

GLOBAL X ETF SERIES II

REPORTS AND AUDITED FINANCIAL STATEMENTS

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF

FOR THE YEAR ENDED 31 MARCH 2022

(A SUB-FUND OF GLOBAL X ETF SERIES II)

RESTRICTED

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF
(A Sub-Fund of Global X ETF Series II)

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IMPORTANT :

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about Global X ETF Series II, please refer to the prospectus of Global X ETF Series II which is available at our website: www.globalxetfshk.com.

Investors should not rely on the information contained in this report for their investment decisions.

RESTRICTED

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF
(A Sub-Fund of Global X ETF Series II)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, Mirae Asset Global Investments (Hong Kong) Limited, the Manager of Global X S&P Crude Oil Futures Enhanced ER ETF (the “Sub-Fund”) has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 25 May 2016 as amended by supplemental deeds dated 25 May 2016, 1 November 2019 and 31 December 2019 (collectively, the “Trust Deed”) for the year ended 31 March 2022.



HSBC Institutional Trust Services (Asia) Limited (the “Trustee”)
29 July 2022

Independent auditor's report

To the unitholders of Global X S&P Crude Oil Futures Enhanced ER ETF of Global X ETF Series II (the "Trust")

(An umbrella unit trust established under the laws of Hong Kong)

Report on the audit of the financial statements

OPINION

What we have audited

The financial statements of Global X S&P Crude Oil Futures Enhanced ER ETF for the year ended 31 March 2022 (the "Sub-Fund"), which are set out on pages 7 to 42, comprise:

- the statements of net assets as at 31 March 2022;
- the statements of profit or loss and other comprehensive income for the year then ended;
- the statements of changes in net assets attributable to unitholders for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 March 2022, and of its financial transactions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Sub-Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Independent auditor's report

To the unitholders of Global X S&P Crude Oil Futures Enhanced ER ETF of Global X ETF Series II (the "Trust") (continued)

(An umbrella unit trust established under the laws of Hong Kong)

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.

Key audit matter identified in our audit is summarised as follows:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><u>Existence and valuation of financial liabilities at fair value through profit or loss and accuracy and occurrence of net gain on financial assets and financial liabilities at fair value through profit or loss</u></p> <p><i>Global X S&P Crude Oil Futures Enhanced ER ETF</i></p> <p>As at 31 March 2022, the Sub-Fund's financial liabilities at fair value through profit or loss mainly comprised listed future contracts valued at HK\$6,118,751. The net gain on financial assets and financial liabilities at fair value through profit or loss for the year of the Sub-Fund amounted to HK\$49,512,350.</p> <p>We focused on the existence and valuation of these listed future contracts because the principal business of the Sub-Fund is investing in futures contracts to track the S&P GSCI Crude Oil Enhanced Index Excess Return.</p> <p>We also focused on the net gains or losses from these listed future contracts incurred during the year because they represented the principal element of the Sub-Fund's total comprehensive income.</p> <p>Refer to notes 4 and 14 to the financial statements.</p>	<p>Our work included an assessment of the key controls over the existence and valuation of the financial liabilities at fair value through profit or loss and accuracy and occurrence of net gain on financial assets and financial liabilities at fair value through profit or loss, which included the following:</p> <ul style="list-style-type: none">• We developed an understanding of the control objectives and related controls relevant to our audit of the Sub-Fund's by obtaining the service organisation internal control report provided by the trustee setting out the controls in place, and the independent service auditor's assurance report over the design and operating effectiveness of those controls.• We evaluated the tests undertaken by the service auditor, the results of the tests undertaken and the opinions formed by the service auditor on the design and operating effectiveness of the controls, to the extent relevant to our audit of the Sub-Fund. <p>We tested the existence of financial liabilities at fair value through profit or loss by obtaining direct confirmations from the custodian and agreeing the Sub-Fund's holdings of financial liabilities at fair value through profit or loss to the confirmations.</p> <p>We tested the valuation of the Sub-Fund's financial liabilities at fair value through profit or loss by comparing the pricing used by the Sub-Fund to external pricing sources as at 31 March 2022.</p> <p>We tested the occurrence of the purchase and sale transactions of financial assets and liabilities at fair value through profit or loss during the year by agreeing to supporting documents and checked the accuracy of the calculations of net gains or losses from these futures contracts.</p> <p>Based on the procedures we performed, we found no material exceptions from our testing.</p>

Independent auditor's report

To the unitholders of Global X S&P Crude Oil Futures Enhanced ER ETF of Global X ETF Series II (the "Trust") (continued)

(An umbrella unit trust established under the laws of Hong Kong)

OTHER INFORMATION

The manager and the trustee (the "Management") of the Sub-Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Management of the Sub-Fund is 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 Management determines 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 Management of the Sub-Fund is responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 25 May 2016, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

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. We report our opinion solely to you, as a body, 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. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

Independent auditor's report

To the unitholders of Global X S&P Crude Oil Futures Enhanced ER ETF of Global X ETF Series II (the "Trust") (continued)

(An umbrella unit trust established under the laws of Hong Kong)

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 scepticism 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 the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management'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 Sub-Fund's 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 the Sub-Fund 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.

We communicate with the Management regarding, 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 the Management 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Management, 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.

Independent auditor's report

**To the unitholders of Global X S&P Crude Oil Futures Enhanced ER ETF of Global X ETF Series II
(the "Trust") (continued)**

(An umbrella unit trust established under the laws of Hong Kong)

**REPORT ON MATTERS UNDER THE RELEVANT DISCLOSURE PROVISIONS OF THE TRUST
DEED AND APPENDIX E OF THE SFC CODE**

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Chau Chi Kit.

PricewaterhouseCoopers

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 July 2022

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF
(A Sub-Fund of Global X ETF Series II)

STATEMENT OF NET ASSETS

As at 31 March 2022

	Notes	2022 HK\$	2021 HK\$
ASSETS			
Amount due from a broker	6	16,195,033	19,561,018
Amount due from the Manager	5(f)	9,982	65,407
Interest receivables		9,463	4,829
Time deposits with original maturity of more than three months	8	15,092,769	-
Cash and cash equivalents	5(d),7	53,279,322	85,795,831
TOTAL ASSETS		<u>84,586,569</u>	<u>105,427,085</u>
LIABILITIES			
Financial liabilities at fair value through profit or loss	13,14(b)(i),14(e)	6,118,751	5,218,988
Management fee payable	5(a)	96,034	73,165
Trustee fee payable	5(b)	11,720	11,706
Formation fee payable	5(c)(i)	-	1,704,010
Administration fee payable	5(c)(ii)	395,611	191,566
Registrar fee payable to the Trustee	5(b)	8,320	4,160
Amount payable on redemption of units		15,446,250	-
Other payables and accruals		69,081	120
TOTAL LIABILITIES		<u>22,145,767</u>	<u>7,203,715</u>
EQUITY			
Net assets attributable to unitholders	3(a)	<u>62,440,802</u>	<u>98,223,370</u>
TOTAL LIABILITIES AND EQUITY		<u>84,586,569</u>	<u>105,427,085</u>
Number of units in issue	3(b)	<u>10,500,000</u>	<u>31,000,000</u>
Net asset value per unit	3(b)	<u>5.9467</u>	<u>3.1685</u>

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Mirae Asset Global Investments (Hong Kong) Limited

The accompanying notes are an integral part of these financial statements.

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF
(A Sub-Fund of Global X ETF Series II)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	Notes	Year ended 31 March 2022 HK\$	Year ended 31 March 2021 HK\$
INCOME			
Interest income		57,840	290,751
Other income	5(c)(i)	1,571,016	-
Net gain on financial assets and financial liabilities at fair value through profit or loss	4	49,512,350	87,046,881
Net exchange gain		<u>57,340</u>	<u>18,484</u>
		<u>51,198,546</u>	<u>87,356,116</u>
EXPENSES			
Management fee	5(a)	(602,693)	(900,602)
Trustee fee	5(b)	(133,452)	(144,096)
Transaction costs on financial assets and financial liabilities at fair value through profit or loss	9	(143,090)	(204,798)
Auditor's remuneration	5(c)(ii)	(48,067)	(10,335)
Other administration fees	5(c)(ii)	(305,059)	(73,721)
		<u>(1,232,361)</u>	<u>(1,333,552)</u>
Operating profit		49,966,185	86,022,564
FINANCE COSTS			
Interest expense		<u>(1,503)</u>	<u>(1,528)</u>
Profit and total comprehensive income for the year		<u>49,964,682</u>	<u>86,021,036</u>

The accompanying notes are an integral part of these financial statements.

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF
(A Sub-Fund of Global X ETF Series II)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 March 2022

	Note	2022 HK\$	2021 HK\$
Net assets attributable to unitholders at the beginning of the year		98,223,370	49,321,209
Issue of units during the year	3(b)	3,745,100	105,066,450
Redemption of units during the year	3(b)	<u>(89,492,350)</u>	<u>(142,185,325)</u>
Net redemption of units		(85,747,250)	(37,118,875)
Profit and total comprehensive income for the year		<u>49,964,682</u>	<u>86,021,036</u>
Net assets attributable to unitholders at the end of the year		<u>62,440,802</u>	<u>98,223,370</u>
 Number of units in issue		 2022	 2021
		Units	Units
Units in issue at beginning of year		31,000,000	31,000,000
Issue during the year	3(b)	750,000	59,500,000
Redemption during the year	3(b)	<u>(21,250,000)</u>	<u>(59,500,000)</u>
Units in issue at end of year		<u>10,500,000</u>	<u>31,000,000</u>

The accompanying notes are an integral part of these financial statements.

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF
(A Sub-Fund of Global X ETF Series II)

STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	Notes	2022 HK\$	2021 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit and total comprehensive income for the year		49,964,682	86,021,036
Adjustments for:			
Interest income		(57,840)	(290,751)
Interest expense		1,503	1,528
Decrease in amounts due from a broker		3,365,985	25,356,434
Decrease in amount due from the Manager		55,425	28,293
Increase in time deposits with original maturity of more than three months		(15,092,769)	-
Increase/(decrease) in financial liabilities at fair value through profit or loss		899,763	(19,715,580)
Increase in management fee payable		22,869	14,262
Increase in trustee fee payable		14	206
Decrease in formation cost payable		(1,704,010)	-
Increase in administration fee payable		204,045	84,056
Increase/(decrease) in registrar fee payable to the Trustee		4,160	(41,600)
Increase/(decrease) in other payables and accruals		68,961	(720)
Cash generated from operations		<u>37,732,788</u>	<u>91,457,164</u>
Interest received		53,206	314,849
Interest paid		(1,503)	(1,528)
Net cash flows generated from operating activities		<u>37,784,491</u>	<u>91,770,485</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of units		3,745,100	117,053,330
Payments on redemption of units		(74,046,100)	(142,185,325)
Net cash flows used in financing activities		<u>(70,301,000)</u>	<u>(25,131,995)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(32,516,509)	66,638,490
Cash and cash equivalents at the beginning of the year		<u>85,795,831</u>	<u>19,157,341</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
		<u>53,279,322</u>	<u>85,795,831</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances	5(d), 7	29,930,193	37,409,484
Time deposits	5(d), 7	23,349,129	48,386,347
Cash and cash equivalents as stated in the statement of cash flows		<u>53,279,322</u>	<u>85,795,831</u>

The accompanying notes are an integral part of these financial statements.

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF

(A Sub-Fund of Global X ETF Series II)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

1. GENERAL INFORMATION

Global X ETF Series II is an umbrella unit trust (the “Trust”), governed by its trust deed dated 25 May 2016 as amended by the supplemental deeds dated 25 May 2016, 1 November 2019 and 31 December 2019 (collectively the “Trust Deed”) between Mirae Asset Global Investments (Hong Kong) Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited (the “Trustee” and “Registrar”). The Trust Deed is governed by Hong Kong law.

As at 31 March 2022, the Trust has established Global X S&P Crude Oil Futures Enhanced ER ETF, a sub-fund (the “Sub-Fund”) of the Trust, which is authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) pursuant to section 104(1) of the Securities and Futures Ordinance. The Sub-Fund is listed on the Stock Exchange of Hong Kong Limited (a subsidiary of The Hong Kong Exchanges and Clearing Limited) on 16 June 2016.

The Manager is responsible for the preparation of the financial statements.

The investment objective of the Sub-Fund (Stock code: 3097) is to provide investment results that, before fees and expenses, closely correspond to the performance of the S&P GSCI Crude Oil Enhanced Index Excess Return (the “Index”). The Index tracks the prices of the West Texas Intermediate crude oil (also known as Texas light sweet crude oil) Futures Contracts (the “WTI Futures Contracts”) with different expiration dates traded on the New York Mercantile Exchange, which is an exchange of the Chicago Mercantile Exchange Group Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a)(i) Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E of the *Code on Unit Trusts and Mutual Funds* of the SFC (the “UT Code”).

The financial statements have been prepared under the historical cost convention, except for financial assets and liabilities classified as at fair value through profit or loss (“FVPL”) that have been measured at fair value. The financial statements are presented in Hong Kong dollars (“HK\$”) for the Sub-Fund. All values are rounded to the nearest HK\$ except where otherwise indicated.

All references to net assets or net asset value throughout the financial statements refer to net assets attributable to unitholders unless otherwise stated.

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF
(A Sub-Fund of Global X ETF Series II)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a)(ii) Significant accounting judgements, estimates and assumptions

The preparation of financial statements, in conformity with IFRSs, requires the Manager and the Trustee (collectively, the “Management”) to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts recognised in the financial statements and disclosure of contingent liabilities. 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(a)(iii) Changes in accounting policies and disclosures

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 April 2021 that have a material effect on the financial statements of the Sub-Fund.

(a)(iv) Issued but not yet effective IFRSs

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2021 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Fund.

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NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments

(i) **Classification**

In accordance with IFRS 9, the Sub-Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

Financial assets

The Sub-Fund classifies its financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. The Sub-Fund includes in this category short-term non-financing receivables including amount due from a broker, amount due from the Manager, interest receivables, time deposits with original maturity of more than three months and cash and cash equivalents.

Financial assets measured at FVPL

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

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NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(i) **Classification** (continued)

Financial assets (continued)

Financial assets measured at FVPL (continued)

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Sub-Fund includes in this category derivative contracts in an asset position held for trading.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities other than those measured at FVPL. The Sub-Fund includes in this category management fee payable, trustee fee payable, formation fee payable, administration fee payable, registrar fee payable to the Trustee, amount payable on redemption of units and other payables and accruals.

Financial liabilities measured at FVPL

The Sub-Fund includes in this category derivative contracts in a liability position held for trading.

(ii) **Recognition**

The Sub-Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets at FVPL are accounted for on the trade date basis.

(iii) **Initial measurement**

Financial assets and financial liabilities at FVPL are recorded in the statement of net assets at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus or minus any directly attributable incremental costs of acquisition or issue.

(iv) **Subsequent measurement**

After initial measurement, the Sub-Fund measures financial instruments which are classified as at FVPL at fair value. Subsequent changes in the fair values of those financial instruments are recorded in "Net change in unrealised gain/loss on financial assets and financial liabilities at FVPL" in "Net gain on financial assets and financial liabilities at FVPL".

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NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(iv) *Subsequent measurement* (continued)

Debt instruments, other than those classified as at FVPL, are measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the debt instruments are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(v) *Derecognition*

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired, or where the Sub-Fund has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either the Sub-Fund has transferred substantially all the risks and rewards of the asset or the Sub-Fund has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the asset.

When the Sub-Fund has transferred its rights to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Sub-Fund's continuing involvement in the asset. In that case, the Sub-Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Fund has retained.

The Sub-Fund derecognises a financial liability when the obligation under the liability is discharged or cancelled, or expired.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Fair value measurement

The Sub-Fund measures its investments in financial instruments at fair value at the end of each reporting period.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Sub-Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments that are listed or traded on an exchange is based on quoted last traded market prices, that are within the bid-ask spread.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Derivative financial instruments

Derivative financial instruments are recorded on a mark-to-market basis. Fair values are determined by using quoted market prices that are within the bid-ask spread for futures contracts. All derivatives are carried as assets when amounts are receivable by the Sub-Fund and as liabilities when amounts are payable by the Sub-Fund.

Unrealised gains and losses arising from changes in fair value, and realised gains and losses are recognised in profit or loss.

(e) Income

Interest income is recognised in profit or loss on a time-proportionate basis using the effective interest method.

(f) Expenses

Expenses are recognised on an accrual basis.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of net assets comprise short-term deposits in banks which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

(h) Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the “functional currency”). The performance of the Sub-Fund is measured and reported to the unitholders in HK\$. The Management considers the HK\$ as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements of the Sub-Fund are presented in HK\$, which is the Sub-Fund’s functional and presentation currency.

Transactions and balances

Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or transaction of monetary items are recognised in the statement of profit or loss and other comprehensive income.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Translation of foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign currency transaction gains and losses on financial instruments classified as at FVPL are included in profit or loss in the statement of profit or loss and other comprehensive income.

(i) Redeemable units

Redeemable units are classified as an equity instrument when:

- (a) The redeemable units entitle the holder to a pro-rata share of the Sub-Fund's net assets in the event of the Sub-Fund's liquidation;
- (b) The redeemable units are in the class of instruments that is subordinate to all other classes of instruments;
- (c) All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features;
- (d) The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro-rata share of the Sub-Fund's net assets; or
- (e) The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on 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-Fund over the life of the instrument.

In addition to the redeemable units having all the above features, the Sub-Fund must have no other financial instrument or contract that has:

- (a) Total cash flows based substantially on 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-Fund; and
- (b) The effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Sub-Fund's redeemable units meet the definition of puttable instruments classified as equity instruments under the revised IAS 32 and are classified as equity.

The Sub-Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Sub-Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Sub-Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Redeemable units (continued)

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions. Upon issuance of redeemable units, the consideration received is included in equity.

Transaction costs incurred by the Sub-Fund in issuing its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

The Sub-Fund's own equity instruments which are reacquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in profit or loss on the purchase, sale, issuance or cancellation of the Sub-Fund's own equity instruments.

Redeemable units can be redeemed in cash equal to a proportionate share of the Sub-Fund's net asset value. The Sub-Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units of the Sub-Fund.

(j) Amount due from a broker

The amount due from a broker includes margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to the accounting policy for financial assets measured at amortised cost for recognition and measurement.

Margin accounts represent cash deposits held with brokers as collateral against open futures contracts.

(k) Impairment of financial assets

Impairment allowances are recognised under the general approach where expected credit losses are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Sub-Fund is required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment of financial assets (continued)

The Sub-Fund considers a default has occurred when a financial asset is more than 90 days past due unless the Sub-Fund has reasonable and supportable information to demonstrate that a more appropriate default criterion should be applied.

(l) Net change in unrealised gains or losses on financial assets/liabilities at FVPL

This item includes changes in the fair value of financial assets/liabilities as at FVPL.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period unrealised gains and losses for financial instruments which were realised in the reporting period.

(m) Net realised gains or losses on disposal of financial assets/liabilities at FVPL

Net realised gains or losses on disposal of financial assets/liabilities classified as at FVPL are calculated using the weighted average method. They represent the difference between an instrument's average cost and disposal amount.

(n) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of net assets if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(o) Taxes

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted from the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment income in profit or loss. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

(p) Distributions to unitholders

Distributions are at the discretion of the Manager. A distribution to the Sub-Fund's unitholders is accounted for as a deduction from net assets attributable to unitholders. A proposed distribution is recognised as a liability in the period in which it is approved by the Manager. The Manager does not intend to pay or make any distribution or dividends to the Sub-Fund's unitholders.

(q) Formation fee

The formation fee is recognised as an expense in the period in which it is incurred.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Transaction costs

Transaction costs are costs incurred to acquire financial assets/liabilities at FVPL. They include fees and commissions paid to agents, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

(s) Related parties

A party is considered to be related to the Sub-Fund if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Sub-Fund;
 - (ii) has significant influence over the Sub-Fund; or
 - (iii) is a member of the key management personnel of the Sub-Fund or of a parent of the Sub-Fund;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Sub-Fund are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Fund or an entity related to the Sub-Fund;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Sub-Fund or to the parent of the Sub-Fund.

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3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS

(a) Net assets attributable to unitholders

The creation and redemption of units of the Sub-Fund can only be facilitated by or through participating dealers. Investors other than the participating dealers make a request to create or redeem units through a participating dealer, and if the investor is a retail investor, such request must be made through a stockbroker which has opened an account with a participating dealer. Units are created or redeemed at a minimum of 250,000 units or in multiples thereof for the Sub-Fund.

The Trustee shall receive subscription proceeds from the participating dealers for the creation of units and pay redemption proceeds for the redemption of units to the relevant participating dealer in such form and manner as prescribed by the Trust Deed. Subscriptions and redemptions of units during the year are shown on the statement of changes in net assets attributable to unitholders.

As stated in note 2(i), units of the Sub-Fund, which are represented by assets less liabilities, are classified as equity and accounted for in accordance with IFRSs (the "Accounting NAV"). For the purpose of determining the net asset value per unit for subscriptions and redemptions and for various fee calculations (the "Dealing NAV"), the Trustee calculates the Dealing NAV in accordance with the provisions of the Trust Deed, which may be different from the accounting policies under IFRSs.

Reconciliation between the Accounting NAV and Dealing NAV

The formation fee for establishing the Sub-Fund was HK\$1,736,116. Per the prospectus of the Sub-Fund, the formation fee is amortised over the first 5 financial periods of the Sub-Fund. However, with respect to the Sub-Fund for the purpose of financial statements preparation in compliance with IFRSs, its accounting policy is to expense the formation fee in profit or loss as incurred.

As at 31 March 2022, there was no unamortised amount (2021: HK\$1,580,007) and also there was no remaining amortisation period (2021: 2 months).

The difference between the Accounting NAV reported in the statement of net assets and the Dealing NAV as at 31 March 2022 and 31 March 2021 is reconciled below:

	2022	2021
	HK\$	HK\$
Accounting NAV as reported in the statement of net assets	62,440,802	98,223,370
Adjustment for the formation fee	-	1,580,007
Dealing NAV	<u>62,440,802</u>	<u>99,803,377</u>

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3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS
(CONTINUED)

(b) Movement of units

The table below summarises the movement of units for the years ended 31 March 2022 and 2021, and the Accounting NAV per unit and the Dealing NAV per unit of the Sub-Fund as at 31 March 2022 and 2021.

	2022 Number of units	2021 Number of units
Units in issue at beginning of year	31,000,000	31,000,000
Issue during the year	750,000	59,500,000
Redemption during the year	(21,250,000)	(59,500,000)
Units in issue at end of year	<u>10,500,000</u>	<u>31,000,000</u>
	2022 Net assets attributable to unitholders	2021 Net assets attributable to unitholders
	HK\$	HK\$
Accounting NAV per unit at end of year	5.9467	3.1685
Dealing NAV per unit at end of year	5.9467	3.2195

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4. NET GAIN ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The following is a breakdown of the net gain/(loss) on financial assets and financial liabilities at FVPL:

	2022 HK\$	2021 HK\$
Net realised gain on sale of financial assets and financial liabilities at FVPL	50,412,113	67,331,301
Net change in unrealised (loss)/gain on financial assets and financial liabilities at FVPL	<u>(899,763)</u>	<u>19,715,580</u>
	<u>49,512,350</u>	<u>87,046,881</u>

5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND THEIR CONNECTED PERSONS

Related parties are those as defined in note 2(s). Related parties of the Sub-Fund also include the Trustee, the Manager of the Sub-Fund and their connected persons. Connected persons of the Trustee, the Manager are those as defined in the UT Code. All transactions entered into during the year between the Sub-Fund and its related parties, including the Trustee, the Manager and their connected persons were carried out in the ordinary course of business and on normal commercial terms.

To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with its related parties, including the Trustee, the Manager and their connected persons except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee of up to 0.99% per year of the net asset value of the Sub-Fund. The current management fee in respect of the Sub-Fund is 0.75% (2021: 0.75%) of the net asset value and is accrued daily and calculated as at each dealing day and payable monthly in arrears with no fixed terms. The management fee for the year ended 31 March 2022 was HK\$602,693 (2021: HK\$900,602). As at 31 March 2022, management fee of HK\$96,034 (2021: HK\$73,165) was payable to the Manager.

(b) Trustee and registrar fees

The Trustee is entitled to receive a trustee fee of up to 1% per year of the net asset value of the Sub-Fund, currently at the rate of 0.12% (2021: 0.12%) per annum of net asset value of Sub-Fund. For the year ended 31 March 2022 and 2021, the trustee fee was subject to a minimum of HK\$11,500 per month, while such minimum fee in excess of the 0.12% per annum of net asset value of the Sub-Fund was borne by the Manager.

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5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND THEIR CONNECTED PERSONS
(CONTINUED)

(b) Trustee and registrar fees (continued)

The trustee fee is calculated as at each dealing day, accrued daily and payable monthly in arrears with no fixed terms. The Trustee is also entitled to receive a transaction fee of HK\$120 on each open and closed WTI Futures Contract of the Sub-Fund.

As at 31 March 2022, trustee fee of HK\$11,720 (2021: HK\$11,706) was payable to the Trustee.

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

The Registrar is entitled to a registrar fee and a transaction fee for any creation and redemption of units of the Sub-Fund. The Registrar is entitled to receive from the Sub-Fund a registrar fee of HK\$160 (2021: HK\$160) per participating dealer per transaction for updating of the register record. The registrar fee incurred by the Sub-Fund amounting to HK\$4,000 (2021: HK\$4,000) has been fully borne by the Manager during the year ended 31 March 2022.

The Registrar is also entitled to receive from the participating dealer a transaction fee of HK\$4,000 (2021: HK\$4,000) per participating dealer per transaction for handling any cash creation and redemption of units of the Sub-Fund. The transaction fee would be paid by the participating dealer to the Sub-Fund and the Sub-Fund would pay the transaction fee to the Trustee on behalf of the participating dealer. As at 31 March 2022, total registrar fee amounting to HK\$8,320 (2021: HK\$4,160) was due to the Trustee.

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5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND THEIR CONNECTED PERSONS
(CONTINUED)

(c) Other transactions

(i) *Other income*

For the year ended 31 March 2022, the other income related to the waiver granted by the Manager regarding the outstanding formation fee payable of the Sub-Fund amounted to HK\$1,571,016. As a result, the formation fee payable to the Manager by the Sub-Fund as of 31 March 2022 was HK\$Nil (2021: HK\$1,704,010). The amount is interest-free, unsecured and repayable on demand.

(ii) *Expenses borne by the Manager*

The Manager is responsible for the payment of certain fees (including but not limited to auditor's remuneration, index licensing fee, and other administration fee) on behalf of the Sub-Fund. The Manager recharges all or a portion of these fees to the Sub-Fund.

The tables below list the breakdown of other administration fees incurred by the Sub-Fund.

The tables below list the breakdown of expenses borne by the Manager and not charged to the Sub-Fund:

	2022 HK\$	2021 HK\$
Auditor's remuneration	20,933	58,665
Others administration fees	103,949	333,447
	<u>124,882</u>	<u>392,112</u>

As at 31 March 2022, the administration fee paid by the Manager and such amount payable by the Sub-Fund was HK\$395,611 (2021: HK\$191,566). The amount is interest-free, unsecured and repayable on demand.

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5. TRANSACTIONS WITH THE TRUSTEE/MANAGER AND THEIR CONNECTED PERSONS
(CONTINUED)

(c) Other transactions (continued)

(iii) *Bank charges*

During the year ended 31 March 2022, bank charges of HK\$29,512 (2021: HK\$9,304) were charged by The Hongkong and Shanghai Banking Corporation Limited, the immediate holding company of the Trustee, which have been fully borne by the Manager.

(d) Cash and cash equivalents

As at 31 March 2022 and 2021, interest-bearing bank balances of HK\$10,074,268 (2021: HK\$10,755,564) were held with the Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee. Details refer to note 14(c) for details.

(e) Holdings of units

As at 31 March 2022, Mirae Asset Securities (HK) Ltd., a related company of the Manager, acting as a market intermediary, held Nil units (2021: 2,572,000 units) of the Sub-Fund and The Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee, acting as a market intermediary, held 1,537,389 units (2021: 7,247,002 units) of the Sub-Fund. There are no profit from transactions in units/shares being entitled for the Trustee, Manager and their connected persons for the years ended 31 March 2022 and 2021.

(f) Amount due from the Manager

As at 31 March 2022, the amount due from the Manager of HK\$9,982 (2021: HK\$65,407) is unsecured, interest-free and repayable on demand.

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6. AMOUNT DUE FROM A BROKER

As at 31 March 2022, the amount due from a broker was HK\$16,195,033 (2021: HK\$19,561,018) which represents the margin account held with a broker, KGI Securities (Singapore) Pte. Ltd.

7. CASH AND CASH EQUIVALENTS

	Notes	As at 31 March 2022 HK\$	As at 31 March 2021 HK\$
Bank balances	(i)	29,930,193	37,409,484
Time deposits	(ii)	23,349,129	48,386,347
Cash and cash equivalents		<u>53,279,322</u>	<u>85,795,831</u>

Notes:

- (i) As at 31 March 2022, the interest-bearing bank balances were held with The Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee, Standard Chartered Bank (Hong Kong) Limited, Citibank N.A. Hong Kong Branch, Industrial and Commercial Bank of China (Asia) Limited and China Construction Bank (Asia) Corporation Limited. As at 31 March 2021, the interest-bearing bank balances were held with The Hongkong and Shanghai Banking Corporation Limited, a related company of the Trustee, Standard Chartered Bank (Hong Kong) Limited, Citibank N.A. Hong Kong Branch and Industrial and Commercial Bank of China (Asia) Limited.
- (ii) As at 31 March 2022, the time deposits at fixed interest rates ranging between 0.01% to 0.40% p.a. were placed with Bank of China (Hong Kong) Limited, Industrial and Commercial Bank of China (Asia) Limited and Agricultural Bank of China Limited Hong Kong Branch with an original maturity of less than three months. As at 31 March 2021, the time deposits at a fixed interest rate ranging between 0.03% to 0.37% p.a. were placed with Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited, Industrial and Commercial Bank of China (Asia) Limited and Agricultural Bank of China Limited Hong Kong Branch with an original maturity of less than three months.

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8. TIME DEPOSITS WITH ORIGINAL MATURITY OF MORE THAN THREE MONTHS

As at 31 March 2022 and 2021, the time deposits with original maturity of more than three months are as follows:

	As at 31 March 2022 HK\$	As at 31 March 2021 HK\$
Global X S&P Crude oil Futures Enhanced ER ETF	15,092,769	-

As at 31 March 2022, these time deposits at fixed interest rate ranging from 0.01% to 0.45% p.a. (2021: Nil) were placed with Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited and Industrial and Commercial Bank of China (Asia) Limited with an original maturity of more than three months.

9. TRANSACTION COSTS

Transaction costs are costs incurred to acquire/dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers.

10. SOFT COMMISSION ARRANGEMENTS

The Manager may effect transactions, provided that any such transaction is consistent with standards of “best execution”, by or through the agency of another person for the account of the Sub-Fund with whom the Manager or any of its connected persons have an arrangement under which that party will from time to time provide to or procure for the Manager or any of its connected persons goods, services or other benefits (such as advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Sub-Fund as a whole and may contribute to an improvement in the performance of the Sub-Fund. For the avoidance of doubt, such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees’ salaries or direct money payments. Since the inception of the Sub-Fund, the Manager has not participated in any soft commission arrangements in respect of any transactions for the account of the Sub-Fund.

11. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Fund as it is authorised as collective investment schemes under section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from Hong Kong Profits Tax under section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

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12. DISTRIBUTIONS TO UNITHOLDERS

The Manager may in its absolute discretion distribute income to unitholders annually (usually in March of each financial year) or determine that no distribution shall be made in any financial year. Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from management of the Sub-Fund's cash and holdings of investments. The Sub-Fund did not make any distribution for the year (2021: nil).

13. DERIVATIVE FINANCIAL INSTRUMENTS

Futures contracts

Futures contracts are commitments to make or take future delivery of various commodities, currencies or financial instruments at a specified time and price. These commitments can be discharged by making or taking delivery of an approved grade of commodity, currency and financial instrument by cash settlement or by making an offsetting sale or purchase of an equivalent futures contract on the same (or a linked) exchange prior to the designated date of delivery.

The following futures contracts were unsettled at the end of the reporting period:

As at 31 March 2022

Type of contract	Position	Underlying investment	Expiration date	Contracts	Nominal amount HK\$	Fair value HK\$
Futures	Long	S&P GSCI Crude Oil Enhanced Index Excess Return	31/05/2022	79	62,041,291	(6,118,751)

As at 31 March 2021

Type of contract	Position	Underlying investment	Expiration date	Contracts	Nominal amount HK\$	Fair value HK\$
Futures	Long	S&P GSCI Crude Oil Enhanced Index Excess Return	31/05/2021	217	99,805,570	(5,218,988)

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14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

- (a) Strategy in using financial instruments

Investment objective and investment policies

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the underlying index relevant to the Sub-Fund by adopting a replication strategy and investing all, or substantially all, of the assets of such Sub-Fund in WTI Futures Contracts in substantially the same weightings as constituted in the underlying index. Refer to note 1 for details.

The Sub-Fund itself is subject to various risks. The main risks associated with the investments, assets and liabilities of the Sub-Fund are set out below:

- (b) Market risk

- (i) *Market price risk*

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Fund is designated to track the performance of the Index, and therefore the exposures to market risk in the Sub-Fund will be substantially the same as the tracked index. The Manager manages the Sub-Fund's exposure to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned with the characteristics of the tracked index.

The Sub-Fund primarily invests in WTI Futures Contracts. There is only one type of commodities (i.e. crude oil).

The Sub-Fund's financial liabilities at FVPL were concentrated in the following country:

	As at 31 March 2022			As at 31 March 2021		
	Fair value HK\$	Notional Amount HK\$	% of net asset value	Fair value HK\$	Notional Amount HK\$	% of net asset value
<u>Futures contracts</u>						
United States	(6,118,751)	62,041,291	(9.80)	(5,218,988)	99,805,570	(5.31)
Total financial liabilities at FVPL	(6,118,751)	62,041,291	(9.80)	(5,218,988)	99,805,570	(5.31)

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31 March 2022

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Market risk (continued)

(i) *Market price risk* (continued)

Sensitivity analysis in the event of a possible change in the tracked index by sensitivity threshold as estimated by the Manager

As at 31 March 2022, if the Index increases by 87.71% (2021: 95.62%) with all other variables held constant, this would increase the net asset value of the Sub-Fund by HK\$54,766,827 (2021: HK\$93,921,186). Conversely, if the tracked index decreases by the same sensitivity threshold, this would decrease the net asset value of the Sub-Fund by approximately equal amounts.

The Manager has used the view of what would be a “reasonable shift” in each key market to estimate the change for use in the market sensitivity analysis above. The disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in the market index % are revised annually depending on the Manager’s current view of market volatility and other relevant factors.

(ii) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument or future cash flows will fluctuate due to changes in market interest rates.

The only financial assets subject to floating interest rates are bank balances. Given that the interest arising from the bank balances is immaterial, the Manager considers the interest rate risk to be low.

(iii) *Currency risk*

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

The Sub-Fund holds assets and liabilities denominated in United States dollars, a currency other than its functional currency, which is Hong Kong dollar. The Manager considers that there is no currency risk to the United States dollar which is a currency pegged with the Hong Kong dollar, and therefore the Sub-Fund is not exposed to significant currency risk.

(c) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The Sub-Fund’s financial assets which are potentially subject to credit risk consist principally of securities and cash and cash equivalents. The Sub-Fund limits its exposure to credit risk by transacting with well-established broker-dealers and banks with high credit ratings.

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14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

All transactions in securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Financial assets subject to IFRS 9's impairment requirements

The Sub-Fund's financial assets subject to the ECL model within IFRS 9 are an amount due from a broker, an amount due from the Manager, interest receivables, time deposits with original maturity of more than three months and cash and cash equivalents. At 31 March 2022, the total amount of these financial assets subject to the expected credit loss model within IFRS 9 was HK\$84,586,569 (2021: HK\$105,427,085) for the Sub-Fund, on which no loss allowance had been provided. No (2021: no) assets were considered impaired and no (2021: no) amounts have been written off during the year.

For financial assets measured at amortised cost, the Sub-Fund applies the general approach for impairment, and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. The financial assets therefore are still classified at stage 1. As a result, no loss allowance has been recognised as any such impairment would be wholly insignificant to the Sub-Fund.

Financial assets not subject to IFRS 9's impairment requirements

The Sub-Fund is exposed to credit risk on derivative financial instruments. They are not subject to IFRS 9's impairment requirements as they are measured at FVPL. The carrying value of these assets, under IFRS 9 represents the Sub-Fund's maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of amount due from brokers held with KGI Securities (Singapore) Pte. Ltd., bank balances held with The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank (Hong Kong) Limited, Citibank, N.A. Hong Kong Branch, Industrial and Commercial Bank of China (Asia) Limited and China Construction Bank (Asia) Corporation Limited and time deposits held with Bank of China (Hong Kong) Limited, China Construction Bank (Asia) Corporation Limited, Industrial and Commercial Bank of China (Asia) Limited and Agricultural Bank of China Limited Hong Kong Branch. In the event of the bankruptcy of the exchange's clearing house, the Sub-Fund could be exposed to a risk of loss with respect to its assets that are posted as margin.

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31 March 2022

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

The tables below summarise the Sub-Fund's assets placed with banks and brokers and their related credit ratings:

	Net exposure to counterparty	
	2022 HK\$	2021 HK\$
Amount due from a broker		
KGI Securities (Singapore) Pte. Ltd.	16,195,033	19,561,018
Rating	BBB+	A-2
Source of rating	Standard & Poor's	Standard & Poor's
Bank balances		
The Hongkong and Shanghai Banking Corporation Limited	10,074,268	10,755,564
Rating	AA-	AA-
Source of rating	Standard & Poor's	Standard & Poor's
Standard Chartered Bank (Hong Kong) Limited	5,549,348	8,547,952
Rating	A+	A+
Source of rating	Standard & Poor's	Standard & Poor's
Citibank, N.A. Hong Kong Branch	7,502,267	14,002,222
Rating	A+	A+
Source of rating	Standard & Poor's	Standard & Poor's
Industrial and Commercial Bank of China (Asia) Limited	3,103,746	4,103,746
Rating	A	A
Source of rating	Standard & Poor's	Standard & Poor's
China Construction Bank (Asia) Corporation Limited	3,700,564	-
Rating	A	-
Source of rating	Standard & Poor's	-

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14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

	Net exposure to counterparty	
	2022 HK\$	2021 HK\$
Time deposits		
Bank of China (Hong Kong) Limited	11,253,677	13,752,526
Rating	A+	A+
Source of rating	Standard & Poor's	Standard & Poor's
China Construction Bank (Asia) Corporation Limited	8,031,967	13,266,049
Rating	A	A
Source of rating	Standard & Poor's	Standard & Poor's
Industrial and Commercial Bank of China (Asia) Limited	8,069,892	8,059,984
Rating	A	A
Source of rating	Standard & Poor's	Standard & Poor's
Agricultural Bank of China Limited Hong Kong Branch	11,086,362	13,307,788
Rating	A	A
Source of rating	Standard & Poor's	Standard & Poor's

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31 March 2022

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in settling a liability, including a redemption request. The Sub-Fund invests the majority of its assets in WTI Futures Contracts. The Sub-Fund's securities are considered readily realisable, as they are listed. It is the intent of the Manager to monitor the Sub-Fund's liquidity position on a daily basis. The following table illustrates the expected liquidity of financial assets held and gives the contractual undiscounted cash-flow projection of the Sub-Fund's financial liabilities as at 31 March 2022 and 2021. The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 1 month or less. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	On demand HK\$	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
As at 31 March 2022						
Financial assets						
Amount due from a broker	16,195,033	-	-	-	-	16,195,033
Amount due from the Manager	9,982	-	-	-	-	9,982
Interest receivables	-	9,463	-	-	-	9,463
Time deposits with original maturity of more than three months	-	7,056,663	8,036,106	-	-	15,092,769
Cash and cash equivalents	29,930,193	21,329,420	2,019,709	-	-	53,279,322
Total	46,135,208	28,395,546	10,055,815	-	-	84,586,569
Financial liabilities						
Financial liabilities at FVPL	-	-	6,118,751	-	-	6,118,751
Management fee payable	-	96,034	-	-	-	96,034
Trustee fee payable	-	11,720	-	-	-	11,720
Administration fee payable	395,611	-	-	-	-	395,611
Registrar fee payable to the Trustee	-	-	8,320	-	-	8,320
Amount payable on redemption of units	15,446,250	-	-	-	-	15,446,250
Other payables and accruals	-	69,081	-	-	-	69,081
Total	15,841,861	176,835	6,127,071	-	-	22,145,767

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14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (continued)

	On demand HK\$	Less than 1 month HK\$	1 to 3 months HK\$	3 to 12 months HK\$	More than 12 months HK\$	Total HK\$
<u>As at 31 March 2021</u>						
Financial assets						
Amount due from a broker	19,561,018	-	-	-	-	19,561,018
Amount due from the Manager	65,407	-	-	-	-	65,407
Interest receivables	-	4,829	-	-	-	4,829
Cash and cash equivalents	37,409,484	38,113,909	10,272,438	-	-	85,795,831
Total	57,035,909	38,118,738	10,272,438	-	-	105,427,085
Financial liabilities						
Financial liabilities at FVPL	-	-	5,218,988	-	-	5,218,988
Management fee payable	-	73,165	-	-	-	73,165
Trustee fee payable	-	11,706	-	-	-	11,706
Formation fee payable	1,704,010	-	-	-	-	1,704,010
Administration fee payable	191,566	-	-	-	-	191,566
Registrar fee payable to the Trustee	-	-	4,160	-	-	4,160
Other payables and accruals	-	120	-	-	-	120
Total	1,895,576	84,991	5,223,148	-	-	7,203,715

As at 31 March 2022, two (2021: three) unitholders respectively held 33.82% and 11.82% (2021: 23%, 15%, and 12%) of the Sub-Fund's total net assets.

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NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation

The fair values of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The Sub-Fund uses last traded market prices as its fair valuation inputs for financial assets.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 requires the Sub-Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the assets or liabilities.

The determination of what constitutes "observable" requires significant judgement by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant markets.

Financial liabilities carried at fair value

The following tables analyse within the fair value hierarchy the Sub-Fund's financial assets within the fair value hierarchy measured at fair value:

<u>As at 31 March 2022</u>	Quoted prices in active markets Level 1 HK\$	Significant observable inputs Level 2 HK\$	Significant unobservable inputs Level 3 HK\$	Total HK\$
Financial liabilities at FVPL:				
<i>Futures contracts</i>	6,118,751	-	-	6,118,751
	<u>6,118,751</u>	<u>-</u>	<u>-</u>	<u>6,118,751</u>

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NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

Financial liabilities carried at fair value

<u>As at 31 March 2021</u>	Quoted prices in active markets Level 1 HK\$	Significant observable inputs Level 2 HK\$	Significant unobservable inputs Level 3 HK\$	Total HK\$
Financial liabilities at FVPL:				
<i>Futures contracts</i>	5,218,988	-	-	5,218,988
	<u>5,218,988</u>	<u>-</u>	<u>-</u>	<u>5,218,988</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include futures contracts. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Investments classified within Level 3 have significant unobservable inputs, as observable prices are not available for these securities, the Sub-Funds have used valuation techniques to derive the fair value.

There were no transfers between levels during the years ended 31 March 2022 and 2021.

Other financial assets and financial liabilities

The Management has assessed that the carrying values of an amount due from a broker, an amount due from the Manager, interest receivables, time deposits with original maturity of more than three months, cash and cash equivalents, management fee payable, trustee fee payable, formation fee payable, administration fee payable, registrar fee payable to the Trustee, amount payable on redemption of units and other payables and accruals approximate to their fair values largely due to the short term maturities of these instruments.

(f) Capital risk management

The Sub-Fund's capital is represented by the net assets attributable to unitholders. The Sub-Fund's objective is to provide investment results that correspond generally to the performance of the index. The Manager may:

- redeem and issue new units in accordance with the constitutive documents of the Sub-Fund;
- exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders; and
- suspend the creation and redemption of units under certain circumstances stipulated in the Trust Deed.

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NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

- (g) Offsetting and amounts subject to master netting arrangements and similar agreements

The Sub-Fund presents the fair value of its derivative assets and liabilities on a gross basis, no such assets or liabilities have been offset in the statement of net assets. Certain derivative financial instruments are subject to enforceable master netting arrangements.

The arrangements allow for offsetting following an event of default, but not in the ordinary course of business, and the Sub-Fund does not intend to settle these transactions on a net basis or settle the assets and liabilities on a simultaneous basis.

The tables below set out the carrying amounts of recognised financial assets and liabilities that are subject to the above arrangement, together with collateral held or pledged against these assets and liabilities as at 31 March 2022 and 2021:

As at 31 March 2022

	Gross carrying amounts before offsetting HK\$	Amount offset in accordance with offsetting criteria HK\$	Net amount presented in statement of financial position HK\$	Effect of remaining rights of set-off that do not meet criteria for offsetting in the statement of financial position – cash and non- cash held as collateral HK\$	Net exposure HK\$
Financial asset					
Margin account	16,195,033	-	16,195,033	(6,118,751)	10,076,282
Total	<u>16,195,033</u>	<u>-</u>	<u>16,195,033</u>	<u>(6,118,751)</u>	<u>10,076,282</u>
Financial liability					
Futures contracts	(6,118,751)	-	(6,118,751)	6,118,751	-
Total	<u>(6,118,751)</u>	<u>-</u>	<u>(6,118,751)</u>	<u>6,118,751</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

- (g) Offsetting and amounts subject to master netting arrangements and similar agreements (continued)

As at 31 March 2021

	Gross carrying amounts before offsetting HK\$	Amount offset in accordance with offsetting criteria HK\$	Net amount presented in statement of financial position HK\$	Effect of remaining rights of set-off that do not meet criteria for offsetting in the statement of financial position – cash and non- cash held as collateral HK\$	Net exposure HK\$
Financial asset					
Margin account	19,561,018	-	19,561,018	(5,218,988)	14,342,030
Total	19,561,018	-	19,561,018	(5,218,988)	14,342,030
Financial liability					
Futures contracts	(5,218,988)	-	(5,218,988)	5,218,988	-
Total	(5,218,988)	-	(5,218,988)	5,218,988	-

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF
(A Sub-Fund of Global X ETF Series I)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

15. SEGMENT INFORMATION

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

The Manager considers that the Sub-Fund has a single operating segment which is investing in crude oil futures. The objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Index.

The internal financial information used by the Manager for the Sub-Fund's assets, liabilities and performance is the same as that disclosed in the statement of net assets and statement of profit or loss and other comprehensive income.

There were no changes in the reportable segment during the years ended 31 March 2022 and 2021.

The Sub-Fund is domiciled in Hong Kong. Majority of the Sub-Fund's income is derived from investments in futures contracts of the tracked Index.

16. EVENT AFTER THE REPORTING PERIOD

During the period between the end of the reporting period and the date of authorisation of these financial statements, there were redemption of units amounting to HK\$89,492,350.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 29 July 2022.

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF
(A Sub-Fund of Global X ETF Series II)

INVESTMENT PORTFOLIO (UNAUDITED)

As at 31 March 2022

			Market value HK\$	% of net assets
	Expiration date	Contracts		
Listed futures contracts				
United States				
WTI CRUDE FUTURE MAY22	31/05/2022	79	(6,118,751)	(9.80)
Total investments, at fair value			<u>(6,118,751)</u>	
Total investments, at cost			<u>-</u>	

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF
(A Sub-Fund of Global X ETF Series II)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

For the year ended 31 March 2022

	Holdings			31 March 2022
	1 April 2021	Additions	Disposals	
Futures contracts				
United States				
WTI CRUDE FUTURE MAY21	217	-	217	-
WTI CRUDE FUTURE JUN21	-	216	216	-
WTI CRUDE FUTURE JUL21	-	197	197	-
WTI CRUDE FUTURE AUG21	-	175	175	-
WTI CRUDE FUTURE SEP21	-	152	152	-
WTI CRUDE FUTURE OCT21	-	138	138	-
WTI CRUDE FUTURE NOV21	-	138	138	-
WTI CRUDE FUTURE DEC21	-	124	124	-
WTI CRUDE FUTURE JAN22	-	126	126	-
WTI CRUDE FUTURE FEB22	-	126	126	-
WTI CRUDE FUTURE MAR22	-	107	107	-
WTI CRUDE FUTURE APR22	-	94	94	-
WTI CRUDE FUTURE MAY22	-	98	19	79

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF
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DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

Futures

The details of futures contracts held by the Sub-Fund as at 31 March 2022 are as follows:

Description	Underlying assets	Contract Size	Notional market value HK\$	Position	Counter party	Fair value HK\$
Financial assets:						
WTI CRUDE FUTURE MAY22	S&P GSCI Crude Oil Enhanced Index Excess Return	79	62,041,291	Long	KGI Securities (Singapore) Pte. Ltd.	(6,118,751)
						<u>(6,118,751)</u>

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF
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**INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS
(UNAUDITED)**

The table below analyses the lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Sub-Fund's total net asset value for the year ended 31 March 2022.

	2022 % of Net asset value
Global X S&P Crude Oil Futures Enhanced ER ETF	
Lowest gross exposure	80.23%
Highest gross exposure	104.10%
Average gross exposure	99.12%

The table below analyses the lowest, highest and average net exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Sub-Fund's total net asset value for the year ended 31 March 2022.

	2022 % of Net asset value
Global X S&P Crude Oil Futures Enhanced ER ETF	
Lowest net exposure	80.23%
Highest net exposure	104.10%
Average net exposure	99.12%

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF
(A Sub-Fund of Global X ETF Series II)

PERFORMANCE RECORD (UNAUDITED)

NET ASSET VALUE

	Dealing net asset value HK\$	Dealing net asset value per unit HK\$
As at 31 March 2022	62,440,802	5.9467
As at 31 March 2021	99,803,377	3.2195
As at 31 March 2020	50,962,185	1.6439

HIGHEST ISSUE PRICE AND LOWEST REDEMPTION PRICE PER UNIT

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$
For the year ended 31 March 2022	7.0924	3.2207
For the year ended 31 March 2021	3.5922	1.5830
For the year ended 31 March 2020	5.2953	1.6132
For the year ended 31 March 2019	6.6176	3.6701
For the year ended 31 March 2018	5.4302	4.0126
Period from 10 June 2016 (date of inception) to 31 March 2017	5.2713	4.3237

COMPARISON OF THE SCHEME PERFORMANCE AND THE ACTUAL INDEX PERFORMANCE

The table below illustrates the comparison between the Sub-Fund's performance (market-to-market) and that of the Index:

	Sub-Fund performance %	Index* performance %
For the year ended 31 March 2022	84.71	87.71
For the year ended 31 March 2021	95.88	95.62
For the year ended 31 March 2020	(66.28)	(66.51)
For the year ended 31 March 2019	(8.92)	(8.43)
For the year ended 31 March 2018	11.81	12.28
Period from 10 June 2016 (date of inception) to 31 March 2017	(4.00)	(3.86)

*The tracking index of the Sub-Fund is an excess return index ("Excess Return" does not mean any additional return on the ETF's performance), which means the Index measures the returns accrued from investing in uncollateralised WTI Futures Contracts (i.e. the sum of the price return and the roll return associated with an investment in WTI Futures Contracts).

GLOBAL X S&P CRUDE OIL FUTURES ENHANCED ER ETF

(A Sub-Fund of Global X ETF Series II)

MANAGEMENT AND ADMINISTRATION

Manager

Mirae Asset Global Investments (Hong Kong) Limited
Room 1101, 11th Floor
Lee Garden Three, 1 Sunning Road
Causeway Bay, Hong Kong

Directors of the Manager

Mr. Srinivasa Rao Kapala
Mr. Jung Ho Rhee
Mr. Byung Ha Kim

Trustee and Registrar

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

Service Agent

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

Legal Counsel to the Manager

Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountant
Registered Public Interest Entity Auditor
22/F, Prince's Building
10 Chater Road
Central, Hong Kong

Listing Agent

KGI Capital Asia Limited
41/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Initial Participating Dealers

ABN AMRO Clearing Hong Kong Limited
70th Floor, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

CIMB Securities (HK) Limited
Units 7706-08, Level 77
International Commerce Centre,
1 Austin Road West, Kowloon
Hong Kong

Initial Participating Dealers (continued)

Goldman Sachs (Asia) Securities Limited
68th Floor, Cheung Kong Center
2 Queen's Road
Central, Hong Kong

KGI Securities (Hong Kong) Limited

41/F Central Plaza
18 Harbour Road
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Hong Kong

Mirae Asset Securities (HK) Limited

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International Commerce Centre,
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Guotai Junan Securities (Hong Kong) Limited

27/F, Low Block, Grand Millennium Plaza,
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Initial Market Makers

Bluefin HK Limited
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Flow Traders Hong Kong Limited

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KGI Asia Limited

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SG Securities (HK) Ltd.

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