557
Interest receivable	7	16	16	13
Interest income earned	974,115	837,955	1,594,104	847,409

*Year ended/as at 31 March 2019*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT 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) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
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

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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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 2020*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
<b>Derivative financial assets</b>				
Future contracts	1,218,473	-	2,691,713	-
<b>Derivative financial liabilities</b>				
Future contracts	-	(458,250)	-	(660,050)

*As at 31 March 2019*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT 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)

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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7. DUE FROM A BROKER

*As at 31 March 2020*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
Deposits with a broker	<u>22,042,145</u>	<u>5,368,093</u>	<u>31,554,034</u>	<u>5,523,321</u>

*As at 31 March 2019*

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

Deposits with brokers 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 years ended 31 March 2020 and 31 March 2019 in relation to directing transactions of each of the Sub-Funds through a broker or dealer.

SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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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 years ended 31 March 2020 and 31 March 2019.

During the year ended 31 March 2019, the Manager has applied to the SFC, and the SFC has granted, a waiver in respect of the Sub-Fund from the requirements under Chapter 8.4A (e) of the SFC Code that the Sub-Fund 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 the Sub-Fund. With effective from 31 December 2019, Chapter 8.4A has been removed from the revised SFC Code. As a result, the waiver is no longer be applicable and withdrawn with effect from the effective date.

10. UNITS ISSUED AND REDEEMED

*As at 31 March 2020*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
Number of units at the beginning of the year	18,900,000	22,500,000	31,800,000	21,300,000
Units issued	1,200,000	1,500,000	8,400,000	1,500,000
Units redeemed	<u>(7,200,000)</u>	<u>(13,800,000)</u>	<u>(18,300,000)</u>	<u>(12,900,000)</u>
Number of units in issue at the end of the year	<u>12,900,000</u>	<u>10,200,000</u>	<u>21,900,000</u>	<u>9,900,000</u>

*As at 31 March 2020*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
Subscription of units	9,038,850	6,544,140	52,600,440	7,207,500
Redemption of units	<u>(59,229,990)</u>	<u>(67,210,230)</u>	<u>(102,486,960)</u>	<u>(65,847,600)</u>
Net redemption of units during the year	<u>(50,191,140)</u>	<u>(60,666,090)</u>	<u>(49,886,520)</u>	<u>(58,640,100)</u>



SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE  
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10. UNITS ISSUED AND REDEEMED - continued

*As at 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
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>18,900,000</u>	<u>22,500,000</u>	<u>31,800,000</u>	<u>21,300,000</u>

*As at 31 March 2019*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT 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 (redemption) subscription of units during the year	<u>(14,588,790)</u>	<u>(58,810,860)</u>	<u>22,151,880</u>	<u>(21,899,580)</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 2020*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
Net assets attributable to unitholders as reported in the statement of financial position	74,783,475	50,842,818	112,121,880	51,209,526
Adjustments for unamortized establishment costs	<u>188,955</u>	<u>188,955</u>	<u>188,955</u>	<u>188,955</u>
Net asset value calculated under accounting basis indicated in the Trust's Prospectus	<u>74,972,430</u>	<u>51,031,773</u>	<u>112,310,835</u>	<u>51,398,481</u>
Net assets attributable to unitholders per unit as reported in the statement of financial position	<u>5.7972</u>	<u>4.9846</u>	<u>5.1197</u>	<u>5.1727</u>
Net assets attributable to unitholders per unit calculated under accounting basis indicated in the Trust's Prospectus	<u>5.8118</u>	<u>5.0031</u>	<u>5.1283</u>	<u>5.1918</u>

*As at 31 March 2019*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT 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	<u>286,224</u>	<u>286,224</u>	<u>286,224</u>	<u>286,224</u>
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>

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

11. DISTRIBUTIONS

During the years ended 31 March 2020 and 2019, no distributions were made to the unitholders of each of the Sub-Funds.

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Categories of financial instruments

*As at 31 March 2020*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
<b>Financial assets</b>				
FVTPL	1,218,473	-	2,691,713	-
Amortised cost	73,884,847	51,629,710	109,795,233	52,195,575
<b>Financial liabilities</b>				
FVTPL	-	458,250	-	660,050
Amortised cost	217,545	226,342	262,766	223,699

*As at 31 March 2019*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT 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

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

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Categories of financial instruments - continued

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..

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.

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

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Price risk - continued

*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:

*As at 31 March 2020*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
Movements in (loss) profit for the year	decreased by <u>HK\$(14,825,000)</u>	decreased by <u>HK\$4,981,000</u>	decreased by <u>HK\$(22,303,000)</u>	decreased by <u>HK\$5,058,000</u>

*As at 31 March 2019*

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

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.

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 2020*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
Bank balances in savings accounts	11,816,834	14,242,834	10,207,174	14,648,710
Due from a broker	22,042,145	5,368,093	31,554,034	5,523,321

*As at 31 March 2019*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT 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

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 2020 and 31 March 2019, 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 2020*

	SAMSUNG HSI DAILY (2X) LEVERAGED <u>PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) INVERSE <u>PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED <u>PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE <u>PRODUCT</u> HK\$
Movements in (loss) profit for the year	decreased by <u>HK\$(169,000)</u>	decreased by <u>HK\$98,000</u>	decreased by <u>HK\$(209,000)</u>	decreased by <u>HK\$101,000</u>

*As at 31 March 2019*

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

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.

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

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

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.

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 number of banks. 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 at 31 March 2020 and 31 March 2019 the Sub-Funds held fixed deposits and cash with the following banks.

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT	Credit rating	Source of credit rating
<u>2020</u>						
<b>Bank Balances</b>						
Citibank, N.A., Hong Kong Branch	4	3	7	3	A3	Moody's
Standard Chartered Bank, Hong Kong	6,027,060	7,028,327	9,054,203	7,528,150	A2	Moody's
HSBC	5,789,770	7,214,504	1,152,964	7,120,557	A2	Moody's
<b>Fixed Deposits</b>						
China Construction Bank (Asia) Corporation Limited	10,000,000	8,000,000	17,000,000	8,000,000	A1	Moody's
CMB Wing Lung Bank Limited	10,000,000	8,000,000	17,000,000	8,000,000	A3	Moody's
DBS Bank (Hong Kong) Limited	10,000,000	8,000,000	17,000,000	8,000,000	Aa2	Moody's
Oversea-Chinese Banking Corporation Limited (Hong Kong)	10,000,000	8,000,000	17,000,000	8,000,000	Aa1	Moody's
<u>2019</u>						
<b>Bank Balances</b>						
HSBC	11,696,611	22,146,196	23,719,564	16,685,279	A	Moody's
<b>Fixed Deposits</b>						
HSBC	125,000,000	70,000,000	165,000,000	75,000,000	A	Moody's



12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Credit risk and impairment assessment - continued

As the banks have a credit rating of Aa1 (2019: A) or higher 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.

The credit risk on bank balances and fixed deposits is limited because the counterparties are major institutional banks with credit ratings of Aa1 or above (2019: A) assigned by international credit-rating agencies. These institutional banks have a low risk of default and there is no significant increase in credit risk since initial recognition. Accordingly, they are subject to 12-month ECL.

During the years ended 31 March 2020 and 31 March 2019, 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 banks and a broker with high credit ratings, the Sub-Funds do not have any other significant concentration of credit risk.

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 2020 and 31 March 2019, each of the Sub-Funds' financial liabilities are due within three months.

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

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

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.

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 2020 and 2019.

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

*As at 31 March 2020*

<u>Type of contract</u>	<u>Expiration</u>	<u>Notional amount</u> HK\$	<u>Underlying</u>	<u>Fair value assets (liabilities)</u> HK\$
Futures - Long	April 2020	<u>148,250,000</u>	Hang Seng Index	<u>1,218,473</u>

*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 (liabilities)</u> HK\$
Futures - Long	April 2019	<u>337,293,200</u>	Hang Seng Index	<u>3,691,450</u>

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

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Specific instruments - continued

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

*As at 31 March 2020*

<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 2020	<u>(49,812,000)</u>	Hang Seng Index	<u>(458,250)</u>

*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>

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

*As at 31 March 2020*

<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 2020	<u>223,027,100</u>	Hang Seng China Enterprises Index	<u>2,691,713</u>

*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>467,471,400</u>	Hang Seng China Enterprises Index	<u>2,346,003</u>

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

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Specific instruments - continued

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

*As at 31 March 2020*

<u>Type of contract</u>	<u>Expiration</u>	<u>Notional amount</u> HK\$	<u>Underlying</u>	<u>Fair value assets (liabilities)</u> HK\$
Futures - Short	April 2020	<u>(50,578,500)</u>	Hang Seng China Enterprises Index	<u>(660,050)</u>

*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 (liabilities)</u> HK\$
Futures - Short	April 2019	<u>99,522,500</u>	Hang Seng China Enterprises Index	<u>(515,150)</u>

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. In estimating the fair value, the Sub-Fund uses market-observable data to the extent it is available.

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 2020 and 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 2020*

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial assets				
- Futures contracts	1,218,473	-	-	1,218,473

*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

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

*As at 31 March 2020*

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial liabilities				
- Futures contracts	(458,250)	-	-	(458,250)

*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)

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*

*As at 31 March 2020*

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial assets				
- Futures contracts	2,691,713	-	-	2,691,713

*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

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

*As at 31 March 2020*

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial liabilities				
- Futures contracts	(660,050)	-	-	(660,050)

*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)

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Fair value - continued

**Valuation of financial instruments** - continued

For the years ended 31 March 2020 and 31 March 2019, there were no transfers of financial instruments between fair value hierarchy levels. The fair values of above derivative financial instruments are based on quoted market prices in an active market at the end of reporting period.

As at 31 March 2020 and 31 March 2019, 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 the financial assets and liabilities are considered by the Manager to approximate to their fair values.

Offsetting

As at 31 March 2020 and 31 March 2019, 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.

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

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Offsetting - continued

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 2020*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
<b>Financial assets</b>				
Derivative financial assets	1,218,473	-	2,691,713	-
Due from a broker	22,042,145	5,368,093	31,554,034	5,523,321
<b>Financial liabilities</b>				
Derivative financial liabilities	-	(458,250)	-	(660,050)
Net position	<u>23,260,618</u>	<u>4,909,843</u>	<u>34,245,747</u>	<u>4,863,271</u>

*As at 31 March 2019*

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY(-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT 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>



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

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**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. SUBSEQUENT EVENTS**

The Manager has evaluated the impact of all events that have occurred subsequent to the date of these financial statements through 31 July 2020, and have determined that there were no subsequent events requiring adjustment to or disclosure in the financial statements except for the continued effects of the outbreak of the coronavirus ("COVID-19"). The Manager views that the extent of the COVID-19 outbreak has no significant negative impact on the financial performance of the Sub-Funds.

**15. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Manager and the Trustee on 31 July 2020.

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

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INVESTMENT PORTFOLIO (UNAUDITED)  
AS AT 31 MARCH 2020

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	<u>Maturity date</u>		<u>Market value</u> HK\$	<u>% of total net assets attributable to unitholders</u>
<b>Money market fixed deposits</b>				
China Construction Bank (Asia) Corporation Limited	1 April 2020		10,000,000	13.37
CMB Wing Lung Bank Limited	1 April 2020		10,000,000	13.37
DBS Bank (Hong Kong) Limited	1 April 2020		10,000,000	13.37
Oversea-Chinese Banking Corporation Limited (Hong Kong)	1 April 2020		10,000,000	13.37
<b>Total money market fixed deposits</b>			<u>40,000,000</u>	<u>53.48</u>
<b>Futures contracts</b>				
	<u>Expiration date</u>	<u>Contracts</u>		
Hang Seng Index Future 28.4.2020	28 April 2020	125	<u>1,218,473</u>	<u>1.64</u>
<b>Total futures contracts</b>			<u>1,218,473</u>	<u>1.64</u>
<b>Total investments</b>			41,218,473	55.12
<b>Other net assets</b>			<u>33,565,002</u>	<u>44.88</u>
<b>Net assets attributable to unitholders</b>			<u>74,783,475</u>	<u>100.00</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 2020**

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<u>Investments</u>	<u>Holdings as at 1.4.2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Holdings as at 31.3.2020</u>
<b>Money market fixed deposits</b>				
China Construction Bank (Asia) Corporation Limited	-	HK\$243,500,000	(HK\$233,500,000)	HK\$10,000,000
Citibank, N.A., Hong Kong Branch	-	HK\$34,000,000	(HK\$34,000,000)	-
CMB Wing Lung Bank Limited	-	HK\$230,500,000	(HK\$220,500,000)	HK\$10,000,000
DBS Bank (Hong Kong) Limited	-	HK\$188,500,000	(HK\$178,500,000)	HK\$10,000,000
The Hongkong and Shanghai Banking Corporation Limited	HK\$125,000,000	HK\$283,000,000	(HK\$408,000,000)	-
Oversea-Chinese Banking Corporation Limited (Hong Kong)	-	HK\$218,500,000	(HK\$208,500,000)	HK\$10,000,000
<b>Futures contracts</b>				
Hang Seng Index Future 29/04/2019	232	17	(249)	-
Hang Seng Index Future 30/05/2019	-	245	(245)	-
Hang Seng Index Future 27/06/2019	-	227	(227)	-
Hang Seng Index Future 30/07/2019	-	185	(185)	-
Hang Seng Index Future 29/08/2019	-	182	(182)	-
Hang Seng Index Future 27/09/2019	-	172	(172)	-
Hang Seng Index Future 30/10/2019	-	175	(175)	-
Hang Seng Index Future 28/11/2019	-	180	(180)	-
Hang Seng Index Future 30/12/2019	-	173	(173)	-
Hang Seng Index Future 30/01/2020	-	172	(172)	-
Hang Seng Index Future 27/02/2020	-	150	(150)	-
Hang Seng Index Future 30/03/2020	-	164	(164)	-
Hang Seng Index Future 28/04/2020	-	127	(2)	125

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 2020

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	<u>Performance</u>
	%
<b>Sub Fund</b>	
Samsung HSI Daily (2x) Leveraged Product	-37.32%
<b>Index</b>	
Hang Seng Index	-20.16%

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 2020

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

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Year ended 31 March 2020	4.8143	9.6587
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 2020	74,783,475
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 2020	5.7972
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)

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INVESTMENT PORTFOLIO (UNAUDITED)  
AS AT 31 MARCH 2020

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	<u>Maturity date</u>		<u>Market value</u> HK\$	<u>% of total net assets attributable to unitholders</u>
<b>Money market fixed deposits</b>				
China Construction Bank (Asia) Corporation Limited	1 April 2020		8,000,000	15.73
CMB Wing Lung Bank Limited	1 April 2020		8,000,000	15.73
DBS Bank (Hong Kong) Limited	1 April 2020		8,000,000	15.73
Oversea-Chinese Banking Corporation Limited (Hong Kong)	1 April 2020		8,000,000	15.73
<b>Total money market fixed deposits</b>			<u>32,000,000</u>	<u>62.92</u>
<b>Futures contracts</b>				
	<u>Expiration date</u>	<u>Contracts</u>		
Hang Seng Index Future 28.4.2020	28 April 2020	(42)	<u>(458,250)</u>	<u>(0.88)</u>
<b>Total futures contracts</b>			<u>(458,250)</u>	<u>(0.88)</u>
<b>Total investments</b>			31,541,750	62.04
<b>Other net assets</b>			<u>19,301,068</u>	<u>37.96</u>
<b>Net assets attributable to unitholders</b>			<u>50,842,818</u>	<u>100.00</u>

**SAMSUNG HSI DAILY (-1X) INVERSE 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 2020**

<u>Investments</u>	<u>Holdings</u> <u>as at</u> <u>1.4.2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Holdings</u> <u>as at</u> <u>31.3.2020</u>
<b>Money market fixed deposits</b>				
China Construction Bank (Asia) Corporation Limited	-	HK\$227,100,000	(HK\$219,100,000)	HK\$8,000,000
Citibank, N.A., Hong Kong Branch	-	HK\$25,200,000	(HK\$25,200,000)	-
CMB Wing Lung Bank Limited	-	HK\$214,100,000	(HK\$206,100,000)	HK\$8,000,000
DBS Bank (Hong Kong) Limited	-	HK\$173,100,000	(HK\$165,100,000)	HK\$8,000,000
The Hongkong and Shanghai Banking Corporation Limited	HK\$70,000,000	HK\$280,000,000	(HK\$350,000,000)	-
Oversea-Chinese Banking Corporation Limited (Hong Kong)	-	HK\$201,100,000	(HK\$193,100,000)	HK\$8,000,000
<b>Futures contracts</b>				
Hang Seng Index Future 29/04/2019	(67)	75	(8)	-
Hang Seng Index Future 30/05/2019	-	85	(85)	-
Hang Seng Index Future 27/06/2019	-	84	(84)	-
Hang Seng Index Future 30/07/2019	-	77	(77)	-
Hang Seng Index Future 29/08/2019	-	89	(89)	-
Hang Seng Index Future 27/09/2019	-	88	(88)	-
Hang Seng Index Future 30/10/2019	-	85	(85)	-
Hang Seng Index Future 28/11/2019	-	83	(83)	-
Hang Seng Index Future 30/12/2019	-	75	(75)	-
Hang Seng Index Future 30/01/2020	-	64	(64)	-
Hang Seng Index Future 27/02/2020	-	71	(71)	-
Hang Seng Index Future 30/03/2020	-	105	(105)	-
Hang Seng Index Future 28/04/2020	-	3	(45)	(42)

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 2020

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	<u>Performance</u>
	%
<b>Sub Fund</b>	
Samsung HSI Daily (-1x) Inverse Product	15.92%
<b>Index</b>	
Hang Seng Index	-20.16%

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 2020

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

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Year ended 31 March 2020	4.2269	5.5477
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 2020	50,842,818
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 2020	4.9846
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 2020

	<u>Maturity date</u>		<u>Market value</u> HK\$	<u>% of total net assets attributable to unitholders</u>
<b>Money market fixed deposits</b>				
China Construction Bank (Asia) Corporation Limited	1 April 2020		17,000,000	15.16
CMB Wing Lung Bank Limited	1 April 2020		17,000,000	15.16
DBS Bank (Hong Kong) Limited	1 April 2020		17,000,000	15.16
Oversea-Chinese Banking Corporation Limited (Hong Kong)	1 April 2020		17,000,000	15.16
<b>Total money market fixed deposits</b>			<u>68,000,000</u>	<u>60.64</u>
<b>Futures contracts</b>				
	<u>Expiration date</u>	<u>Contracts</u>		
Hang Seng Index Future 28.4.2020	28 April 2020	463	<u>2,691,713</u>	<u>2.41</u>
<b>Total futures contracts</b>			<u>2,691,713</u>	<u>2.41</u>
<b>Total investments</b>			70,691,713	63.05
<b>Other net assets</b>			<u>41,430,167</u>	<u>36.95</u>
<b>Net assets attributable to unitholders</b>			<u>112,121,880</u>	<u>100.00</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 2020**

<u>Investments</u>	<u>Holdings as at 1.4.2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Holdings as at 31.3.2020</u>
<b>Money market fixed deposits</b>				
China Construction Bank (Asia) Corporation Limited	-	HK\$444,500,000	(HK\$427,500,000)	HK\$17,000,000
Citibank, N.A., Hong Kong Branch	-	HK\$62,000,000	(HK\$62,000,000)	-
CMB Wing Lung Bank Limited	-	HK\$420,500,000	(HK\$403,500,000)	HK\$17,000,000
DBS Bank (Hong Kong) Limited	-	HK\$342,500,000	(HK\$325,500,000)	HK\$17,000,000
The Hongkong and Shanghai Banking Corporation Limited	HK\$165,000,000	HK\$452,000,000	(HK\$617,000,000)	-
Oversea-Chinese Banking Corporation Limited (Hong Kong)	-	HK\$380,500,000	(HK\$363,500,000)	HK\$17,000,000
<b>Futures contracts</b>				
Hang Seng China Enterprises Index Futures 29/04/2019	822	51	(873)	-
Hang Seng China Enterprises Index Futures 30/05/2019	-	889	(889)	-
Hang Seng China Enterprises Index Futures 27/06/2019	-	852	(852)	-
Hang Seng China Enterprises Index Futures 30/07/2019	-	881	(881)	-
Hang Seng China Enterprises Index Futures 29/08/2019	-	858	(858)	-
Hang Seng China Enterprises Index Futures 27/09/2019	-	773	(773)	-
Hang Seng China Enterprises Index Futures 30/10/2019	-	780	(780)	-
Hang Seng China Enterprises Index Futures 28/11/2019	-	814	(814)	-
Hang Seng China Enterprises Index Futures 30/12/2019	-	819	(819)	-
Hang Seng China Enterprises Index Futures 30/01/2020	-	833	(833)	-
Hang Seng China Enterprises Index Futures 27/02/2020	-	753	(753)	-
Hang Seng China Enterprises Index Futures 30/03/2020	-	780	(780)	-
Hang Seng China Enterprises Index Futures 28/04/2020	-	471	(8)	463

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 2020

---

	<u>Performance</u>
	%
<b>Sub Fund</b>	
Samsung HSCEI Daily (2x) Leveraged Product	-32.75%
<b>Index</b>	
Hang Seng China Enterprises Index	-16.98%

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 2020

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

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Year ended 31 March 2020	4.2097	8.0198
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 2020	112,121,880
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 2020	5.1197
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)

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INVESTMENT PORTFOLIO (UNAUDITED)  
AS AT 31 MARCH 2020

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	<u>Maturity date</u>		<u>Market value</u> HK\$	<u>% of total net assets attributable to unitholders</u>
<b>Money market fixed deposits</b>				
China Construction Bank (Asia) Corporation Limited	1 April 2020		8,000,000	15.62
CMB Wing Lung Bank Limited	1 April 2020		8,000,000	15.62
DBS Bank (Hong Kong) Limited	1 April 2020		8,000,000	15.62
Oversea-Chinese Banking Corporation Limited (Hong Kong)	1 April 2020		8,000,000	15.62
<b>Total money market fixed deposits</b>			<u>32,000,000</u>	<u>62.48</u>
<b>Futures contracts</b>				
	<u>Expiration date</u>	<u>Contracts</u>		
Hang Seng Index Future 28.4.2020	28 April 2020	(105)	<u>(660,050)</u>	<u>(1.28)</u>
<b>Total futures contracts</b>			<u>(660,050)</u>	<u>(1.28)</u>
<b>Total investments</b>			31,339,950	61.20
<b>Other net assets</b>			<u>19,869,576</u>	<u>38.80</u>
<b>Net assets attributable to unitholders</b>			<u>51,209,526</u>	<u>100.00</u>

**SAMSUNG HSCEI DAILY (-1X) INVERSE 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 2020**

<u>Investments</u>	<u>Holdings as at 1.4.2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Holdings as at 31.3.2020</u>
<b>Money market fixed deposits</b>				
China Construction Bank (Asia) Corporation Limited	-	HK\$218,700,000	(HK\$210,700,000)	HK\$8,000,000
Citibank, N.A., Hong Kong Branch	-	HK\$26,400,000	(HK\$26,400,000)	-
CMB Wing Lung Bank Limited	-	HK\$204,700,000	(HK\$196,700,000)	HK\$8,000,000
DBS Bank (Hong Kong) Limited	-	HK\$159,700,000	(HK\$151,700,000)	HK\$8,000,000
The Hongkong and Shanghai Banking Corporation Limited	HK\$75,000,000	HK\$326,000,000	(HK\$401,000,000)	-
Oversea-Chinese Banking Corporation Limited (Hong Kong)	-	HK\$190,700,000	(HK\$182,700,000)	HK\$8,000,000
<b>Futures contracts</b>				
Hang Seng China Enterprises Index Futures 29/04/2019	(175)	194	(19)	-
Hang Seng China Enterprises Index Futures 30/05/2019	-	223	(223)	-
Hang Seng China Enterprises Index Futures 27/06/2019	-	227	(227)	-
Hang Seng China Enterprises Index Futures 30/07/2019	-	212	(212)	-
Hang Seng China Enterprises Index Futures 29/08/2019	-	236	(236)	-
Hang Seng China Enterprises Index Futures 27/09/2019	-	241	(241)	-
Hang Seng China Enterprises Index Futures 30/10/2019	-	224	(224)	-
Hang Seng China Enterprises Index Futures 28/11/2019	-	226	(226)	-
Hang Seng China Enterprises Index Futures 30/12/2019	-	212	(212)	-
Hang Seng China Enterprises Index Futures 30/01/2020	-	174	(174)	-
Hang Seng China Enterprises Index Futures 27/02/2020	-	191	(191)	-
Hang Seng China Enterprises Index Futures 30/03/2020	-	264	(264)	-
Hang Seng China Enterprises Index Futures 28/04/2020	-	6	(111)	(105)

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 2020

---

	<u>Performance</u>
	%
<b>Sub Fund</b>	
Samsung HSCEI Daily (-1x) Inverse Product	11.99%
<b>Index</b>	
Hang Seng China Enterprises Index	-16.98%

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 2020

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

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Year ended 31 March 2020	4.5145	5.8442
Year ended 31 March 2019	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 2020	51,209,526
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 2020	5.1727
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#

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UNDERLYING INDEX CONSTITUENT STOCKS DISCLOSURE (UNAUDITED)  
AS AT 31 MARCH 2020

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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 2020*

**Hang Seng Index**

Constituent stock	Weighting of the index (%)
Tencent Holdings Ltd	10.75
AIA Group Ltd	10.35

**Hang Seng China Enterprises Index**

Constituent stock	Weighting of the index (%)
China Construction Bank-H	10.74
Tencent Holdings Ltd	10.55

*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