

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(Stock Code: 3175)  
(SUB-FUND OF SAMSUNG ETFS TRUST)

Reports and Financial Statements  
For the year ended 31 March 2021

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

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REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

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SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

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MANAGEMENT AND ADMINISTRATION

**MANAGER**

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

**INVESTMENT ADVISER**

Samsung Asset Management Co., Limited  
18th Fl., Samsung Electronics Bldg  
11 Seocho-daero 74-gil, Seocho-gu  
Seoul 06620  
South Korea

**TRUSTEE AND REGISTRAR**

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

**LISTING AGENT**

Altus Capital Limited  
21 Wing Wo Street  
Central  
Hong Kong

**DIRECTORS OF THE MANAGER**

CHOI Sungjin  
KIM Minseok  
PARK Sungjin

**SERVICE AGENT**

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

**AUDITOR**

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

**PARTICIPATING DEALERS**

*Please refer to the Manager's website ([www.samsungetfshk.com](http://www.samsungetfshk.com))  
for the latest lists of Market Makers and Participating Dealers  
for the Sub-Fund of Samsung ETFs Trust.*

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

REPORT OF THE MANAGER TO THE UNITHOLDERS

The Samsung ETFs Trust ("the Trust") is an umbrella unit trust established under Hong Kong law by a trust deed dated 13 January 2015 ("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 sub-fund which is an exchange traded fund.

**Samsung S&P GSCI Crude Oil ER Futures ETF**

The Units of the Samsung S&P GSCI Crude Oil ER Futures ETF ("the Sub-Fund") are listed on The Stock Exchange of Hong Kong Limited and commenced trading in Hong Kong dollars under stock code 3175 on 29 April 2016. The Sub-Fund is a passively-managed exchange traded fund ("ETF") falling under Chapter 8.6 and 8.8 of the Hong Kong Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission. The Sub-Fund is a futures-based ETF which invests directly in WTI Futures Contracts traded on The New York Mercantile Exchange (the "NYMEX") to provide investment results that, before fees and expenses, closely correspond to the performance of the underlying index. With effect from 7 August 2020 (the "Effective Date"), the underlying index of the Sub-Fund changed from S&P GSCI Crude Oil Index Excess Return (the "Existing Index") to S&P GSCI Crude Oil Multiple Contract 55/30/15 1M/2M/3M (USD) ER Index (the "New Index").

Prior to 7 August 2020, the Sub-Fund tracked the Existing Index which tracks the performance of the nearest month West Texas Intermediate crude oil (also known as Texas light sweet crude oil) Futures Contracts (the "WTI Futures Contracts") traded on the NYMEX.

Effect from 7 August 2020, the Sub-Fund tracked the New Index which tracks the performance of multiple contract months for the WTI Futures Contracts traded on the NYMEX.

As at 31 March 2021, net asset value per unit of the Sub-fund was HK\$3.9151, and there were 619,000,000 units outstanding. The net asset value was HK\$2,423,450,384.



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

30 July 2021

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

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REPORT OF THE TRUSTEE

TO THE UNITHOLDERS OF  
SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

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We hereby confirm that, in our opinion, the Manager of the Samsung S&P GSCI Crude Oil ER Futures ETF (the "Sub-Fund") has, in all material respects, managed the Sub-Fund in accordance with the provisions of the trust deed dated 13 January 2015, for the year ended 31 March 2021.



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

30 July 2021

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER'S RESPONSIBILITIES

The Manager of Samsung S&P GSCI Crude Oil ER Futures ETF (the "Sub-Fund") 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 13 January 2015 (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Sub-Fund 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 the Sub-Fund will continue in operation unless it is inappropriate to presume this.

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

Samsung ETFs Trust (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 March 2021, the Trust has established with one sub-fund, Samsung S&P GSCI Crude Oil ER Futures ETF.

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 S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

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

#### **Opinion**

We have audited the financial statements of Samsung S&P GSCI Crude Oil ER Futures ETF (the "Sub-Fund"), a sub-fund of Samsung ETFs Trust (the "Trust"), set out on pages 10 to 39, which comprise the statement of financial position as at 31 March 2021, 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 the Sub-Fund of the Trust as at 31 March 2021, 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 the Sub-Fund of the Trust in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (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 S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST) - continued

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

#### Key Audit Matters - continued

Key audit matter	How our audit addressed the key audit matter
<b><i>Existence, completeness and valuation of derivative financial assets and liabilities</i></b>	
<p>We identified the existence, completeness and valuation of derivative financial assets and liabilities as a key audit matter due to the significance to the financial statements.</p> <p>As described in notes 6 and 12 to the financial statements, the Sub-Fund's derivative financial assets and liabilities as at 31 March 2021 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 brokers; 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-Fund 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 the Sub-Fund 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 S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST) - 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-Fund 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-Fund are responsible for assessing the ability of the Sub-Fund 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 the Sub-Fund of the Trust or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Sub-Fund's financial reporting process.

In addition, the Manager and the Trustee of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 13 January 2015 (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 S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST) - 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-Fund 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 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 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.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF  
SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST) - continued

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

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

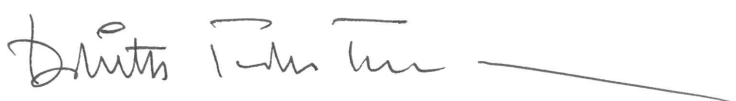
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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

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 the Sub-Fund 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 the independent auditor's report is Tong, Mei Yin.



**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
30 July 2021

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST) #

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021

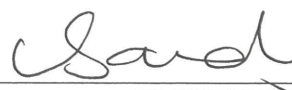
	<u>NOTES</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Derivative financial assets	6, 12	39,427,056	-
Interest receivable		1,459	27,739
Due from brokers	7	444,660,986	563,683,747
Due from unitholders		-	561,656,020
Prepayments		4,500	166,888
Money market fixed deposits		1,040,000,000	320,000,000
Bank balances		1,016,395,192	243,590,999
Total assets		<u>2,540,489,193</u>	<u>1,689,125,393</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Derivative financial liabilities	6, 12	83,497,300	208,200,511
Due to unitholders		31,317,600	-
Management fee payable	4	1,568,449	104,150
Trustee fee payable	4	193,532	29,326
Accrued expenses and other payables		461,928	281,776
Total liabilities		<u>117,038,809</u>	<u>208,615,763</u>
Net assets attributable to unitholders	10	<u>2,423,450,384</u>	<u>1,480,509,630</u>

# As defined in note 1 to the financial statements

The financial statements on pages 10 to 39 were approved by the Manager and the Trustee on 30 July 2021 and are signed on their behalf by:



MANAGER  
SAMSUNG ASSET MANAGEMENT  
(HONG KONG) LIMITED



TRUSTEE  
HSBC INSTITUTIONAL TRUST  
SERVICES (ASIA) LIMITED

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST) #

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021

	<u>NOTES</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>INCOME</b>			
Bank interest income		3,876,884	1,503,315
Net loss on derivative financial instruments		(676,620,642)	(242,737,009)
Net foreign exchange loss		(4,294,341)	(342,755)
Net loss		<u>(677,038,099)</u>	<u>(241,576,449)</u>
<b>EXPENSES</b>			
Management fee	4	(23,037,812)	(989,100)
Trustee fee	4	(2,835,421)	(175,381)
Safe custody and bank charges	4	(12,376)	(670)
Audit fee		(89,250)	(82,500)
Legal fees		-	(7,794)
Accounting and professional fees	4	(70,200)	(70,200)
Listing fees		(15,000)	(15,000)
Transaction costs		(9,438,273)	(526,387)
Interest expense, net	7	(1,422,697)	(47,355)
Other operating expenses	4	(2,070,618)	(328,119)
		<u>(38,991,647)</u>	<u>(2,242,506)</u>
<b>LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR, REPRESENTING CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS RESULTING FROM OPERATIONS</b>			
		<u>(716,029,746)</u>	<u>(243,818,955)</u>

# As defined in note 1 to the financial statements

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST) #

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE YEAR ENDED 31 MARCH 2021

	<u>NOTE</u>	HK\$
Balance as at 31 March 2019		186,130,710
Loss and total comprehensive expense for the year		<u>(243,818,955)</u>
Subscription of units	10	1,666,984,750
Redemption of units	10	<u>(128,786,875)</u>
		1,538,197,875
Balance as at 31 March 2020		<u>1,480,509,630</u>
Loss and total comprehensive expense for the year		<u>(716,029,746)</u>
Subscription of units	10	6,560,677,100
Redemption of units	10	<u>(4,901,706,600)</u>
		1,658,970,500
Balance as at 31 March 2021		<u><u>2,423,450,384</u></u>
	<u>2021</u>	<u>2020</u>
Number of units in issued at beginning of the year	348,500,000	14,750,000
Units issued	1,921,500,000	344,250,000
Units redeemed	<u>(1,651,000,000)</u>	<u>(10,500,000)</u>
Number of units in issue at the end of the year	<u><u>619,000,000</u></u>	<u><u>348,500,000</u></u>

# As defined in note 1 to the financial statements

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST) #

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>OPERATING ACTIVITIES</b>		
Loss and total comprehensive expense for the year	(716,029,746)	(243,818,955)
Adjustments for:		
Bank interest income	(3,876,884)	(1,503,315)
Interest expense	1,422,697	47,355
Operating cash flows before movements in working capital	(718,483,933)	(245,274,915)
(Increase) decrease in derivative financial assets	(39,427,056)	8,813,814
Decrease (increase) in due from brokers	119,022,761	(556,162,855)
Decrease in prepayments	162,388	6,654
Increase in money market fixed deposits	(720,000,000)	(180,000,000)
(Decrease) increase in derivative financial liabilities	(124,703,211)	208,200,511
Increase (decrease) in management fee payable	1,464,299	(491)
Increase (decrease) in trustee fee payable	164,206	(30,782)
Increase in accrued expenses and other payables	180,152	100,371
Cash used in operations	(1,481,620,394)	(764,347,693)
Bank interest received	3,903,164	1,928,861
Interest paid	(1,422,697)	(47,355)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(1,479,139,927)</u>	<u>(762,466,187)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from subscription of units	7,122,333,120	1,105,328,730
Payments on redemption of units	(4,870,389,000)	(128,786,875)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>2,251,944,120</u>	<u>976,541,855</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	772,804,193	214,075,668
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>243,590,999</u>	<u>29,515,331</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>1,016,395,192</u>	<u>243,590,999</u>
Analysis of balances of cash and cash equivalents:		
Bank balances	<u>1,016,395,192</u>	<u>243,590,999</u>

# As defined in note 1 to the financial statements



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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1. GENERAL

Samsung S&P GSCI Crude Oil ER Futures ETF (the "Sub-Fund"), sub-fund of Samsung ETFs Trust (the "Trust"), are established under a trust deed dated 13 January 2015 (the "Trust Deed"), and governed by the laws of Hong Kong. The Trust and the Sub-Fund are authorised under Section 104 of the Hong Kong Securities and Futures Ordinance (the "SFO") and the Sub-Fund is falling under Chapter 8.6 and 8.8 of the Hong Kong Code on Unit Trusts and Mutual Funds (the "SFC Code").

The date of commencement of operations of the Sub-Fund is 27 April 2016. The Sub-Fund is listed on The Stock Exchange of Hong Kong Limited on 29 April 2016.

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

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the underlying index. With effect from 7 August 2020 (the "Effective Date"), the underlying index of the Sub-Fund changed from S&P GSCI Crude Oil Index Excess Return (the "Existing Index") to S&P GSCI Crude Oil Multiple Contract 55/30/15 1M/2M/3M (USD) ER Index (the "New Index").

Prior to 7 August 2020, the Sub-Fund tracked the Existing Index which tracks the performance of the nearest month West Texas Intermediate crude oil (also known as Texas light sweet crude oil) Futures Contracts (the "WTI Futures Contracts") traded on the New York Mercantile Exchange.

Effect from 7 August 2020, the Sub-Fund tracked the New Index which tracks the performance of multiple contract months for the WTI Futures Contracts traded on the New York Mercantile Exchange.

The Manager anticipates that no more than 50% of the net assets value of the Sub-Fund from time to time will be used as margin to acquire the WTI Futures Contracts. Not less than 50% 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.

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-Fund has applied the *Amendments to References to the Conceptual Framework in IFRS standards* and the following amendments to IFRSs issued by the International Accounting Standards Board for the first time in the current year, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the *Amendments to References to the Conceptual Framework in IFRS Standards* and the amendments to IFRSs in the current year had no material impact on the Sub-Fund's financial performance and positions for the current and prior years and/or on the disclosures set out in these financial statements.

***Impacts on application of Amendments to IAS 1 and IAS 8 Definition of Material***

The Sub-Fund has applied the Amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no material impact on the financial statements.

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

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

IFRS 17	Insurance Contracts and the related Amendments <sup>5</sup>
Amendments to IFRS 3	Reference to the Conceptual Framework <sup>4</sup>
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>6</sup>
Amendment to IFRS 16	Covid-19-Related Rent Concessions <sup>1</sup>
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>3</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>5</sup>

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 - continued

Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>5</sup>
Amendments to IAS 8	Definition of Accounting Estimates <sup>5</sup>
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>5</sup>
Amendments to IAS 16	Property, Plant and Equipment - Proceeds before Intended Use <sup>4</sup>
Amendments to IAS 37	Onerous Contracts - Cost of Fulfilling a Contract <sup>4</sup>
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018 - 2020 <sup>4</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

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

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>6</sup> Effective for annual periods beginning on or after a date to be determined

The Manager and the Trustee of the Sub-Fund anticipate that the application of all the new and amendments to IFRSs will have no material impact on the financial statements of the Sub-Fund 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 the Sub-Fund 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. For the purpose of preparation of the financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

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

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of preparation - continued

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-Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

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

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

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-Fund becomes 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.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

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.

Interest income which are derived from the Sub-Fund's 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-Fund 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-Fund manages 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.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

**Financial assets** - continued

*Amortised cost and interest income*

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

*Financial assets at FVTPL*

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

*Impairment of financial assets*

The Sub-Fund recognises a loss allowance for expected credit loss ("ECL") on financial assets including interest receivable, due from brokers, due from unitholders, money market fixed deposits and bank balances, which are subject to impairment assessment 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-months 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-Fund's 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 brokers, due from unit holders, money market fixed deposits and bank balances, the Sub-Fund measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Sub-Fund recognises 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.

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-Fund compares 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-Fund considers 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-Fund presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Sub-Fund has reasonable and supportable information that demonstrates otherwise.

The Sub-Fund regularly monitors 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-Fund considers 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-Fund, in full.

Irrespective of the above, the Sub-Fund considers that 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 lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default 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.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

**Financial assets** - continued

*Impairment of financial assets* - continued

(iv) Write-off policy

The Sub-Fund writes 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-Fund's 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-Fund in accordance with the contract and the cash flows that the Sub-Fund expects 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-Fund recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

*Derecognition of financial assets*

The Sub-Fund derecognises 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.



3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

**Financial liabilities and equity**

Debts and units issued by the Sub-Fund 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-Fund 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-Fund's net assets in the event of the Sub-Fund's 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-Fund 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-Fund over the life of the instrument.

In addition to the redeemable units meeting all of the above conditions, the Sub-Fund 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-Fund; and
- the effect of substantially restricting or fixing the residual return to the redeemable unitholders.

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

*Financial liabilities at FVTPL*

The Sub-Fund's 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-Fund manages 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-Fund 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.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

**Financial liabilities and equity** - continued

*Other financial liabilities*

Other financial liabilities including due to unitholders, 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-Fund derecognises financial liabilities when, and only when, the Sub-Fund's 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.

Transaction costs

Transactions costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to brokers. Transactions costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

Establishment costs

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Foreign currencies

Foreign currency transactions during the period are translated into the functional currency of the Sub-Fund 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 the Sub-Fund 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 provides 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 transactions/transactions entered into during the years ended 31 March 2021 and 31 March 2020 between the Sub-Fund, 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 2021 and 31 March 2020 were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other significant transactions with its related parties/connected person except for those disclosed below.

Management fee

Samsung Asset Management (Hong Kong) Limited, the Manager, is entitled to receive a management fee at 0.65% per annum on the net assets value of the Sub-Fund. The management fee is calculated and accrued as at each dealing day and payable in monthly in arrears. The management fee for the years ended 31 March 2021 and 31 March 2020 and the management fee payable as at 31 March 2021 and 31 March 2020 are as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Management fee	23,037,812	989,100
Management fee payable	1,568,449	104,150

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

Trustee fee

HSBC Institutional Trust Services (Asia) Limited, the Trustee, is entitled to receive a trustee fee based on the net assets value 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\$78,000 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-Fund. The trustee fee is calculated and accrued as at each dealing day and payable in monthly in arrears.

The trustee fees for the years ended 31 March 2021 and 31 March 2020 and the trustee fee payable as at 31 March 2021 and 31 March 2020 are as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Trustee fee	2,835,421	175,381
Trustee fee payable	<u>193,532</u>	<u>29,326</u>

Accounting and professional fees

The Sub-Fund has engaged the Trustee for accounting and professional services. The accounting and professional fees for the years ended 31 March 2021 and 31 March 2020 and the accounting and professional fees payable as at 31 March 2021 and 31 March 2020 are as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Accounting and professional fees	70,200	70,200
Accounting and professional fees payable	<u>46,800</u>	<u>46,800</u>

Other respective amounts paid to the Trustee and its connected persons

	<u>2021</u> HK\$	<u>2020</u> HK\$
Safe custody and bank charges	200	-
Registration and transfer agent fee	<u>22,400</u>	<u>6,560</u>

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

Bank balances

The Sub-Fund 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 and interest receivable of the Sub-Fund held with HSBC as at 31 March 2021 and 31 March 2020 and the interest income earned on these bank balances during the year are as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Bank balances	347,083,550	123,530,708
Interest receivable	16	35
Interest income earned	<u>2,236,130</u>	<u>1,245,011</u>

Investment transactions and transaction costs

During the years ended 31 March 2021 and 31 March 2020, the sub-Fund has entered into transactions through the connected persons of the Manager, Samsung Futures Inc., for its brokerage services. Investment transactions with this entity are set out below.

	Aggregate value of purchase and sale of <u>investments</u> <sup>[1]</sup>	% of the Sub-Fund's total aggregate value of transactions during <u>the year</u> <sup>[1]</sup>	Brokerage commission <u>paid</u>	Average rate of <u>commission</u> <sup>[2]</sup>
2021	275,546,453	25.09%	2,243,414	N/A
2020	<u>-</u>	-	<u>-</u>	-

Notes:

[1] Aggregate value of purchase and sale of investments represented the gross amount of gain or loss on derivative financial instruments.

[2] Commission is charged at US\$5 (HK\$39) per contract and therefore rate of commission is not applicable.

	<u>2021</u> HK\$	<u>2020</u> HK\$
Due from broker	<u>114,143,681</u>	<u>-</u>

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5. TAXATION

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

6. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>Derivative financial assets</b>		
Futures contracts	39,427,056	-
<b>Derivative financial liabilities</b>		
Futures contracts	83,497,300	208,200,511

7. DUE FROM BROKERS

	<u>2021</u> HK\$	<u>2020</u> HK\$
Deposits with brokers	444,660,986	563,683,747

Deposits with a broker is interest bearing.

For HKD:

Credit Rate: HKFE rate minus 40 basis points (2020: overnight HIBOR minus 50 basis points)

Debit Rate: HKMA rate plus 150 basis points (2020: overnight HIBOR plus 75 basis points)

For USD:

Credit Rate: Federal Funds rate minus 40 basis points (2020: 4 week T-bill minus 50 basis points)

Debit Rate: Federal Funds rate plus 100 basis points (2020: 1 month LIBOR plus 75 basis points)

In accordance with the terms agreed between the brokers and the Sub-Fund, interest expense was charged on the initial margin requirement, which was accrued daily and charged monthly.

As the interest income arising from the deposits with the brokers 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 have been no soft commission arrangements existing during the years ended 31 March 2021 and 31 March 2020 in relation to directing transactions of the Sub-Fund through a broker or dealer.

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9. INVESTMENT LIMITATIONS

In previous years, 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 effect 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

	<u>2021</u> Units	<u>2020</u> Units
Number of units in issue at beginning of the year	348,500,000	14,750,000
Units issued	1,921,500,000	344,250,000
Units redeemed	(1,651,000,000)	(10,500,000)
Number of units in issue at end of the year	<u>619,000,000</u>	<u>348,500,000</u>
	<u>2021</u> HK\$	<u>2020</u> HK\$
Subscription of units	6,560,677,100	1,666,984,750
Redemption of units	(4,901,706,600)	(128,786,875)
Net subscription of units during the year	<u>1,658,970,500</u>	<u>1,538,197,875</u>

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10. UNITS ISSUED AND REDEEMED - continued

As disclosed in note 3 to the financial statements, establishment costs are expensed as incurred. However, establishment costs of the Sub-fund are required to be amortised over the first five financial years according to the provisions of the Trust's prospectus. The total establishment cost is HK\$1,641,086. As at 31 March 2021, unamortised establishment costs were HK\$24,267 (2020: HK\$364,944) while the remaining amortisation period is 1 month (2020: 13 months). 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:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Net assets attributable to unitholders as reported in the statement of financial position	2,423,450,384	1,480,509,630
Adjustment for unamortised establishment costs	24,267	364,944
Net asset value calculated under accounting basis indicated in the Trust's prospectus	<u>2,423,474,651</u>	<u>1,480,874,574</u>
Net assets attributable to unitholders per unit as reported in the statement of financial position	<u>3.9151</u>	<u>4.2482</u>
Net assets attributable to unitholders per unit calculated under accounting basis indicated in the Trust's prospectus	<u>3.9151</u>	<u>4.2493</u>

11. DISTRIBUTIONS

During the year ended 31 March 2021 and 31 March 2020, no distributions were made to the unitholders of the Sub-Fund.

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Categories of financial instruments

	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>Financial assets</b>		
FVTPL	39,427,056	-
Amortised cost	<u>2,501,057,637</u>	<u>1,688,958,505</u>
<b>Financial liabilities</b>		
FVTPL	83,497,300	208,200,511
Amortised cost	<u>33,409,913</u>	<u>312,956</u>



12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Categories of financial instruments - continued

The Sub-Fund maintains investment portfolio as dictated by its respective investment management strategy. The Sub-Fund's investment objectives are disclosed in note 1 to the financial statements and the Sub-Fund's investment portfolio mainly comprises futures contracts.

The Sub-Fund's investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. 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 the Sub-Fund. Unitholders should note that additional information in respect of risks associated with financial instruments in the Sub-Fund can be found in the Trust's prospectus.

The assets allocation is determined by the 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-Fund 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.

The Sub-Fund is 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 the Sub-Fund.

*Sensitivity analysis*

As at 31 March 2021 and 31 March 2020, if the market price of the futures contracts had been 10% higher and all other variables were held constant, the loss for the year of the Sub-Fund would have been decreased by approximately:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Decrease in loss for the year	<u>(240,722,000)</u>	<u>(146,764,000)</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-Fund's loss for the year.



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 the Sub-Fund is HKD. It is exposed to currency risk primarily through recognised financial assets or liabilities that are denominated in United States Dollars ("USD"). The following table details the exposure to currency risk of the Sub-Fund at the end of the reporting period. For presentation purposes, the amounts of the exposure are in HKD.

	<u>2021</u> HK\$	<u>2020</u> HK\$
Net assets exposed to USD	<u>608,990,996</u>	<u>231,057,204</u>

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

Credit risk and impairment assessment

The Sub-Fund's 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 brokers relates to transactions awaiting settlements and deposits placed in brokers. The risk relating to unsettled transactions and deposits placed in brokers is considered low due to the short settlement period and high credit ratings of brokers assigned by international credit rating agencies.

All of the money market fixed deposits and cash held by the Sub-Fund are deposited with a number of banks. Bankruptcy or insolvency of the bank may cause the Sub-Fund's rights with respect to the money market fixed deposits and cash at banks to be delayed or limited.

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST) #

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Credit risk and impairment assessment - continued

As at 31 March 2021 and 31 March 2020 the Sub-Fund held fixed deposits and cash with the following banks.

	HK\$	<u>Credit Rating</u>	<u>Source of Credit rating</u>
<u>As at 31 March 2021</u>			
<b>Bank Balances</b>			
China Construction Bank (Asia) Corporation Limited	255,013,567	A1	Moody's
Citibank, N.A., Hong Kong Branch	2	Aa3	Moody's
HSBC	347,083,550	A3	Moody's
Standard Chartered Bank, Hong Kong	414,298,073	A2	Moody's
<b>Fixed Deposits</b>			
CMB Wing Lung Bank Limited	340,000,000	A3	Moody's
DBS Bank (Hong Kong) Limited	290,000,000	Aa1	Moody's
Oversea-Chinese Banking Corporation Limited	410,000,000	Aa1	Moody's
<u>As at 31 March 2020</u>			
<b>Bank Balances</b>			
Citibank, N.A., Hong Kong Branch	2	A3	Moody's
Standard Chartered Bank, Hong Kong	120,060,289	A2	Moody's
HSBC	123,530,708	A2	Moody's
<b>Fixed Deposits</b>			
China Construction Bank (Asia) Corporation Limited	80,000,000	A1	Moody's
CMB Wing Lung Bank Limited	80,000,000	A3	Moody's
DBS Bank (Hong Kong) Limited	80,000,000	Aa2	Moody's
Oversea-Chinese Banking Corporation Limited	80,000,000	Aa1	Moody's

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Credit risk and impairment assessment - continued

For the other credit exposures such as the derivative financial assets, the Sub-Fund ensures 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.

The credit risk on bank balances and fixed deposits is limited because the counterparties are major institutional banks with credit ratings of A3 (2020: A3) or above 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 2021 and 31 March 2020, the Manager considers that no impairment was made on the Sub-Fund's 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 brokers with high credit ratings, the Sub-Fund does not have any other significant concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Sub-Fund will encounter difficulty in meeting obligations arising from its 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 the Sub-Fund. The Sub-Fund is exposed to daily liquidity risk on redemption of units.

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

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

As at 31 March 2021 and 31 March 2020, the Sub-Fund's financial liabilities are repayable on demand and due within three months.

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Capital management

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

The Sub-Fund's 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 the Sub-Fund in accordance with the Sub-Fund's 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 the Sub-Fund as currently 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 the Sub-Fund.

The following is the open position of futures contracts as at 31 March 2021 and 31 March 2020.

*At 31 March 2021*

<u>Type of contract</u>	<u>Notional amount</u> HK\$	<u>Underlying</u>	<u>Fair value assets</u> HK\$
WTI Crude Future 30 June 2021	112,712,379	WTI Crude Oil Future	13,264,348
WTI Crude Future 30 June 2021	216,223,747	WTI Crude Oil Future	1,137,300
WTI Crude Future 30 June 2021	82,809,095	WTI Crude Oil Future	16,574,955
WTI Crude Future 31 July 2021	289,556,096	WTI Crude Oil Future	2,985,119
WTI Crude Future 31 July 2021	85,811,394	WTI Crude Oil Future	2,936,456
WTI Crude Future 31 July 2021	100,036,813	WTI Crude Oil Future	2,528,878
			<u>39,427,056</u>

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST) #

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Specific instruments - continued

*At 31 March 2021* - continued

<u>Type of contract</u>	<u>Notional amount</u> HK\$	<u>Underlying</u>	<u>Fair value assets</u> HK\$
WTI Crude Future 30 June 2021	179,419,705	WTI Crude Oil Future	(6,104,726)
WTI Crude Future 30 June 2021	198,281,776	WTI Crude Oil Future	(1,684,417)
WTI Crude Future 30 June 2021	144,455,865	WTI Crude Oil Future	(11,165,203)
WTI Crude Future 30 June 2021	185,400,362	WTI Crude Oil Future	(11,863,054)
WTI Crude Future 31 July 2021	114,721,116	WTI Crude Oil Future	(3,706,679)
WTI Crude Future 31 July 2021	48,182,869	WTI Crude Oil Future	(4,416,656)
WTI Crude Future 31 July 2021	106,920,080	WTI Crude Oil Future	(7,748,018)
WTI Crude Future 31 July 2021	151,431,873	WTI Crude Oil Future	(5,334,348)
WTI Crude Future 31 July 2021	32,121,912	WTI Crude Oil Future	(2,475,939)
WTI Crude Future 31 August 2021	90,335,795	WTI Crude Oil Future	(6,374,163)
WTI Crude Future 31 August 2021	45,624,139	WTI Crude Oil Future	(4,182,277)
WTI Crude Future 31 August 2021	82,579,691	WTI Crude Oil Future	(6,571,461)
WTI Crude Future 31 August 2021	67,067,484	WTI Crude Oil Future	(6,559,333)
WTI Crude Future 31 August 2021	72,998,622	WTI Crude Oil Future	(5,311,026)
			<u>(83,497,300)</u>

*At 31 March 2020*

<u>Type of contract</u>	<u>Notional amount</u> HK\$	<u>Underlying</u>	<u>Fair value assets</u> HK\$
WTI Crude Future 31 May 2020	1,467,640,939	WTI Crude Oil Futures	<u>(208,200,511)</u>

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Fair value

The financial instruments held by the Sub-Fund 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 the Sub-Fund 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 measured at FVTPL on the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised.

*At 31 March 2021*

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial assets				
- Futures contracts	39,427,056	-	-	39,427,056
Derivative financial liabilities				
- Futures contracts	(83,497,300)	-	-	(83,497,300)

*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	(208,200,511)	-	-	(208,200,511)

For the years ended 31 March 2021 and 31 March 2020, 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 2021 and 31 March 2020, except for derivative financial instruments as disclosed in the financial statements which are classified as the financial assets at FVTPL, all other financial assets and financial liabilities are carried at amortised costs. The carrying values of all other financial assets and liabilities are considered by the Manager to approximate to their fair values.





13. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Sub-Fund's statement of cash flows as cash flows from financing activities.

During the year ended 31 March 2021 and 31 March 2020 the Sub-Fund did not have any changes in liabilities arising from financing activities.

14. 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 is a single operating segment which is investments in futures contracts. The investment objectives of the Sub-Fund are disclosed in note 1 to the financial statements.

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

The Sub-Fund is domiciled in Hong Kong. The Sub-Fund has no non-current assets.

15. SUBSEQUENT EVENTS

On 28 April 2021, the Trust established a new sub-fund Samsung NYSE FANG+ ETF. The investment objective of the sub-fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the underlying index NYSE® FANG+™ Index. The date of commencement of operations is 17 May 2021 and listed on the Stock Exchange of Hong Kong on 25 May 2021.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Manager and the Trustee on 30 July 2021.

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

INVESTMENT PORTFOLIO (UNAUDITED)  
AS AT 31 MARCH 2021

	<u>Maturity date</u>	<u>Market value</u> HK\$	<u>% of total net assets attributable to unitholders</u>
<b>Money market fixed deposits</b>			
CMB Wing Lung Bank Limited	06 April 2021	340,000,000	14.03
DBS Bank (Hong Kong) Limited	06 April 2021	290,000,000	11.97
Oversea-Chinese Banking Corporation Limited Hong Kong	06 April 2021	410,000,000	16.92
<b>Total money market fixed deposits</b>		<u>1,040,000,000</u>	<u>42.92</u>
<u>Contracts</u>			
<b>Futures contracts</b>			
WTI Crude Future 30 June 2021	245	13,264,348	0.55
WTI Crude Future 30 June 2021	470	1,137,300	0.05
WTI Crude Future 30 June 2021	180	16,574,955	0.68
WTI Crude Future 31 July 2021	631	2,985,119	0.12
WTI Crude Future 31 July 2021	187	2,936,456	0.12
WTI Crude Future 31 July 2021	218	2,528,878	0.10
		<u>39,427,056</u>	<u>1.62</u>
WTI Crude Future 30 June 2021	390	(6,104,726)	(0.25)
WTI Crude Future 30 June 2021	431	(1,684,417)	(0.07)
WTI Crude Future 30 June 2021	314	(11,165,203)	(0.46)
WTI Crude Future 30 June 2021	403	(11,863,054)	(0.49)
WTI Crude Future 31 July 2021	250	(3,706,679)	(0.15)
WTI Crude Future 31 July 2021	105	(4,416,656)	(0.18)
WTI Crude Future 31 July 2021	233	(7,748,018)	(0.32)
WTI Crude Future 31 July 2021	330	(5,334,348)	(0.22)
WTI Crude Future 31 July 2021	70	(2,475,939)	(0.10)
WTI Crude Future 31 August 2021	198	(6,374,163)	(0.27)
WTI Crude Future 31 August 2021	100	(4,182,277)	(0.17)
WTI Crude Future 31 August 2021	181	(6,571,461)	(0.27)
WTI Crude Future 31 August 2021	147	(6,559,333)	(0.27)
WTI Crude Future 31 August 2021	160	(5,311,026)	(0.22)
		<u>(83,497,300)</u>	<u>(3.44)</u>
<b>Total futures contracts</b>		<u>(44,070,244)</u>	<u>(1.82)</u>
<b>Total investments</b>		995,929,756	41.10
<b>Other net assets</b>		1,427,520,628	58.90
<b>Net assets attributable to unitholders</b>		<u>2,423,450,384</u>	<u>100.00</u>

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)  
FOR THE YEAR ENDED 31 MARCH 2021

<u>Investments</u>	<u>Holdings as at 01/04/2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Holdings as at 31/03/2021</u>
<b>Options contract</b>				
CRUDE OIL FUTURE PUT OPTION				
17 August 2020	-	6,750	(6,750)	-
<b>Money market fixed deposits</b>				
China Construction Bank (Asia) Corporation Limited	HK\$80,000,000	HK\$1,390,000,000	(HK\$1,470,000,000)	-
CMB Wing Lung Bank Limited	HK\$80,000,000	HK\$24,540,000,000	(HK\$24,280,000,000)	HK\$340,000,000
DBS Bank (Hong Kong) Limited	HK\$80,000,000	HK\$24,120,000,000	(HK\$23,910,000,000)	HK\$290,000,000
Oversea-Chinese Banking Corporation Limited Hong Kong	HK\$80,000,000	HK\$26,020,000,000	(HK\$25,690,000,000)	HK\$410,000,000
<b>Futures contracts</b>				
WTI CRUDE FUTURE 31 May 2020	9,245	3,575	(12,820)	-
WTI CRUDE FUTURE 30 June 2020	-	38,040	(38,040)	-
WTI CRUDE FUTURE 30 September 2020	-	33,819	(33,819)	-
WTI CRUDE FUTURE 31 October 2020	-	6,399	(6,399)	-
WTI CRUDE FUTURE 30 November 2020	-	6,502	(6,502)	-
WTI CRUDE FUTURE 31 December 2020	-	8,698	(8,698)	-
WTI CRUDE FUTURE 31 January 2021	-	5,876	(5,876)	-
WTI CRUDE FUTURE 28 February 2021	-	5,327	(5,327)	-
WTI CRUDE FUTURE 28 February 2021	-	39	(39)	-
WTI CRUDE FUTURE 31 March 2021	-	4,941	(4,941)	-
WTI CRUDE FUTURE 30 April 2021	-	4,544	(4,544)	-
WTI CRUDE FUTURE 31 May 2021	-	4,012	(4,012)	-
WTI CRUDE FUTURE 30 June 2021	-	3,366	(482)	2,884
WTI CRUDE FUTURE 31 July 2021	-	1,786	(213)	1,573
WTI CRUDE FUTURE 31 August 2021	-	819	(33)	786

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

DETAILS IN RESPECT OF FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)  
AS AT 31 MARCH 2021

(Expressed in Hong Kong dollars)

The financial derivative instruments held by the sub-fund as at 31 March 2021 are summarized below:

**Futures contract**

The details of futures contract held by the sub-fund as at 31 March 2021 are as follows:

<u>Description</u>	<u>Underlying assets</u>	<u>Counterparty</u>	<u>Fair value</u> HK\$
<u>Financial assets:</u>			
WTI Crude Future 30 June 2021	WTI Crude Oil	ADMIS Hong Kong	13,264,348
WTI Crude Future 30 June 2021	WTI Crude Oil	CSC Futures Hong Kong	1,137,300
WTI Crude Future 30 June 2021	WTI Crude Oil	Samsung Futures Inc.	16,574,955
WTI Crude Future 31 July 2021	WTI Crude Oil	CSC Futures Hong Kong	2,985,119
WTI Crude Future 31 July 2021	WTI Crude Oil	Samsung Futures Inc.	2,936,456
WTI Crude Future 31 July 2021	WTI Crude Oil	Marex Spectron	2,528,878
			<u>39,427,056</u>
<u>Financial liabilities:</u>			
WTI Crude Future 30 June 2021	WTI Crude Oil	Marex Spectron	(6,104,726)
WTI Crude Future 30 June 2021	WTI Crude Oil	Eugene Investment & Futures	(1,684,417)
WTI Crude Future 30 June 2021	WTI Crude Oil	Samsung Futures Inc.	(11,165,203)
WTI Crude Future 30 June 2021	WTI Crude Oil	BNP Paribas	(11,863,054)
WTI Crude Future 31 July 2021	WTI Crude Oil	Eugene Investment & Futures	(3,706,679)
WTI Crude Future 31 July 2021	WTI Crude Oil	ADMIS Hong Kong	(4,416,656)
WTI Crude Future 31 July 2021	WTI Crude Oil	Samsung Futures Inc.	(7,748,018)
WTI Crude Future 31 July 2021	WTI Crude Oil	BNP Paribas	(5,334,348)
WTI Crude Future 31 July 2021	WTI Crude Oil	Philip Futures	(2,475,939)
WTI Crude Future 31 August 2021	WTI Crude Oil	Eugene Investment & Futures	(6,374,163)
WTI Crude Future 31 August 2021	WTI Crude Oil	ADMIS Hong Kong	(4,182,277)
WTI Crude Future 31 August 2021	WTI Crude Oil	Samsung Futures Inc.	(6,571,461)
WTI Crude Future 31 August 2021	WTI Crude Oil	BNP Paribas	(6,559,333)
WTI Crude Future 31 August 2021	WTI Crude Oil	Philip Futures	(5,311,026)
			<u>(83,497,300)</u>

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS  
(UNAUDITED)

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Fund's total net asset value for the year ended 31 March 2021 and 31 March 2020. The gross exposure is determined using the market value as proportion to the Fund's net asset value.

	<b>Year ended 31 March 2021 % of NAV</b>	<b>Year ended 31 March 2020 % of NAV</b>
Lowest gross exposure	-11.80%	-14.06%
Highest gross exposure	25.61%	9.25%
Average gross exposure	10.60%	-8.23%

The lowest, highest and average net exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Fund's total net asset value for the year ended 31 March 2021 and 31 March 2020. The net exposure is determined using the notional value as proportion to the Fund's net asset value.

	<b>Year ended 31 March 2021 % of NAV</b>	<b>Year ended 31 March 2020 % of NAV</b>
Lowest net exposure	99.33%	98.55%
Highest net exposure	99.45%	99.11%
Average net exposure	99.43%	98.72%

SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

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PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUND (UNAUDITED)  
FOR THE YEAR ENDED 31 MARCH 2021

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<b>Sub-Fund</b>	Performance	
	<u>2021</u>	<u>2020</u>
Samsung S&P GSCI Crude Oil ER Futures ETF	-7.10%	-67.24%
<b>Index</b>		
S&P GSCI Crude Oil Multiple Contract 55/30/15 1M/2M/3M (USD) ER Index	46.68%	-
S&P GSCI Crude Oil Index Excess Return	-	-67.38%

Source: Unit-prices are provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of the Sub-Fund which is calculated with reference to the unit-prices is provided by the Manager. Index information is provided by The New York Mercantile Exchange.

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 S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

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PERFORMANCE RECORD (UNAUDITED)  
FOR THE YEAR ENDED 31 MARCH 2021

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

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Year ended 31 March 2021	1.7192	5.8704
Year ended 31 March 2020	4.1695	13.9474
Year ended 31 March 2019	9.1696	16.5455
Year ended 31 March 2018	9.2741	13.8768
Period ended 31 March 2017	<u>10.1269</u>	<u>13.3451</u>

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

(b) Net assets value

	Net assets <u>value</u> HK\$
As at 31 March 2021	2,423,450,384
As at 31 March 2020	1,480,509,630
As at 31 March 2019	<u>186,130,710</u>

(c) Net assets value per unit

	HK\$
As at 31 March 2021	3.9151
As at 31 March 2020	4.2482
As at 31 March 2019	<u>12.6190</u>

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SAMSUNG S&P GSCI CRUDE OIL ER FUTURES ETF  
(SUB-FUND OF SAMSUNG ETFS TRUST)

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UNDERLYING INDEX CONSTITUENT STOCKS DISCLOSURE (UNAUDITED)  
AS AT 31 MARCH 2021

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The following are those constituent stocks that accounted for more than 10% of the weighting of the S&P GSCI Crude Oil Multiple Contract 55/30/15 1M/2M/3M (USD) ER Index.

<u>Constituent stock</u>	<u>Weighting of the index (%)</u>
WTI CRUDE FUTURE 30 June 2021	55%
WTI CRUDE FUTURE 31 July 2021	30%
WTI CRUDE FUTURE 31 August 2021	15%

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