

SAMSUNG HSI DAILY (2X) LEVERAGED
PRODUCT (Stock code: 7205)
SAMSUNG HSI DAILY (-1X) INVERSE
PRODUCT (Stock Code: 7312)
SAMSUNG HSCEI DAILY (2X) LEVERAGED
PRODUCT (Stock Code: 7228)
SAMSUNG HSCEI DAILY (-1X) INVERSE
PRODUCT (Stock Code: 7328)
(SUB-FUNDS OF SAMSUNG LEVERAGED AND
INVERSE INVESTMENT PRODUCT SERIES)

Reports and Financial Statements
For the period from 10 March 2017
(date of commencement of operations) to 31 March 2018

SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2018

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

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

MANAGEMENT AND ADMINISTRATION

MANAGER

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

DIRECTORS OF THE MANAGER

CHOI Sungjin
HONG Eui Suk
KIM Yousang

INVESTMENT ADVISER

Samsung Asset Management Co., Limited
17th Fl., Samsung Electronics Bldg.
11 Seocho-daero 74-gil, Seocho-gu
Seoul 06620
South Korea

SERVICE AGENT

HK Conversion Agency Services Limited
1/F One & Two Exchange Square
8 Connaught Place Central
Hong Kong

TRUSTEE AND REGISTRAR

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

AUDITOR

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

LISTING AGENT

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

PARTICIPATING DEALERS

*Please refer to the Manager's website
(www.samsungetf.com.hk) for the latest lists of Market Makers
and Participating Dealers for each of the Sub-Funds of
Samsung Leveraged and Inverse Investment Product Series.*

SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS

Samsung Leveraged and Inverse Investment Product Series (the "Trust") is an umbrella unit trust established under Hong Kong law by a trust deed dated 27 May 2016 (the "Trust Deed") between Samsung Asset Management (Hong Kong) Limited (the "Manager") and HSBC Institutional Trust Services (Asia) Limited (the "Trustee"). The Trust has a number of sub-funds (the "Sub-Funds" or individually a "Sub-Fund") which are products traded on the exchange.

SAMSUNG HSI Daily (2x) Leveraged Product

Samsung HSI Daily (2x) Leveraged Product is a sub-fund of the Trust. Units of the Sub-Fund are listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). These units are traded on the SEHK like listed stocks. It is a futures-based product which invests directly in futures contracts on the Hang Seng Index traded on the Hong Kong Futures Exchange Limited (HSI Futures Contracts) so as to give the Sub-Fund twice (2x) the daily performance of the index.

As at 31 March 2018, net asset value per unit of the Sub-Fund was HKD9.6536, and there were 20,700,000 units outstanding. The net asset value was HKD199,828,702.

SAMSUNG HSI Daily (-1x) Inverse Product

Samsung HSI Daily (-1x) Inverse Product is a sub-fund of the Trust. Units of the Sub-Fund are listed on the SEHK. These units are traded on the SEHK like listed stocks. It is a futures-based product which invests directly in futures contracts on the Hang Seng Index traded on the Hong Kong Futures Exchange Limited (HSI Futures Contracts) so as to give the Sub-Fund the inverse (-1x) daily performance of the index.

As at 31 March 2018, net asset value per unit of the Sub-Fund was HKD4.5024, and there were 34,800,000 units outstanding. The net asset value was HKD156,682,536.

SAMSUNG HSCEI Daily (2x) Leveraged Product

Samsung HSCEI Daily (2x) Leveraged Product is a sub-fund of the Trust. Units of the Sub-Fund are listed on the SEHK. These units are traded on the SEHK like listed stocks. It is a futures-based product which invests directly in futures contracts on the Hang Seng China Enterprises Index traded on the Hong Kong Futures Exchange Limited (HSCEI Futures Contracts) so as to give the Sub-Fund twice (2x) the daily performance of the index.

As at 31 March 2018, net asset value per unit of the Sub-Fund was HKD8.3210, and there were 29,100,000 units outstanding. The net asset value was HKD242,142,438.

SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

REPORT OF THE MANAGER TO THE UNITHOLDERS - continued

SAMSUNG HSCEI Daily (-1x) Inverse Product

Samsung HSCEI Daily (-1x) Inverse Product is a sub-fund of the Trust. Units of the Sub-Fund are listed on the SEHK. These units are traded on the SEHK like listed stocks. It is a futures-based product which invests directly in futures contracts on the Hang Seng China Enterprises Index traded on the Hong Kong Futures Exchange Limited (HSCEI Futures Contracts) so as to give the Sub-Fund the inverse (-1x) daily performance of the index.

As at 31 March 2018, net asset value per unit of the Sub-Fund was HKD4.7513, and there were 24,900,000 units outstanding. The net asset value was HKD118,308,304.

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

30 July 2018

SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

REPORT OF THE TRUSTEE

TO THE UNITHOLDERS OF
SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT,
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT,
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

We hereby confirm that, in our opinion, the Manager of the Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product (collectively referred to as the "Sub-Funds") has, in all material respects, managed the Sub-Funds in accordance with the provisions of the trust deed dated 27 May 2016, for the period from 10 March 2017 (date of commencement of operations) to 31 March 2018.

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

30 July 2018

SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT PRODUCT SERIES)

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

MANAGER'S RESPONSIBILITIES

The Manager of the Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product (collectively referred to as the "Sub-Funds") is required by the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission and the trust deed dated 27 May 2016 (the "Trust Deed") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of each of the Sub-Funds at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that each of the Sub-Funds will continue in operation unless it is inappropriate to presume this.

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

Samsung Leveraged and Inverse Investment Product Series (the "Trust") is an umbrella unit trust governed by its Trust Deed. As at 31 March 2018, the Trust has established with four sub-funds, namely Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product.

TRUSTEE'S RESPONSIBILITIES

The Trustee of the Sub-Funds is required to:

- ensure that each of the Sub-Funds 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 each of the Sub-Funds and rights attaching thereto; and
- report to the unitholders for each annual accounting period should the Manager not managing each of the Sub-Funds in accordance with the Trust Deed.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF
SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT
PRODUCT SERIES)

Report on the Audit of the Financial Statements

We have audited the financial statements of Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product (collectively referred to as the "Sub-Funds"), sub-funds of Samsung Leveraged and Inverse Investment Product Series (the "Trust"), set out on pages 11 to 36, which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the period from 10 March 2017 (date of commencement of operations) to 31 March 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of each of the Sub-Funds of the Trust as at 31 March 2018, and of its financial performance and its cash flows for the period from 10 March 2017 (date of commencement of operations) to 31 March 2018 in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of each of the Sub-Funds of the Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF
SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT
PRODUCT SERIES) - continued

Report on the Audit of the Financial Statements - continued

Key Audit Matters - continued

Key audit matter	How our audit addressed the key audit matter
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<i>Existence, completeness and valuation of derivative financial assets and liabilities</i>	
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We identified the existence, completeness and valuation of derivative financial assets and liabilities as a key audit matter due to the financial risks of futures contracts.

As described in notes 6 and 12 to the financial statements, the Sub-Funds' derivative financial assets and liabilities as at 31 March 2018 were mainly comprised of futures contracts traded in futures exchange markets.

Our procedures in relation to existence, completeness and valuation of derivative financial assets and liabilities included:

- Checking the details of the derivative financial assets and liabilities against the independent confirmations from the custodians; and
- Checking the fair values of derivative financial assets and liabilities to independent pricing sources.

Other Information

The Manager and the Trustee of the Sub-Funds are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements of each of the Sub-Funds of the Trust does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF
SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT
PRODUCT SERIES) _____ - continued

Report on the Audit of the Financial Statements - continued

Responsibilities of Manager, Trustee and Those Charged with Governance for the Financial Statements

The Manager and the Trustee of the Sub-Funds are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and Trustee of the Sub-Funds are responsible for assessing the ability of each of the Sub-Funds of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and Trustee either intend to liquidate each of the Sub-Funds of the Trust or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing each of the Sub-Funds' financial reporting process.

In addition, the Manager and the Trustee of the Sub-Funds are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 27 May 2016 (the "Trust Deed") and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds (the "SFC Code") issued by the Hong Kong Securities and Futures Commission.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Chapter 5 of Section II of the SFC Code, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF
SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT
PRODUCT SERIES) _____ - continued

Report on the Audit of the Financial Statements - continued

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Sub-Funds of the Trust.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.
- Conclude on the appropriateness of the Manager's and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the each of the Sub-Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause each of the Sub-Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF
SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT
SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(SUB-FUNDS OF SAMSUNG LEVERAGED AND INVERSE INVESTMENT
PRODUCT SERIES) _____ - continued

Report on the Audit of the Financial Statements - continued

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

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on matters under the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code

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

The engagement partner on the audit resulting in this independent auditor's report is Tong, Mei Yin.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 July 2018

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	NOTES	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT 2018 HK\$	SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT 2018 HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT 2018 HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT 2018 HK\$
ASSETS					
CURRENT ASSETS					
Derivative financial assets	6, 12	-	3,586,053	-	2,556,100
Interest receivable		159,175	103,789	173,308	100,362
Due from a broker	7	49,926,579	11,860,477	59,049,808	9,645,802
Due from a unitholder		-	-	7,874,712	-
Other receivables		14,219	14,219	14,219	14,219
Money market fixed deposits		136,000,000	107,000,000	160,000,000	78,000,000
Bank balances		23,409,169	34,015,492	25,623,628	27,867,910
Total assets		<u>209,509,142</u>	<u>156,580,030</u>	<u>252,735,675</u>	<u>118,184,393</u>
LIABILITIES					
CURRENT LIABILITIES					
Derivative financial liabilities	6, 12	9,744,847	-	10,630,752	-
Management fee payable	4	108,388	69,557	122,189	48,061
Trustee fee payable	4	20,730	14,743	24,201	10,774
Accrued expenses and other payables		189,701	196,420	199,321	200,480
Total liabilities		<u>10,063,666</u>	<u>280,720</u>	<u>10,976,463</u>	<u>259,315</u>
Net assets attributable to unitholders		<u>199,445,476</u>	<u>156,299,310</u>	<u>241,759,212</u>	<u>117,925,078</u>
Representing:					
Total number of units in issue	10	<u>20,700,000</u>	<u>34,800,000</u>	<u>29,100,000</u>	<u>24,900,000</u>
Net assets value per unit	10	<u>9.6350</u>	<u>4.4914</u>	<u>8.3079</u>	<u>4.7359</u>

As defined in note 1 to the financial statements.

The financial statements on pages 11 to 36 were approved by the Manager and the Trustee on 30 July 2018 and are signed on their behalf by:

MANAGER
SAMSUNG ASSET MANAGEMENT
(HONG KONG) LIMITED

TRUSTEE
HSBC INSTITUTIONAL TRUST
SERVICES (ASIA) LIMITED

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2018**

	NOTE	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
INCOME					
Bank interest income		<u>483,397</u>	<u>375,397</u>	<u>550,515</u>	<u>367,267</u>
TRADING AND OTHER GAINS AND LOSSES					
Net gain (loss) on derivative financial instruments		79,603,857	(35,121,798)	63,073,660	(26,697,744)
Net foreign exchange loss		<u>(144)</u>	<u>(144)</u>	<u>(144)</u>	<u>(144)</u>
		<u>79,603,713</u>	<u>(35,121,942)</u>	<u>63,073,516</u>	<u>(26,697,888)</u>
EXPENSES, NET OF REIMBURSEMENT BY MANAGER					
Management fee	4	(1,205,139)	(906,791)	(1,405,345)	(873,061)
Trustee fee	4	(222,487)	(167,407)	(259,448)	(161,180)
Safe custody and bank charges		-	(890)	-	-
Establishment costs		(485,287)	(485,287)	(485,287)	(485,286)
Audit fee		(90,000)	(90,000)	(90,000)	(90,000)
Accounting and professional fees	4	(70,200)	(70,200)	(70,200)	(70,200)
Listing fees		(20,281)	(20,281)	(20,281)	(20,281)
Brokerage and other transaction fees		(287,165)	(128,455)	(697,614)	(249,162)
Interest expense		(158,960)	(59,710)	(185,070)	(59,727)
Other operating expenses		(396,035)	(396,514)	(396,674)	(396,354)
Reimbursement of expenses	4	-	-	-	40,000
		<u>(2,935,554)</u>	<u>(2,325,535)</u>	<u>(3,609,919)</u>	<u>(2,365,251)</u>
PROFIT (LOSS) AND TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD, REPRESENTING CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS RESULTING FROM OPERATIONS					
		<u>77,151,556</u>	<u>(37,072,080)</u>	<u>60,014,112</u>	<u>(28,695,872)</u>

[#] As defined in note 1 to the financial statements.

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2018

		SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
	<u>NOTE</u>				
Balance at 10 March 2017 (date of commencement of operations)		-	-	-	-
Profit (loss) and total comprehensive income (expense) for the period		77,151,556	(37,072,080)	60,014,112	(28,695,872)
Subscription of units	10	234,598,140	278,281,560	292,125,810	249,785,100
Redemption of units	10	(112,304,220)	(84,910,170)	(110,380,710)	(103,164,150)
		122,293,920	193,371,390	181,745,100	146,620,950
Balance at 31 March 2018		199,445,476	156,299,310	241,759,212	117,925,078

As defined in note 1 to the financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2018**

	SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT HK\$	SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT HK\$	SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT HK\$
OPERATING ACTIVITIES				
Profit (loss) and total comprehensive income (expense) for the period	77,151,556	(37,072,080)	60,014,112	(28,695,872)
Adjustments for:				
Bank interest income	(483,397)	(375,397)	(550,515)	(367,267)
Interest expense	158,960	59,710	185,070	59,727
Operating cash flows before movements in working capital	76,827,119	(37,387,767)	59,648,667	(29,003,412)
Increase in derivative financial assets	-	(3,586,053)	-	(2,556,100)
Increase in due from a broker	(49,926,579)	(11,860,477)	(59,049,808)	(9,645,802)
Increase in other receivables	(14,219)	(14,219)	(14,219)	(14,219)
Increase in money market fixed deposits	(136,000,000)	(107,000,000)	(160,000,000)	(78,000,000)
Increase in derivative financial liabilities	9,744,847	-	10,630,752	-
Increase in management fee payable	108,388	69,557	122,189	48,061
Increase in trustee fee payable	20,730	14,743	24,201	10,774
Increase in accrued expenses and other payables	189,701	196,420	199,321	200,480
Cash used in operations	(99,050,013)	(159,567,796)	(148,438,897)	(118,960,218)
Bank interest received	324,222	271,608	377,207	266,905
Interest paid	(158,960)	(59,710)	(185,070)	(59,727)
NET CASH USED IN OPERATING ACTIVITIES	<u>(98,884,751)</u>	<u>(159,355,898)</u>	<u>(148,246,760)</u>	<u>(118,753,040)</u>
FINANCING ACTIVITIES				
Proceeds from subscription of units	234,598,140	278,281,560	284,251,098	249,785,100
Payments on redemption of units	(112,304,220)	(84,910,170)	(110,380,710)	(103,164,150)
NET CASH FROM FINANCING ACTIVITIES	<u>122,293,920</u>	<u>193,371,390</u>	<u>173,870,388</u>	<u>146,620,950</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,409,169	34,015,492	25,623,628	27,867,910
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	-	-	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>23,409,169</u>	<u>34,015,492</u>	<u>25,623,628</u>	<u>27,867,910</u>
Analysis of balances of cash and cash equivalents:				
Bank balances	<u>23,409,169</u>	<u>34,015,492</u>	<u>25,623,628</u>	<u>27,867,910</u>

[#] As defined in note 1 to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2018

1. GENERAL

Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product, sub-funds of Samsung Leveraged and Inverse Investment Product Series (the "Trust"), are established under a trust deed dated 27 May 2016 (the "Trust Deed"). The Trust is an umbrella unit trust and the terms of the Trust Deed are governed by the laws of Hong Kong. The Trust and sub-funds are authorised under the Section 104 of the Hong Kong Securities and Futures Ordinance (the "SFO") and the sub-funds are funds falling under Chapter 8.4A, 8.6 and Appendix I of the Hong Kong Code on Unit Trusts and Mutual Funds (the "SFC Code").

As at 31 March 2018, the Trust has established four sub-funds with the dates of commencement of operations and listing on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") set out below.

	<u>Date of commencement of operations</u>	<u>Date of listing on Hong Kong Stock Exchange</u>
Samsung HSI Daily (2x) Leveraged Product	10 March 2017	14 March 2017
Samsung HSI Daily (-1x) Inverse Product	10 March 2017	14 March 2017
Samsung HSCEI Daily (2x) Leveraged Product	10 March 2017	14 March 2017
Samsung HSCEI Daily (-1x) Inverse Product	10 March 2017	14 March 2017

The investment activities of the Trust are managed by Samsung Asset Management (Hong Kong) Limited (the "Manager") and the trustee of the Trust is delegated to HSBC Institutional Trust Services (Asia) Limited (the "Trustee").

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

These financial statements are prepared in respect of each of the Sub-Funds including Samsung HSI Daily (2x) Leveraged Product, Samsung HSI Daily (-1x) Inverse Product, Samsung HSCEI Daily (2x) Leveraged Product and Samsung HSCEI Daily (-1x) Inverse Product on a standalone basis.

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

1. GENERAL - continued

Samsung HSI Daily (2x) Leveraged Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of Hang Seng Index ("HSI"). HSI is a free float-adjusted market capitalisation weighted index compiled and managed by the Hang Seng Indexes Company Limited. The Manager adopts a futures-based replication investment strategy through investing directly in the spot month futures contracts to obtain required exposure to the index.

The Manager anticipates that no more than 20% of the net assets value of the Sub-Fund from time to time will be used as margin to acquire the HSI futures contracts. Not less than 70% of the net assets value of the Sub-Fund will be invested in HKD denominated investment products, such as deposits with banks in Hong Kong and Hong Kong Securities and Futures Commission ("SFC") authorised money market funds.

Samsung HSI Daily (-1x) Inverse Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of HSI. The Manager adopts a futures-based replication investment strategy through investing directly in the spot month futures contracts to obtain required exposure to the index.

The Manager anticipates that no more than 10% of the net assets value of the Sub-Fund from time to time will be used as margin to acquire HSI futures contracts. Not less than 90% of the net assets value of the Sub-Fund will be invested in HKD denominated investment products, such as deposits with banks in Hong Kong and SFC authorised money market funds.

Samsung HSCEI Daily (2x) Leveraged Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the daily performance of Hang Seng China Enterprises Index ("HSCEI"). HSCEI measures the performance of the largest and most liquid H-shares companies listed in Hong Kong. HSCEI adopts a free float-adjusted market capitalisation weighted methodology with a 10% cap on individual constituent weightings. HSCEI is a price return index. A price return index calculates the performance of the index constituents without adjustments for cash dividends or warrant bonuses.

The Manager adopts a futures-based replication investment strategy through investing directly in the spot month futures contracts to obtain required exposure to the index. The Manager anticipates that no more than 20% of the net assets value of the Sub-Fund from time to time will be used as margin to acquire the HSCEI futures contracts. Not less than 70% of the net assets value of the Sub-Fund will be invested in HKD denominated investment products, such as deposits with banks in Hong Kong and SFC authorised money market funds.

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

1. GENERAL - continued

Samsung HSCEI Daily (-1x) Inverse Product

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the inverse (-1x) daily performance of HSCEI. The Manager adopts a futures-based replication investment strategy through investing directly in the spot month futures contracts to obtain required exposure to the index.

The Manager anticipates that no more than 10% of the net assets value of the Sub-Fund from time to time will be used as margin to acquire the HSCEI futures contracts. Not less than 90% of the net assets value of the Sub-Fund will be invested in HKD denominated investment products, such as deposits with banks in Hong Kong and SFC authorised money market funds.

On 28 June 2017, the Manager, by means of a resolution of the board of directors, decided to terminate Samsung KOSPI 200 Daily (2x) Leveraged Product, Samsung KOSPI 200 Daily (-1x) Inverse Product, Samsung TOPIX Daily (2x) Leveraged Product and Samsung TOPIX Daily (-1x) Inverse Product, sub-funds of Samsung Leveraged and Inverse Investment Product Series. On 29 September 2017, these four sub-funds were terminated and delisted from the Hong Kong Stock Exchange.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

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

The Sub-Funds have not early applied the following new and amendments to IFRSs and interpretations that have been issued but are not yet effective to each of the Sub-Funds:

IFRS 9	Financial Instruments ¹
IFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
IFRS 16	Leases ²
IFRS 17	Insurance Contracts ⁴
IFRIC 22	Foreign Currency Transactions and Advance Consideration ¹
IFRIC 23	Uncertainty over Income Tax Treatments ²
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts ¹
Amendments to IFRS 9	Prepayment Features with Negative Compensation ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement ²
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to IAS 28	As part of the Annual Improvements to IFRS Standards 2014 - 2016 Cycle ¹
Amendments to IAS 40	Transfers of Investment Property ¹
Amendments to IFRSs	Annual Improvements to IFRS Standards 2015 - 2017 Cycle ²

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - continued

New and amendments to IFRSs and interpretations in issue but not yet effective - continued

- ¹ Effective for annual periods beginning on or after 1 January 2018
- ² Effective for annual periods beginning on or after 1 January 2019
- ³ Effective for annual periods beginning on or after a date to be determined
- ⁴ Effective for annual periods beginning on or after 1 January 2021

Except for the impacts as described below, the Manager and the Trustee of the Sub-Funds anticipate that the application of the other new and amendments to IFRSs and interpretations will have no material impact on the financial statements of each of the Sub-Funds for the foreseeable future and/or on the disclosures set out in these financial statements.

IFRS 9 Financial Instruments

IFRS 9 introduced new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of IFRS 9 which are relevant to each of the Sub-Funds:

- all recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other financial assets are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires each of the Sub-Funds to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - continued

IFRS 9 Financial Instruments - continued

On adoption of IFRS 9, derivative financial assets and liabilities will continue to be classified as financial assets and liabilities at fair value through profit or loss. Other financial assets and liabilities will continue to be measured on the same bases as amortised cost with no material impact from the application of the new expected credit loss impairment model. As a result, the Manager and the Trustee do not anticipate that the application of IFRS 9 will have material impact on each of the Sub-Funds of the Trust.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements of each of the Sub-Funds have been prepared in accordance with IFRSs, the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code issued by the Hong Kong Securities and Futures Commission.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below.

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

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Sub-Funds take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

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

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of preparation - continued

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

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

The financial statements of the Sub-Funds cover from 10 March 2017 (date of commencement of operations) to 31 March 2018, which is the first reporting period. Therefore, no comparative figures are available.

The principal accounting policies are set out below.

Revenue recognition

Interest income is accrued on a time apportionment basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Sub-Funds become a party to the contractual provisions of the instruments. 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 are recognised immediately in profit or loss.

Financial assets

The Sub-Funds' financial assets are mainly financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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 marketplace.

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

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial assets - continued

Financial assets at fair value through profit or loss

The Sub-Funds' financial assets at FVTPL are held for trading.

A financial asset 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 each of the Sub-Funds manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Derivative financial assets of the Sub-Funds classified as FVTPL are recognised on a trade-date basis, which is the date when the Sub-Funds become a party to the relevant contracts, and are initially measured at fair value, with any gains or losses arising on re-measurement recognised in the statement of comprehensive income.

Loans and receivables

Loans and receivables, including due from a broker, due from a unitholder, other receivables, bank balances and money market fixed deposits and related interest receivables, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any identified impairment losses.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

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

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets - continued

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Debts and units issued by each of the Sub-Funds are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity. Puttable financial instruments include contractual obligations for the Sub-Funds to repurchase or redeem the related instruments for cash or another financial asset on exercise of the put. As an exception to the definition of financial liability, a unit which includes such obligation is classified as equity if the unit has all the following features:

- it entitles the holder to a pro rata share of the Sub-Funds' net assets in the event of the Sub-Funds' liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Sub-Funds to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds over the life of the instrument.

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

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial liabilities and equity - continued

In addition to the redeemable units meeting all of the above conditions, the Sub-Funds must have no other financial instrument or contract that has:

- total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Funds; and
- the effect of substantially restricting or fixing the residual return to the redeemable unitholders.

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

Financial liabilities at fair value through profit or loss

The Sub-Funds' financial liabilities at FVTPL are held for trading.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that each of the Sub-Funds manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Derivative financial liabilities of the Sub-Funds classified as FVTPL are recognised on a trade-date basis, which is the date when the Sub-Funds become a party to the relevant contracts, and are initially measured at fair value, with any gains or losses arising on re-measurement recognised in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities including management fee payable, trustee fee payable and other payables are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash 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 liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

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

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Derecognition

The Sub-Funds derecognise a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Sub-Funds derecognise financial liabilities when, and only when, the Sub-Funds' obligations are discharged, cancelled or have expired. 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 comprise bank balances and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by each of the Sub-Funds in the management of short-term commitments.

Taxation

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

Expenses

All expenses are recognised in statement of comprehensive income on an accrual basis.

Establishment costs

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

Reimbursement of expenses

Reimbursement of expenses are recognised in statement of comprehensive income on an accrual basis.

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.

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

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Subscriptions and redemptions

Subscriptions and redemptions of units are recognised on the dealing date on which the subscription application or redemption application is received and accepted.

Foreign currencies

Foreign currency transactions during the period are translated into the functional currency of each of the Sub-Funds at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into the functional currency of each of the Sub-Funds at the foreign exchange rates ruling at the reporting date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in profit or loss.

Foreign currency exchange differences relating to monetary items including cash and cash equivalents are presented separately in statement of comprehensive income.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

4. TRANSACTIONS WITH THE RELATED PARTIES/CONNECTED PERSON

For disclosure purpose of note 4 to the financial statements, parties are considered to be related if one party provide key management personnel services to the other party or to the parent of the other party.

The following is a summary of significant related party balances/transactions entered into during the period from 10 March 2017 (date of commencement of operations) to 31 March 2018 between each of the Sub-Funds, the Manager (also a connected person), the Trustee and the holding company of the Trustee. Connected persons are defined in the SFC Code. All transactions entered into during the period from 10 March 2017 (date of commencement of operations) to 31 March 2018 were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, each of the Sub-Funds does not have any other significant transactions with its related parties/connected person except for those disclosed below.

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

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

Reimbursement of expenses from the Manager

During the period, the Manager has made reimbursement of expenses to the Sub-Fund in order to maintain the ongoing charges ratio of each of the Sub-Funds below 1.3% of the average net assets attributable to unitholders as stipulated in the Trust's prospectus. The reimbursement of expenses from Manager for the period from 10 March 2017 (date of commencement of operations) to 31 March 2018 are as follows:

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>LEVERAGED PRODUCT</u> HK\$
Reimbursement of expenses from Manager	-	-	-	40,000

There was no expense reimbursement receivable as at 31 March 2018.

Management fee

The Manager is entitled to receive a management fee at 0.65% per annum on the net assets value of each of the Sub-Funds. The management fee is calculated and accrued on each dealing day and payable in monthly in arrears. The management fee for the period from 10 March 2017 (date of commencement of operations) to 31 March 2018 and the management fee payable as at 31 March 2018 are as follows:

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Management fee	1,205,139	906,791	1,405,345	873,061
Management fee payable	<u>108,388</u>	<u>69,557</u>	<u>122,189</u>	<u>48,061</u>

Trustee fee

The Trustee is entitled to receive a trustee fee at 0.12% per annum on the net assets value of each of the Sub-Funds, subject to a monthly minimum of HK\$46,800. The minimum charge is waived for the first 12 months from the listing date for each of the Sub-Funds. The trustee fee is calculated and accrued on each dealing day and payable in monthly in arrears. The trustee fee for the period from 10 March 2017 (date of commencement of operations) to 31 March 2018 and the trustee fee payable as at 31 March 2018 are as follows:

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Trustee fee	222,487	167,407	259,448	161,180
Trustee fee payable	<u>20,730</u>	<u>14,743</u>	<u>24,201</u>	<u>10,774</u>

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

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

Accounting and professional fees

The Sub-Funds have engaged the Trustee for accounting and professional services. The accounting and professional fees for the period from 10 March 2017 (date of commencement of operations) to 31 March 2018 and the accounting and professional fees payable as at 31 March 2018 are as follows:

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

Bank balances and money market fixed deposits

All the cash at banks were maintained with a holding company of the Trustee, i.e. The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), which carry interests at normal commercial rates. The bank balances, money market fixed deposits and interest receivable of each of the Sub-Funds held with HSBC as at 31 March 2018 and the interest income earned on these bank balances during the period from 10 March 2017 (date of commencement of operations) to 31 March 2018 are as follows:

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Bank balances	23,409,169	34,015,492	25,623,628	27,867,910
Money market fixed deposits (Note)	136,000,000	107,000,000	160,000,000	78,000,000
Interest receivable	159,175	103,789	173,308	100,362
Interest income earned	<u>483,397</u>	<u>375,397</u>	<u>550,515</u>	<u>367,267</u>

Note:

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u>
Money market fixed deposits bear fixed interest rates ranging	from 0.42% to 0.81% per annum	from 0.56% to 0.79% per annum	from 0.34% to 0.91% per annum	from 0.56% to 0.81% per annum

5. TAXATION

No provision for Hong Kong Profits Tax has been made for each of the Sub-Funds as they are authorised as collective investment schemes under Section 104 of the SFO and are therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance of Hong Kong.

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

6. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Derivative financial assets				
Future contracts	-	3,586,053	-	2,556,100
Derivative financial liabilities				
Future contracts	(9,744,847)	-	(10,630,752)	-

7. DUE FROM A BROKER

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Deposits with a broker	49,926,579	11,860,477	59,049,808	9,645,802

The balances are non-interest bearing.

8. SOFT COMMISSION ARRANGEMENTS

The Manager confirms that there has been no soft commission arrangements existing during the period from 10 March 2017 (date of commencement of operations) to 31 March 2018 in relation to directing transactions of each of the Sub-Funds through a broker or dealer.

9. INVESTMENT LIMITATIONS

Each of the Sub-Funds does not have constituent security that individually accounted for more than 10% of its respective net assets value. Each of the Sub-Funds has maintained at least 30% of its respective net assets value in deposits that are not used for margin requirements.

The Manager has applied to the SFC, and the SFC has granted, a waiver in respect of each of the Sub-Funds from the requirements under Chapter 8.4A (e) of the SFC Code that each of the Sub-Funds 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 each of the Sub-Funds.

The Manager and Trustee confirm that each of the Sub-Funds has complied with this limit during the period from 10 March 2017 (date of commencement of operations) to 31 March 2018 as applicable.

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

10. UNITS ISSUED AND REDEEMED

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> 10/03/2017 (date of commencement of operations) to <u>31/03/2018</u>	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> 10/03/2017 (date of commencement of operations) to <u>31/03/2018</u>	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> 10/03/2017 (date of commencement of operations) to <u>31/03/2018</u>	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> 10/03/2017 (date of commencement of operations) to <u>31/03/2018</u>
Units issued	36,300,000	50,700,000	44,700,000	43,800,000
Units redeemed	<u>(15,600,000)</u>	<u>(15,900,000)</u>	<u>(15,600,000)</u>	<u>(18,900,000)</u>
Number of units in issue at the end of the period	<u>20,700,000</u>	<u>34,800,000</u>	<u>29,100,000</u>	<u>24,900,000</u>

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> 10/03/2017 (date of commencement of operations) to <u>31/03/2018</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> 10/03/2017 (date of commencement of operations) to <u>31/03/2018</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> 10/03/2017 (date of commencement of operations) to <u>31/03/2018</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> 10/03/2017 (date of commencement of operations) to <u>31/03/2018</u> HK\$
Subscription of units	234,598,140	278,281,560	292,125,810	249,785,100
Redemption of units	<u>(112,304,220)</u>	<u>(84,910,170)</u>	<u>(110,380,710)</u>	<u>(103,164,150)</u>
Net subscription of units during the period	<u>122,293,920</u>	<u>193,371,390</u>	<u>181,745,100</u>	<u>146,620,950</u>

As disclosed in note 3 to the financial statements, establishment costs are expensed as incurred. However, establishment costs of each of the Sub-Funds are required to be amortised over the first five financial years according to the provisions of the Trust's prospectus. Accordingly, the net assets attributable to unitholders reported in the financial statements was different from the net assets attributable to unitholders calculated under the accounting basis indicated in the Trust's prospectus. A reconciliation of the net assets attributable to unitholders is provided below:

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> <u>2018</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> <u>2018</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> <u>2018</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> <u>2018</u> HK\$
<u>As at 31 March 2018</u>				
Net assets attributable to unitholders as reported in the statement of financial position	199,445,476	156,299,310	241,759,212	117,925,078
Adjustments for unamortised establishment costs	<u>383,226</u>	<u>383,226</u>	<u>383,226</u>	<u>383,226</u>
Net asset value calculated under accounting basis indicated in the Trust's prospectus	<u>199,828,702</u>	<u>156,682,536</u>	<u>242,142,438</u>	<u>118,308,304</u>
Net assets attributable to unitholders per unit as reported in the statement of financial position	<u>9.6350</u>	<u>4.4914</u>	<u>8.3079</u>	<u>4.7359</u>
Net assets attributable to unitholders per unit calculated under accounting basis indicated in the Trust's prospectus	<u>9.6536</u>	<u>4.5024</u>	<u>8.3210</u>	<u>4.7513</u>

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

11. DISTRIBUTIONS

During the period from 10 March 2017 (date of commencement of operations) to 31 March 2018, no distributions were made to the unitholders of each of the Sub-Funds.

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Sub-Funds maintain investment portfolios as dictated by their respective investment management strategies. The Sub-Funds' investment objectives are disclosed in note 1 to the financial statements and the Sub-Funds' investment portfolios mainly comprise futures contracts.

The Sub-Funds' investing activities expose them to various types of risks that are associated with the financial instruments and markets in which they invest. The Manager and the Trustee have set out below the most important types of financial risks inherent in each type of financial instruments. The Manager and the Trustee would like to highlight that the following list of associated risks only sets out some of the risks but does not purport to constitute an exhaustive list of all the risks inherent in the investments in each of the Sub-Funds. Unitholders should note that additional information in respect of risks associated with financial instruments in the Sub-Funds can be found in the Trust's prospectus.

The assets allocation is determined by the Sub-Funds' Manager who manages and monitors the composition of the assets to achieve the investment objectives.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Sub-Funds are discussed below.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Each of the Sub-funds are exposed to a price risk arising from changes in market prices. Price risk is managed by the Manager on an ongoing basis in accordance with the investment objectives of each of the Sub-Funds.

Sensitivity analysis

As at 31 March 2018, if the market price of the futures contracts had been 10% higher and all other variables were held constant, the profit/(loss) for the period of each of the Sub-Funds would have been increased by approximately:

	<u>SAMSUNG HSI DAILY (2X) LEVERAGED PRODUCT</u>	<u>SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT</u>	<u>SAMSUNG HSCEI DAILY (2X) LEVERAGED PRODUCT</u>	<u>SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT</u>
Movements in profit/(loss) for the period	increased by <u>HK\$39,816,000</u>	increased by <u>HK\$(15,476,000)</u>	increased by <u>HK\$48,244,000</u>	increased by <u>HK\$(11,745,000)</u>

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

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Price risk - continued

Sensitivity analysis - continued

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 profit/(loss) for the period.

Interest rate risk

Interest rate risk arises from change in interest rates which may affect the value of interest bearing assets and therefore result in potential gain or loss to each of the Sub-Funds. Each of the Sub-Funds' interest rate risk is managed on an ongoing basis by the Manager.

As at 31 March 2018, the major financial assets bearing variable interest that are subject to cash flow interest rate risk are bank balances in saving accounts as below:

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Bank balances in savings accounts	<u>23,409,169</u>	<u>34,015,492</u>	<u>25,623,628</u>	<u>27,867,910</u>

Sensitivity analysis

As at 31 March 2018, if the interest rate had been 50 basis points higher with all other variables held constant, the profit/(loss) for the period of each of the Sub-Funds would have been increased/(decreased) by approximately:

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Increase (decrease) in profit (loss) for the period	<u>117,000</u>	<u>(170,000)</u>	<u>128,000</u>	<u>(139,000)</u>

If interest rates had been 50 basis points lower with all other variables held constant there would be an equal and opposite impact on the Sub-Fund's profit/(loss) for the period.

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Currency risk

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

The functional currency of each of the Sub-Funds is HKD. Each of the Sub-Funds is exposed to currency risk primarily through recognised financial assets or liabilities that are denominated in United States Dollars ("USD").

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

Credit risk

Each of the Sub-Funds' maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Credit risk arising from transactions with a broker relates to transactions awaiting settlements, if any, and deposits placed in a broker. The risk relating to unsettled transactions and deposits placed in a broker is considered low due to the short settlement period and high credit ratings of a broker assigned by international credit rating agencies.

All of the money market fixed deposits and cash held by each of the Sub-Funds are deposited with HSBC. Bankruptcy or insolvency of the banks may cause each of the Sub-Funds' rights with respect to the money market fixed deposits and cash at banks to be delayed or limited. As the banks have credit ratings of Aa3 or better as determined by a well-known international credit rating agency, the Manager considers that the credit risk is minimal.

Substantially all of the assets of each of the Sub-Funds are held by HSBC Institutional Trust Services (Asia) Limited (the "Custodian"). Bankruptcy or insolvency of the Custodian may cause the Sub-Funds' rights with respect to assets held by the Custodian to be delayed or limited. The Manager monitors the credit quality and financial position of the Custodian on an ongoing basis. The Custodian is a group company of HSBC, which has a credit rating of Aa3 as determined by a well-known international credit rating agency. As such, the Manager considers credit risk is considered insignificant.

The Manager considers that none of these assets are impaired nor past due as at 31 March 2018.

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

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Liquidity risk

Liquidity risk is the risk that each of the Sub-Funds will encounter difficulty in meeting obligations arising from their respective financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to each of the Sub-Funds. Each of the Sub-Funds is exposed to daily liquidity risk on redemption of units.

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

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

As at 31 March 2018, each of the Sub-Funds' financial liabilities are due within three months.

Capital management

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

The Sub-Funds' objective in managing the capital is to ensure a stable and strong base to maximise returns to all unitholders, and to manage liquidity risk arising from the redemptions. The Manager manages the capital of each of the Sub-Funds in accordance with the Sub-Funds' respective investment objectives and policies stated in the respective offering documents. Under certain circumstance, the Manager may suspend the issuance and redemption of units of each of the Sub-Funds as disclosed in the Trust's prospectus.

Specific instruments

Futures contracts are commitments either to purchase or sell a designated financial instrument, currency, commodity or index at a specified future date for a specified price and may be settled in cash. Futures are standardised exchange-traded contracts. Initial margin requirements for futures are met in cash or other instruments, and changes in future contract values are marked to market daily. Futures contracts have low credit risk because the counterparties are futures exchanges.

Futures contracts result in exposure to market risk based on changes in market prices relative to contracted prices. Market risks arise due to the possible movements in foreign currency exchange rates, indices, and securities' values underlying these instruments. In addition, because of the low margin deposits normally required in relation to notional contract sizes, a high degree of leverage may be typical of a futures contract and may result in substantial losses to each of the Sub-Funds.

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

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Specific instruments - continued

The following is the open position of futures contracts as at 31 March 2018.

Samsung HSI Daily (2x) Leveraged Product

<u>Type of contract</u>	<u>Expiration</u>	Notional <u>amount</u> HK\$	<u>Underlying</u>	Fair value assets <u>(liabilities)</u> HK\$
Futures - Long	April 2018	<u>398,162,500</u>	Hang Seng Index	<u>(9,744,847)</u>

Samsung HSI Daily (-1x) Inverse Product

<u>Type of contract</u>	<u>Expiration</u>	Notional <u>amount</u> HK\$	<u>Underlying</u>	Fair value assets <u>(liabilities)</u> HK\$
Futures - Short	April 2018	<u>(154,757,500)</u>	Hang Seng Index	<u>3,586,053</u>

Samsung HSCEI Daily (2x) Leveraged Product

<u>Type of contract</u>	<u>Expiration</u>	Notional <u>amount</u> HK\$	<u>Underlying</u>	Fair value assets <u>(liabilities)</u> HK\$
Futures - Long	April 2018	<u>482,442,300</u>	Hang Seng China Enterprises Index	<u>(10,630,752)</u>

Samsung HSCEI Daily (-1x) Inverse Product

<u>Type of contract</u>	<u>Expiration</u>	Notional <u>amount</u> HK\$	<u>Underlying</u>	Fair value assets <u>(liabilities)</u> HK\$
Futures - Short	April 2018	<u>(117,448,500)</u>	Hang Seng China Enterprises Index	<u>2,556,100</u>

Fair value

The financial instruments held by each of the Sub-Funds are measured at their fair values on the reporting date. Fair value estimates are made at a specified point in time, based on market conditions and information about the financial instruments. Fair values can usually be reliably determined within a reasonable range of estimates.

Valuation of financial instruments

The accounting policy of each of the Sub-Funds on fair value measurements is detailed in the significant accounting policies in note 3 to the financial statements.

The following analyses derivative financial assets (liabilities) measured at FVTPL on the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised as at 31 March 2018.

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

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Fair value - continued

Valuation of financial instruments - continued

Samsung HSI Daily (2x) Leveraged Product

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial liabilities - Futures contracts	(9,744,847)	-	-	(9,744,847)

Samsung HSI Daily (-1x) Inverse Product

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial assets - Futures contracts	3,586,053	-	-	3,586,053

Samsung HSCEI Daily (2x) Leveraged Product

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial liabilities - Futures contracts	(10,630,752)	-	-	(10,630,752)

Samsung HSCEI Daily (-1x) Inverse Product

	<u>Level 1</u> HK\$	<u>Level 2</u> HK\$	<u>Level 3</u> HK\$	<u>Total</u> HK\$
Derivative financial assets - Futures contracts	2,556,100	-	-	2,556,100

For the period from 10 March 2017 (date of commencement of operations) to 31 March 2018, there were no transfers of financial instruments between fair value hierarchy levels.

As at 31 March 2018, except for derivative financial instruments as disclosed in the financial statements which are classified as the financial assets/liabilities at FVTPL, all other financial assets and financial liabilities are carried at amortised costs. The carrying values of the financial assets and liabilities are considered by the Manager to approximate to their fair values.

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

12. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS - continued

Offsetting

As at 31 March 2018, each of the Sub-Funds does not hold financial assets and liabilities that are eligible for offset in the statement of financial position but does hold those which are subject to a master netting arrangement or similar agreements that create the right of set-off of recognised amounts in the event of default, insolvency or bankruptcy of each of the Sub-Funds or its respective counterparties. Accordingly, the financial assets and liabilities of each of the Sub-Funds have been recognised in the statement of financial position on a gross basis.

The following table presents each of the Sub-Funds' financial assets and liabilities with respect to a single broker that are subject to enforceable master netting agreements in the event of default, insolvency or bankruptcy at the reporting date.

	SAMSUNG HSI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSI DAILY(-1X) <u>INVERSE PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (2X) <u>LEVERAGED PRODUCT</u> HK\$	SAMSUNG HSCEI DAILY (-1X) <u>INVERSE PRODUCT</u> HK\$
Financial assets				
Derivative financial assets	-	3,586,053	-	2,556,100
Due from a broker	49,926,579	11,860,477	59,049,808	9,645,802
Financial liabilities				
Derivative financial liabilities	(9,744,847)	-	(10,630,752)	-
Net position	<u>40,181,732</u>	<u>15,446,530</u>	<u>48,419,056</u>	<u>12,201,902</u>

13. SEGMENT INFORMATION

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

The Manager considers that each of the Sub-funds has a single operating segment which is investments in futures contracts and money market fixed deposits. The investment objectives of each of the Sub-Funds are disclosed in note 1 to the financial statements.

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

The Sub-Funds are domiciled in Hong Kong. Each of the Sub-Funds has no non-current assets.

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Manager and the Trustee on 30 July 2018.

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

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 MARCH 2018

	<u>Maturity date</u>		<u>Market value</u> HK\$	<u>% of total net assets attributable to unitholders</u>
Money market fixed deposits				
The Hongkong and Shanghai Banking Corporation Limited	13 April 2018		25,000,000	12.54
The Hongkong and Shanghai Banking Corporation Limited	9 May 2018		10,000,000	5.01
The Hongkong and Shanghai Banking Corporation Limited	23 May 2018		15,000,000	7.52
The Hongkong and Shanghai Banking Corporation Limited	11 June 2018		15,000,000	7.52
The Hongkong and Shanghai Banking Corporation Limited	26 June 2018		10,000,000	5.01
The Hongkong and Shanghai Banking Corporation Limited	11 July 2018		16,000,000	8.03
The Hongkong and Shanghai Banking Corporation Limited	7 August 2018		10,000,000	5.01
The Hongkong and Shanghai Banking Corporation Limited	20 August 2018		10,000,000	5.01
The Hongkong and Shanghai Banking Corporation Limited	13 September 2018		25,000,000	12.54
Total money market fixed deposits			<u>136,000,000</u>	<u>68.19</u>
Futures contracts				
	<u>Expiration date</u>	<u>Contracts</u>		
HANG SENG 0418 HIJ8	27 April 2018	265	(9,744,847)	(4.89)
Total futures contracts			<u>(9,744,847)</u>	<u>(4.89)</u>
Total investments			126,255,153	63.30
Other net assets			73,190,323	36.70
Net assets attributable to unitholders			<u>199,445,476</u>	<u>100.00</u>

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

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2018

<u>Investments</u>	<u>Holdings as at 10/03/2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Holdings as at 31/03/2018</u>
Money market fixed deposits				
The Hongkong and Shanghai Banking Corporation Limited	-	HK\$765,000,000	(HK\$629,000,000)	HK\$136,000,000
Futures contracts				
Hang Seng Index Future 30/03/2017	-	310	(310)	-
Hang Seng Index Future 27/04/2017	-	285	(285)	-
Hang Seng Index Future 29/05/2017	-	314	(314)	-
Hang Seng Index Future 29/06/2017	-	283	(283)	-
Hang Seng Index Future 28/07/2017	-	244	(244)	-
Hang Seng Index Future 30/08/2017	-	260	(260)	-
Hang Seng Index Future 28/09/2017	-	259	(259)	-
Hang Seng Index Future 30/10/2017	-	267	(267)	-
Hang Seng Index Future 29/11/2017	-	276	(276)	-
Hang Seng Index Future 28/12/2017	-	259	(259)	-
Hang Seng Index Future 30/01/2018	-	272	(272)	-
Hang Seng Index Future 27/02/2018	-	290	(290)	-
Hang Seng Index Future 28/03/2018	-	301	(301)	-
Hang Seng Index Future 27/04/2018	-	272	(7)	265

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

PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUND (UNAUDITED)
FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2018

	<u>Performance</u> %
Sub Fund	
Samsung HSI Daily (2x) Leveraged Product	60.96%
Index	
Hang Seng Index	26.29%

Source: Unit-prices are provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of Samsung HSI Daily (2x) Leveraged Product is provided by the Manager. Index information is provided by Hang Seng Indexes Company Limited.

Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

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

PERFORMANCE RECORD (UNAUDITED)
 FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
 TO 31 MARCH 2018

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

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Period ended 31 March 2018	<u>5.9814</u>	<u>11.8318</u>

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

(b) Net asset value

	<u>Net asset value</u> HK\$
As at 31 March 2018	<u>199,445,476</u>

(c) Net asset value per unit

	HK\$
As at 31 March 2018	<u>9.6350</u>

SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 MARCH 2018

	<u>Maturity date</u>		<u>Market value</u> HK\$	<u>% of total net assets attributable to unitholders</u>
Bank deposits				
The Hongkong and Shanghai Banking Corporation Limited	13 April 2018		25,000,000	15.99
The Hongkong and Shanghai Banking Corporation Limited	9 May 2018		10,000,000	6.40
The Hongkong and Shanghai Banking Corporation Limited	26 June 2018		17,000,000	10.88
The Hongkong and Shanghai Banking Corporation Limited	9 July 2018		10,000,000	6.40
The Hongkong and Shanghai Banking Corporation Limited	9 August 2018		15,000,000	9.60
The Hongkong and Shanghai Banking Corporation Limited	13 September 2018		30,000,000	19.19
Total bank deposits			<u>107,000,000</u>	<u>68.46</u>
Futures contracts				
	<u>Expiration date</u>	<u>Contracts</u>		
HANG SENG 0418 HIJ8	27 April 2018	(103)	3,586,053	2.29
Total futures contracts			<u>3,586,053</u>	<u>2.29</u>
Total investments			110,586,053	70.75
Other net assets			45,713,257	29.25
Net assets attributable to unitholders			<u>156,299,310</u>	<u>100.00</u>

SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2018

<u>Investments</u>	<u>Holdings as at 10/03/2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Holdings as at 31/03/2018</u>
Bank deposits				
The Hongkong and Shanghai Banking Corporation Limited	-	HK\$716,000,000	(HK\$609,000,000)	HK\$107,000,000
Futures contracts				
Hang Seng Index Future 30/03/2017	-	161	(161)	-
Hang Seng Index Future 27/04/2017	-	162	(162)	-
Hang Seng Index Future 29/05/2017	-	161	(161)	-
Hang Seng Index Future 29/06/2017	-	121	(121)	-
Hang Seng Index Future 28/07/2017	-	100	(100)	-
Hang Seng Index Future 30/08/2017	-	103	(103)	-
Hang Seng Index Future 28/09/2017	-	98	(98)	-
Hang Seng Index Future 30/10/2017	-	100	(100)	-
Hang Seng Index Future 29/11/2017	-	90	(90)	-
Hang Seng Index Future 28/12/2017	-	92	(92)	-
Hang Seng Index Future 30/01/2018	-	71	(71)	-
Hang Seng Index Future 27/02/2018	-	88	(88)	-
Hang Seng Index Future 28/03/2018	-	115	(115)	-
Hang Seng Index Future 27/04/2018	-	1	(104)	(103)

SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUND (UNAUDITED)
FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2018

	<u>Performance</u> %
Sub Fund	
Samsung HSI Daily (-1x) Inverse Product	-24.96%
Index	
Hang Seng Index	26.29%

Source: Unit-prices are provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of Samsung HSI Daily (-1x) Inverse Product is provided by the Manager. Index information is provided by Hang Seng Indexes Company Limited.

Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

SAMSUNG HSI DAILY (-1X) INVERSE PRODUCT
 (A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
 INVESTMENT PRODUCT SERIES)

PERFORMANCE RECORD (UNAUDITED)
 FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
 TO 31 MARCH 2018

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

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Period ended 31 March 2018	<u>4.1403</u>	<u>6.0061</u>

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

(b) Net asset value

	<u>Net asset value</u> HK\$
As at 31 March 2018	<u>156,299,310</u>

(c) Net asset value per unit

	HK\$
As at 31 March 2018	<u>4.4914</u>

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

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 MARCH 2018

	<u>Maturity date</u>		<u>Market value</u> HK\$	<u>% of total net assets attributable to unitholders</u>
Bank deposits				
The Hongkong and Shanghai Banking Corporation Limited	3 April 2018		10,000,000	4.14
The Hongkong and Shanghai Banking Corporation Limited	13 April 2018		30,000,000	12.41
The Hongkong and Shanghai Banking Corporation Limited	30 May 2018		10,000,000	4.14
The Hongkong and Shanghai Banking Corporation Limited	29 June 2018		15,000,000	6.20
The Hongkong and Shanghai Banking Corporation Limited	11 July 2018		20,000,000	8.27
The Hongkong and Shanghai Banking Corporation Limited	22 August 2018		20,000,000	8.27
The Hongkong and Shanghai Banking Corporation Limited	13 September 2018		35,000,000	14.48
The Hongkong and Shanghai Banking Corporation Limited	26 September 2018		20,000,000	8.27
Total bank deposits			<u>160,000,000</u>	<u>66.18</u>
Futures contracts				
	<u>Expiration date</u>	<u>Contracts</u>		
HSCEI FT 0418 HCJ8	27 April 2018	801	(10,630,752)	(4.40)
Total futures contracts			<u>(10,630,752)</u>	<u>(4.40)</u>
Total investments			149,369,248	61.78
Other net assets			92,389,964	38.22
Net assets attributable to unitholders			<u>241,759,212</u>	<u>100.00</u>

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

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2018

<u>Investments</u>	<u>Holdings as at 10/03/2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Holdings as at 31/03/2018</u>
Bank deposits				
The Hongkong and Shanghai Banking Corporation Limited	-	HK\$1,108,000,000	(HK\$948,000,000)	HK\$160,000,000
Futures contracts				
Hang Seng China Enterprises Index Futures 30/03/2017	-	758	(758)	-
Hang Seng China Enterprises Index Futures 27/04/2017	-	764	(764)	-
Hang Seng China Enterprises Index Futures 29/05/2017	-	826	(826)	-
Hang Seng China Enterprises Index Futures 29/06/2017	-	793	(793)	-
Hang Seng China Enterprises Index Futures 28/07/2017	-	753	(753)	-
Hang Seng China Enterprises Index Futures 30/08/2017	-	814	(814)	-
Hang Seng China Enterprises Index Futures 28/09/2017	-	793	(793)	-
Hang Seng China Enterprises Index Futures 30/10/2017	-	814	(814)	-
Hang Seng China Enterprises Index Futures 29/11/2017	-	857	(857)	-
Hang Seng China Enterprises Index Futures 28/12/2017	-	754	(754)	-
Hang Seng China Enterprises Index Futures 30/01/2018	-	796	(796)	-
Hang Seng China Enterprises Index Futures 27/02/2018	-	916	(916)	-
Hang Seng China Enterprises Index Futures 28/03/2018	-	922	(922)	-
Hang Seng China Enterprises Index Futures 27/04/2018	-	801	-	801

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

PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUND (UNAUDITED)
FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2018

	<u>Performance</u> %
Sub Fund	
Samsung HSCEI Daily (2x) Leveraged Product	38.62%
Index	
Hang Seng China Enterprises Index	16.96%

Source: Unit-prices are provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of Samsung HSCEI Daily (2x) Leveraged Product is provided by the Manager. Index information is provided by Hang Seng Indexes Company Limited.

Investors should note that all investment involves risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the relevant fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

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

PERFORMANCE RECORD (UNAUDITED)
 FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
 TO 31 MARCH 2018

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

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Period ended 31 March 2018	<u>5.5892</u>	<u>11.0613</u>

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

(b) Net asset value

	<u>Net asset value</u> HK\$
As at 31 March 2018	<u>241,759,212</u>

(c) Net asset value per unit

	HK\$
As at 31 March 2018	<u>8.3079</u>

SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 MARCH 2018

	<u>Maturity date</u>		<u>Market value</u> HK\$	<u>% of total net assets attributable to unitholders</u>
Bank deposits				
The Hongkong and Shanghai Banking Corporation Limited	13 April 2018		25,000,000	21.20
The Hongkong and Shanghai Banking Corporation Limited	9 May 2018		10,000,000	8.48
The Hongkong and Shanghai Banking Corporation Limited	26 June 2018		10,000,000	8.48
The Hongkong and Shanghai Banking Corporation Limited	11 July 2018		8,000,000	6.78
The Hongkong and Shanghai Banking Corporation Limited	16 August 2018		10,000,000	8.48
The Hongkong and Shanghai Banking Corporation Limited	13 September 2018		15,000,000	12.72
Total bank deposits			<u>78,000,000</u>	<u>66.14</u>
Futures contracts				
	<u>Expiration date</u>	<u>Contracts</u>		
HSCEI FT 0418 HCJ8	27 April 2018	(195)	2,556,100	2.17
Total futures contracts			<u>2,556,100</u>	<u>2.17</u>
Total investments			80,556,100	68.31
Other net assets			37,368,978	31.69
Net assets attributable to unitholders			<u>117,925,078</u>	<u>100.00</u>

SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2018

<u>Investments</u>	<u>Holdings as at 10/03/2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Holdings as at 31/03/2018</u>
Bank deposits				
The Hongkong and Shanghai Banking Corporation Limited	-	HK\$607,000,000	(HK\$529,000,000)	HK\$78,000,000
Futures contracts				
Hang Seng China Enterprises Index Futures 30/03/2017	-	378	(378)	-
Hang Seng China Enterprises Index Futures 27/04/2017	-	336	(336)	-
Hang Seng China Enterprises Index Futures 29/05/2017	-	332	(332)	-
Hang Seng China Enterprises Index Futures 29/06/2017	-	305	(305)	-
Hang Seng China Enterprises Index Futures 28/07/2017	-	287	(287)	-
Hang Seng China Enterprises Index Futures 30/08/2017	-	270	(270)	-
Hang Seng China Enterprises Index Futures 28/09/2017	-	244	(244)	-
Hang Seng China Enterprises Index Futures 30/10/2017	-	251	(251)	-
Hang Seng China Enterprises Index Futures 29/11/2017	-	246	(246)	-
Hang Seng China Enterprises Index Futures 28/12/2017	-	247	(247)	-
Hang Seng China Enterprises Index Futures 30/01/2018	-	191	(191)	-
Hang Seng China Enterprises Index Futures 27/02/2018	-	189	(189)	-
Hang Seng China Enterprises Index Futures 28/03/2018	-	242	(242)	-
Hang Seng China Enterprises Index Futures 27/04/2018	-	-	(195)	(195)

SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
(A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
INVESTMENT PRODUCT SERIES)

PERFORMANCE OF THE UNDERLYING INDEX AND THE SUB-FUND (UNAUDITED)
FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
TO 31 MARCH 2018

	<u>Performance</u> %
Sub Fund	
Samsung HSCEI Daily (-1x) Inverse Product	-20.76%
Index	
Hang Seng China Enterprises Index	16.96%

Source: Unit-prices are provided by HSBC Institutional Trust Services (Asia) Limited. The performance information of Samsung HSCEI Daily (-1x) Inverse Product is provided by the Manager. Index information is provided by Hang Seng Indexes Company Limited.

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SAMSUNG HSCEI DAILY (-1X) INVERSE PRODUCT
 (A SUB-FUND OF SAMSUNG LEVERAGED AND INVERSE
 INVESTMENT PRODUCT SERIES)

PERFORMANCE RECORD (UNAUDITED)
 FOR THE PERIOD FROM 10 MARCH 2017 (DATE OF COMMENCEMENT OF OPERATIONS)
 TO 31 MARCH 2018

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

	<u>Lowest</u> HK\$	<u>Highest</u> HK\$
Period ended 31 March 2018	<u>4.2150</u>	<u>6.1709</u>

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

(b) Net asset value

	<u>Net asset value</u> HK\$
As at 31 March 2018	<u>117,925,078</u>

(c) Net asset value per unit

	HK\$
As at 31 March 2018	<u>4.7359</u>

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

**UNDERLYING INDEX CONSTITUENT STOCKS DISCLOSURE (UNAUDITED)
AS AT 31 MARCH 2018**

The following are those constituent stocks that accounted for more than 10% of the weighting of the Hang Seng Index and Hang Seng China Enterprises Index.

Hang Seng Index

Constituent stock	Weighting of the index (%)
N/A	N/A

Hang Seng China Enterprises Index

Constituent stocks	Weighting of the index (%)
Industrial and Commercial Bank of China Limited	10.27%
China Construction Bank Corporation	10.13%
