

# PRODUCT KEY FACTS

## Samsung Blockchain Technologies ETF

Issuer: Samsung Asset Management  
(Hong Kong) Limited

三星資產運用（香港）有限公司

*A sub-fund established under the Samsung ETFs Trust*

9 June 2022

***This is an active exchange traded fund.  
This statement provides you with key information about this product.  
This statement is a part of the Prospectus.  
You should not invest in this product based on this statement alone.***

### Quick facts

Stock code:	03171
Stock short name:	A SS BLOCKCHAIN
Trading lot size:	50 Units
Manager:	Samsung Asset Management (Hong Kong) Limited 三星資產運用（香港）有限公司
Investment Adviser:	Amplify Investments LLC <sup>^</sup>
Trustee and Registrar:	HSBC Institutional Trust Services (Asia) Limited
Ongoing charges over a year:	Estimated to be 0.85%*
Trading currency:	Hong Kong dollars (HKD)
Base currency:	United States dollars (USD)
Distribution policy:	<b>Annually (usually in December of each year) (if any) in USD subject to the Manager's discretion on all Units.</b> Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from the Sub-Fund's cash and holdings of investment products. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager's discretion.
Financial year end of this fund:	31 March
ETF Website:	<a href="http://www.samsungetfhk.com">www.samsungetfhk.com</a> (this website has not been reviewed by the SFC)

### What is this product?

- Samsung Blockchain Technologies ETF (the “**Sub-Fund**”) is a sub-fund of Samsung ETFs Trust, an umbrella unit trust established under Hong Kong law. Units of the Sub-Fund (the “**Units**”) are listed on The Stock Exchange of Hong Kong Limited (the “**SEHK**”). These Units are traded on the SEHK like listed stocks.
- The Sub-Fund is an actively managed exchange traded fund (an “**ETF**”) falling under Chapter 8.10 of the Code on Unit Trusts and Mutual Funds issued by the SFC (the “**Code**”).

### Objective and Investment Strategy

#### Objective

<sup>^</sup> The Investment Adviser will provide the Manager with advice and investment research services. The Investment Adviser has no discretionary investment management function in respect of the Sub-Fund.

\* As the Sub-Fund is newly set up, this figure is a best estimate only and represents the sum of the estimated ongoing charges expressed as a percentage of the estimated average net asset value (“**NAV**”). It may be different upon actual operation of the Sub-Fund and may vary from year to year. For the first 12-month period from the launch of the Sub-Fund, the ongoing charges figure is capped at a maximum of 0.85% of the average NAV of the Sub-Fund, and any ongoing expenses exceeding 0.85% of the average NAV of the Sub-Fund will be borne by the Manager and will not be charged to the Sub-Fund.

The investment objective of the Sub-Fund is to seek to achieve long-term capital growth by investing primarily in equity securities of companies which are actively involved in the development and/or utilisation of blockchain technologies (“**Blockchain Companies**”). There can be no assurance that the Sub-Fund will achieve its investment objective.

### Strategy

In seeking to achieve the Sub-Fund’s investment objective, the Sub-Fund will invest primarily (i.e. at least 70% of its NAV) in global equity securities of Blockchain Companies. In addition, the Sub-Fund may invest, on an ancillary basis, in ETFs (including those which are affiliated with the Manager’s parent company) which are related to development and/or utilisation of blockchain technologies, including cryptocurrency futures ETFs, and any investment by the Sub-Fund in cryptocurrency futures ETFs shall be up to 10% of the NAV of the Sub-Fund. In respect of cryptocurrency futures ETFs, the Sub-Fund will only invest in cryptocurrency futures ETFs listed in the United States.

A blockchain refers to a peer-to-peer shared, distributed digital ledger that facilitates the process of recording transactions and tracking tangible and intangible assets. Data are stored in the form of blocks in a blockchain where the blocks form a chain of record. Blockchain technologies refer to the rules or standards adopted with respect to the creation or maintenance of blockchains. Different blockchain technologies may involve different rules regarding participation, network, specifications, data storage as well as different consensus mechanisms. Blockchain technologies may be utilised to support or enhance a variety of businesses and their operations.

The Manager will generally construct the equity securities portion of the Sub-Fund’s portfolio so that it meets the following criteria: (a) each security must be listed on a regulated stock exchange in the form of shares tradable for foreign investors without restrictions, including depositary receipts such as American depositary receipts; and (b) each security is issued by a company which is considered by the Manager from time to time as being a Blockchain Company in both its current business and its future project pipeline. In managing the Sub-Fund, the Manager may adjust the weightings of the each equity security, or divest an equity security, based upon its assessment of: (i) changes in a company’s business model or operations; (ii) a company’s increase or decrease in blockchain related revenue; (iii) public disclosures indicating that a company’s intent to engage in blockchain business enhancements; (iv) financial fundamentals, such as price to earnings and potential revenue growth, relative to other blockchain universe constituents; or (v) unusual trading volumes and market pricing.

The Blockchain Companies to be invested by the Sub-Fund include but are not limited to the following categories:

- (a) **Developers:** Companies that actively engage in the research and development, proof-of-concept testing and/or implementation of blockchain technology;
- (b) **Beneficiaries:** Companies that profit from the demand for blockchain applications such as in regards to transaction data, cryptocurrency and supply chain data. Such beneficiaries can be further categorised as direct beneficiaries (i.e. companies which gain profits by providing direct access to blockchain technology) and indirect beneficiaries (i.e. companies which benefit from cost reductions and economies of scale through the implementation of blockchain technology into their businesses); and
- (c) **Investors:** Companies that partner with and/or directly invest in companies that are actively engaged in the development and/or use of blockchain technology.

The weighting of each individual security in the portfolio of the Sub-Fund will be capped at 10% of the NAV of the Sub-Fund.

The Sub-Fund may also invest in money market funds and in cash deposits for cash management purposes although such investments are not anticipated to exceed 5% of the NAV of the Sub-Fund.

The Manager may enter into securities lending transactions on behalf of the Sub-Fund with a maximum level of up to 25% of the Sub-Fund’s NAV and an expected level of approximately 20% of the Sub-Fund’s NAV at any one time, and the Manager has the right to recall the securities lent out at any time. As part of its securities lending transactions, the Sub-Fund will receive as collateral sufficient cash and/or liquid assets. The Trustee will be responsible for the safekeeping of such collateral received and held in custody. The Sub-Fund will not engage in any reinvestment of collateral received.

To the extent the Sub-Fund undertakes securities lending transactions, all revenues net of direct and indirect expenses shall be returned to the Sub-Fund. The cost relating to securities lending transactions will be borne by the

borrower. Please refer to the Prospectus for further details.

Currently, the Manager has no intention to invest the Sub-Fund in any financial derivative instruments for hedging or non-hedging (i.e. investment) purposes, and will not enter into sale and repurchase transactions or reverse repurchase transactions and other similar over-the-counter transactions.

## Use of derivatives

The Sub-Fund will not use derivatives for any purpose.

## What are the key risks?

**Investment involves risks. Please refer to the Prospectus for details including the risk factors.**

### 1. Investment risk

- The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.

### 2. Active investment management risk

- The Sub-Fund employs an actively managed investment strategy. The Sub-Fund does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. It may fail to meet its objective as a result of the Manager's selection of investments, and/or the implementation of processes which may cause the Sub-Fund to underperform as compared to other index tracking funds with a similar objective.

### 3. Equity market risk

- The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- The Sub-Fund may invest in small and/or mid-capitalisation companies. The stock of small-capitalisation and mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.
- Some stock exchanges on which the equity securities of the Sub-Fund will invest may have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets.

### 4. Risks related to companies involved in blockchain technologies

- *New technology risk.* The mechanics of using distributed ledger technology to transact in assets are still in rapid development. A lack of expansion in the usage of blockchain technology could adversely affect the investment of the Sub-Fund.
- *Security risk.* Transacting on a blockchain depends in part on the use of cryptographic keys that are required to access a user's account. The theft, loss or destruction of private or public keys needed to transact on a blockchain could also adversely affect a company's business or operations if it were dependent on the ledger.
- *Cyberattack risk.* Companies involved in blockchain technologies are prone to failures of or breaches in cybersecurity. Cyber security incidents may also lead to privacy concerns. Such risks could result in substantial loss of business or user data or information and material adverse impact on their performance.
- *Intellectual property risk.* The business operations of companies involved in the blockchain technologies are dependent on intellectual property and licences. The cost associated with patent approvals, litigating patent infringement, the loss of patent, copyright or trademark protection could result in undesirable legal, financial, operational and reputational consequences and may adversely affect the investment of the Sub-Fund.
- *Regulatory risk.* The regulatory environment for Blockchain Companies is rapidly evolving. In particular, new regulations may be imposed on some businesses that are currently largely unregulated, such as digital commodities and their associated platforms. Compliance with the relevant laws and regulations can be costly. Companies engaged in blockchain activities may be exposed to adverse regulatory action. Any of these may have a material adverse impact on the business operations and/or profitability of the companies in which the Sub-Fund may invest and may in turn affect the NAV of the Sub-Fund.
- *Third party product risk.* Where blockchain systems are built using third party products, those products may contain technical defects or vulnerabilities beyond a company's control. This may have a material adverse impact on the business operations and/or profitability of the companies in which the Sub-Fund may invest and may in turn affect the NAV of the Sub-Fund.

- *Reliance on the internet risk.* Blockchain functionality is reliant on the internet. A significant disruption of internet connectivity could impede the functionality of blockchain technologies. Certain features of blockchain technology may increase the risk of fraud or cyber-attack by potentially reducing the likelihood of a coordinated response. This may have an adverse impact on the NAV of the Sub-Fund.
  - *Limited operating history risk.* The Sub-Fund has high exposure to companies involved in blockchain technologies, which have a technology theme. Many companies with a high business exposure to technology themes have a relatively short operating history. Additionally, companies in these sectors may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel. If the Sub-Fund invests in any of these companies, its investment may be adversely affected.
  - *Semiconductor sector risk.* The Sub-Fund may invest in companies involved in the development and provision of semiconductors and is therefore subject to the risks that companies in the semiconductor industry may face, such as high capital costs, heavy dependence on intellectual property rights and high volatility.
  - *Internet company risk.* The Sub-Fund may invest in internet companies and, as such, is particularly sensitive to risks to those types of companies, such as unpredictable market changes, competition for the services of qualified personnel and government intervention in the internet industry.
  - *Software industry risk.* Blockchain Companies may be involved in the development of new software and are therefore affected by the risks affecting the software industry, such as intense competition, aggressive pricing, technological innovations, security vulnerabilities in their products and services, and complex laws and regulations.
- 5. Risks relating to investment in cryptocurrency futures ETFs**
- The Sub-Fund's investment in cryptocurrency futures ETFs is subject to the risk of investing in cryptocurrency futures, including (i) high price volatility; (ii) high roll costs (i.e. loss incurred due to replacing about-to-expire contracts with longer term contracts at high prices); and (iii) liquidity and operational risks, which can be exacerbated if the ETF holds large futures positions and/or are subject to position limits or other mandatory measures imposed by relevant parties. In addition, the performance of cryptocurrency futures may not be highly correlated with the performance of the underlying cryptocurrency, over short or long periods of time.
- 6. Sector concentration risk**
- The Sub-Fund's investments are concentrated in Blockchain Companies, which may experience relatively higher volatility in price performance when compared to other economic sectors. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant sector.
- 7. Risks associated with depositary receipts**
- Exposure to depositary receipts may generate additional risks compared to a direct exposure to the underlying stocks, including the risk of non-segregation of the underlying stocks from the depositary bank's own assets and liquidity risks (as depositary receipts are often less liquid than the underlying stock). These may negatively affect the performance and/or liquidity of the Sub-Fund. Also, depositary receipts holders generally do not have the same right as the direct shareholders of the underlying stocks. The performance of depositary receipts may also be impacted by the related fees.
- 8. Currency risk**
- Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. The NAV of the Sub-Fund and its performance may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
- 9. Securities lending transactions risk**
- Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.
- 10. Other currency distributions risk**
- Investors should note that all Units will receive distributions in the base currency (USD) only. In the event that the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such distribution from USD to HKD or any other currency. The Unitholder may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.
- 11. Distributions out of or effectively out of capital risks**
- Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such

distributions may result in an immediate reduction in the NAV per Unit of the Sub-Fund.

**12. Trading risks**

- The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Therefore, the Units may trade at a substantial premium or discount to the NAV.
- As investors will pay certain charges to buy or sell Units on the SEHK, investors may pay more or receive less than the NAV per Unit when buying or selling Units on the SEHK respectively.

**13. Trading differences risk**

- As the markets in which the Sub-Fund invests may be open when Units are not priced, the value of the securities in the Sub-Fund’s portfolio may change on days when investors will not be able to purchase or sell the Sub-Fund’s Units.
- Differences in trading hours between the markets in which the Sub-Fund invests and the SEHK may also increase the level of premium or discount of the Unit price to Sub-Fund’s NAV.
- Securities listed on certain stock exchanges are subject to trading bands which restrict increase and decrease in the trading price, while Units listed on the SEHK are not. This difference may also increase the level of premium or discount of the Unit price to Sub-Fund’s NAV.

**14. Reliance on market maker risk**

- Although the Manager will use its best endeavours to put in place arrangements so that at least one market maker will maintain a market for the Units and that at least one market maker gives not less than 3 months’ notice prior to termination of the market making arrangement, liquidity in the market for the Units may be adversely affected if there is no or only one market maker for the Units. There is no guarantee that any market making activity will be effective.

**15. Termination risk**

- The Sub-Fund may be terminated early under certain circumstances, for example, where the size of the Sub-Fund falls below USD 5 million. Any distribution received by a Unitholder on termination of the Sub-Fund may be less than the capital initially invested by the Unitholder and result in a loss.

**How has the fund performed?**

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

**Is there any guarantee?**

The Sub-Fund does not have any guarantees. You may not get back the amount of money you invest.

**What are the fees and charges?**

**Charges incurred when trading the Sub-Fund on the SEHK**

<b>Fees</b>	<b>What you pay</b>
<b>Brokerage fee</b>	Market rates
<b>SFC transaction levy</b>	0.0027% <sup>1</sup> of the trading price
<b>Financial Reporting Council (“FRC”) Transaction Levy</b>	0.00015% <sup>2</sup> of the trading price
<b>SEHK trading fee</b>	0.005% <sup>3</sup> of the trading price
<b>Stamp duty</b>	Nil

<sup>1</sup> SFC transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.  
<sup>2</sup> FRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.  
<sup>3</sup> Trading fee of 0.005% of the trading price of the Units, payable by each of the buyer and the seller.

**Ongoing fees payable by the Sub-Fund**

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the NAV of the Sub-Fund which may affect the trading price.

**Annual rate (as a % of NAV)**

<b>Management fee*</b>	0.85%
The Sub-Fund pays a management fee to the Manager.	
<b>Trustee's fee*</b>	0.07% per year of the NAV of the Sub-Fund, subject to a monthly minimum of USD1,500
<b>Performance fee</b>	Nil
<b>Administration fee</b>	Nil
* Please note that these fees may be increased up to a permitted maximum on giving 1 month's notice to Unitholders. Please refer to the Prospectus under "Fees and Expenses" for details of these fees and other ongoing expenses that may be borne by the Sub-Fund.	

## Other fees

You may have to pay other fees when dealing in the Units of the Sub-Fund.

## Additional information

The Manager will publish important news and information with respect to the Sub-Fund, in the English and Chinese languages (unless otherwise specified), on the Manager's website at [www.samsungetfhk.com](http://www.samsungetfhk.com) (which has not been reviewed by the SFC) including:

- (a) the Prospectus and this product key facts statement (as revised from time to time);
- (b) the latest annual financial reports and interim unaudited financial report (in English only);
- (c) any notices relating to material changes to the Sub-Fund which may have an impact on its investor such as material alterations or additions to the Prospectus or the Sub-Fund's constitutive documents;
- (d) any public announcements made by the Sub-Fund, including information with regard to the Sub-Fund, and notices of suspension of creation and redemption of Units, suspension of the calculation of the NAV, changes in fees and the suspension and resumption of trading;
- (e) the near real time indicative NAV per Unit updated every 15 seconds during SEHK trading hours throughout each dealing day in HKD;
- (f) the last NAV of the Sub-Fund in USD, and last NAV per Unit in USD and HKD (updated on a daily basis);
- (g) the past performance information of the Sub-Fund;
- (h) the full portfolio information of the Sub-Fund (updated on a daily basis);
- (i) the composition of dividends for the Sub-Fund (i.e. the relative amounts paid out of (i) net distribution income, and (ii) capital), if any, for a rolling 12-month period; and
- (j) the latest list of the participating dealers and market makers.

The near real time indicative NAV per Unit in HKD referred to above is indicative and for reference only. This is updated every 15 seconds during SEHK trading hours and is calculated by ICE Data Services.

The near real time indicative NAV per Unit in HKD is calculated using a real time HKD:USD foreign exchange rate – it is calculated using the near real time indicative NAV per Unit in USD multiplied by a real-time HKD:USD foreign exchange rate quoted by ICE Data Indices LLC.

The last NAV per Unit in HKD is indicative and for reference purposes only. It is calculated using the last NAV per Unit in USD multiplied by an assumed foreign exchange rate using the exchange rate for HKD quoted by Reuters Composite NY Close 16:30 EST as of the same dealing day. When the Hong Kong market is closed, the official last NAV per Unit in USD and the indicative last NAV per Unit in HKD will not be updated.

## Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.