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

*Stock Code: 07205*

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

*Stock Code: 07312*

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

*Stock Code: 07228*

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

*Stock Code: 07328*

(collectively the “**Products**”)

*(sub-funds of Samsung Leveraged and Inverse Investment Product Series (the “**Trust**”), a Hong Kong umbrella unit trust, authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

### **Announcement**

#### **Amended and Restated Trust Deed and Update to offering documents to comply with revised SFC Code on Unit Trusts and Mutual Funds (the “**Code**”) and withdrawal of waiver from compliance with certain provisions of the existing Code**

Unless otherwise stated, capitalised terms used in this Announcement shall have the same meaning ascribed to them in the prospectus of the Trust and the Products dated 31 December 2019.

Samsung Asset Management (Hong Kong) Limited, the Manager of the Trust and the Products (the “**Manager**”), wishes to inform Unitholders of the Products of the following updates in relation to the Trust and the Products:

#### **A. Amended and Restated Trust Deed and Update to offering documents**

The Trust Deed of the Trust (the “**Trust Deed**”) will be amended by way of an amended and restated trust deed effective 31 December 2019 (the “**Effective Date**”). The prospectus of

the Trust (the “**Prospectus**”) and the product key facts statement of each Product (“**KFS**”) will also be amended on the Effective Date.

The purpose of amending and restating the Trust Deed and updating the Prospectus and each KFS is to incorporate changes in compliance with the requirements of the revised Code. The revised Code came into effect on 1 January 2019 with a 12-month transition period for existing schemes (i.e. funds previously authorised by the SFC).

The changes to the Trust Deed relate to the following:

- (a) the investment restrictions applicable to the Products will be revised to reflect the updated investment restrictions under Chapter 7, Chapter 8.6 (unlisted index funds and index tracking exchange traded funds) and Chapter 8.8 (structured funds) of the revised Code. Investors can refer to the section titled “Investment Objective, Investment Strategy, Investment Restrictions, Securities Lending and Borrowing” in the Prospectus for the revised investment restrictions;
- (b) investment restrictions under Chapter 8.2 (money market funds) and Chapter 8.9 (funds that invest extensively in financial derivative instruments) of the revised Code will also be included in the Trust Deed for future sub-funds of the Trust (as may be applicable), although the Products do not fall under these chapters of the revised Code and hence these are not applicable to the Products;
- (c) enhanced obligations of the Trustee and the Manager respectively under the revised Code; and
- (d) other changes to comply with the revised Code.

The Prospectus and each KFS will also be amended on the Effective Date to reflect the abovementioned changes.

**B. Withdrawal of waiver from compliance with certain provisions of the existing Code**

The SFC has previously granted the following waivers (subject to certain conditions) from certain provisions of the existing Code (i.e. the version in force prior to 1 January 2019):

- (a) waivers in respect of the Products from the requirement under Chapter 8.4A(e) that each Product may not hold open positions in any HSI or HSCEI Futures Contracts month (as the case may be) for which the combined margin requirement represents 5% or more of the Net Asset Value of that Product; and
- (b) a waiver in respect of the Samsung HSCEI Daily (2x) Leveraged Product from the requirement under Chapter 8.4A(b) that at least 30% of the Net Asset Value of the Product must be held on deposit or invested in liquid short term debt instruments and may not be used for margin requirements, and not more than 70% of the Net Asset Value of the Product may be committed as margin for futures or options contracts, and/or premium paid for options purchased (including put and/or call options).

(collectively, the “**Waivers**”)

Chapter 8.4A has been removed from the revised Code. As a result, the Waivers are no longer be applicable and accordingly the Waivers will therefore be withdrawn with effect from the Effective Date.

**C. Other updates**

Other changes will also be made to the Prospectus and each KFS, including:

- (a) disclosure relating to the net derivative exposure of the Products will be added in the Prospectus and each KFS;
- (b) enhancement of disclosure under the new sections titled “Certification for Compliance with FATCA or Other Applicable Laws” and “Power to Disclose Information to Authorities”;
- (c) updates to FATCA disclosure under the section titled “FATCA and compliance with US withholding requirements”; and
- (d) other minor and miscellaneous updates, including drafting changes, updates to or removal of information that is out of date, updates to the lists of Participating Dealers and Market Makers, updates to index methodology and updates to market data and risk disclosures.

**D. General**

For the avoidance of doubt, (i) the investment objective and policies of the Products will remain unchanged; (ii) the abovementioned changes will not amount to material changes to the Products; (iii) there will be no material change or increase in the overall risk profile of the Products; and (iv) the abovementioned changes do not materially prejudice the interests of Unitholders.

The change of Trust Deed does not require Unitholder's approval pursuant to the Trust Deed and applicable laws and regulations. The Trustee agrees to the change of Trust Deed.

The revised Prospectus and each KFS will be published on the Manager's website at [www.samsungef.com.hk](http://www.samsungef.com.hk) (this website has not been reviewed by the SFC) and HKEx's website at [www.hkex.com.hk](http://www.hkex.com.hk). Copies of the Trust Deed, as amended, will be available for inspection free of charge at any time during office hours at the office of the Manager (see address below) from the Effective Date.

Investors who have any enquiries regarding the above may contact the Manager at 4513-14, Two International Finance Centre, 8 Finance Street, Central, Hong Kong or on +852 2115 8710 during office hours.

**Samsung Asset Management (Hong Kong) Limited**  
**三星資產運用 (香港) 有限公司**  
**as Manager of the Trust and the Products**

31 December 2019