

PRODUCT KEY FACTS

Samsung CSI China Dragon Internet ETF

(a sub-fund of Samsung ETFs Trust II)

Samsung Asset Management (Hong Kong) Limited

30 April 2024

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

Quick facts

Stock codes:	2812 – HKD counter	9812 – USD counter
Stock short names:	SAMSUNGCDGN – HKD counter	SAMSUNGCDGN-U – USD counter
Trading lot size:	200 Units – HKD counter	200 Units – USD counter
Manager:	Samsung Asset Management (Hong Kong) Limited	
Trustee:	Cititrust Limited	
Ongoing charges over a year*:	1.20%*	
Tracking difference of the last calendar year**:	0.17%**	
Underlying Index:	CSI Global China Internet Index	
Base currency:	Hong Kong dollars (HKD)	
Trading currency:	Hong Kong dollars (HKD) – HKD counter US dollars (USD) – USD counter	
Financial year end of this fund:	31 March	
Distribution policy:	Annually (usually in March of each year) (if any) in HKD subject to the Manager’s discretion on all Units (whether traded in HKD counter or USD counter). Distributions may not be paid if the cost of the Sub-Fund’s operations is higher than the yield from management of its cash and holdings of investment products. Distributions may be paid out of capital or effectively out of capital as well as income at the Manager’s discretion.	
ETF website:	www.samsungetfhk.com (this website has not been reviewed by the SFC)	

* The ongoing charges figure is an annualised figure based on expenses reported in the Sub-Fund’s Interim Financial Report 2023 (Unaudited) for the period ending 30 September 2023 expressed as a percentage of the Sub-Fund’s average NAV over the same period. This figure may vary from year to year.

** This is the actual tracking difference of the last calendar year. Investors should refer to the Sub-Fund’s website for more up-to-date information on annual tracking difference.

What is this product?

Samsung CSI China Dragon Internet ETF (the “**Sub-Fund**”) is a sub-fund of Samsung ETFs Trust II, which is an umbrella unit trust established under Hong Kong law. The units of the Sub-Fund (“**Units**”) are listed on The Stock Exchange of Hong Kong Limited (the “**SEHK**”). These Units are traded on the SEHK like listed stocks. The Sub-Fund is a passively managed index tracking exchange traded fund under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds (the “**Code**”).

The Sub-Fund is a physical ETF which invests directly in the constituent securities of the Index (as defined below).

Objective and investment strategy

Objective

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the CSI Global China Internet Index (the “**Index**”).

Strategy

In seeking to achieve the Sub-Fund’s investment objective, the Manager will primarily use a full replication strategy through investing directly in constituent stocks of the Index in substantially the same weightings in which they are included in the Index. The Sub-Fund may invest in (including but not limited to) the following PRC-related securities: A-Shares, H-Shares, N-Shares, P-Chips and Red Chips. The Sub-Fund will invest in A-Shares included in the Index through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively the “**Stock Connect**”). The Manager may invest up to 100% of the Net Asset Value of the Sub-Fund through the Stock Connect.

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

The Manager may enter into securities lending transactions on behalf of the Sub-Fund for up to 30% of the Sub-Fund’s Net Asset Value at any one time and is able to recall the securities lent out at any time. All such transactions will only be entered into with institutions of appropriate financial standing which are acceptable to the Manager. As part of its securities lending transactions, the Sub-Fund will receive as collateral sufficient cash and/or liquid assets, the value of which, during the duration of the securities lending agreement, will be equal to at least 100% of the global valuation of the securities lent (interests, dividends and other eventual rights included), marked to market on a daily basis. The Trustee will be responsible for the safekeeping of such collateral received and held in custody. The Sub-Fund will not engage in any reinvestment of collateral received.

Currently, the Manager has no intention to invest the Sub-Fund in any financial derivative instruments (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes, and will not enter into repurchase or reverse repurchase transactions and other similar over-the-counter transactions. The Manager will seek the prior approval of the SFC and provide at least one month’s prior notice to Unitholders before the Manager engages in any such investments.

The investment strategy of the Sub-Fund is subject to the investment and borrowing restrictions set out in the Prospectus.

Index

The Index is a free float market capitalisation weighted index which is designed to track the overall performance of Chinese companies which are listed (in the PRC or overseas) and whose primary business or businesses are focused on internet and internet-related technology. The Index is compiled and published by China Securities Index Co., Ltd (“**CSI**” or the “**Index Provider**”). The Manager (and each of its Connected Persons) is independent of the Index Provider.

The Index is a price return index. A price return index calculates the performance of the index constituents on the basis that any dividends or distributions are not included in the index returns. The Index is denominated and quoted in HKD.

As at 29 March 2024, it comprised 30 constituent stocks with float market capitalisation of approximately HKD7.22 trillion. The Index was launched on 22 April 2016 and had a base level of 1,000 on 31 December 2013.

You can obtain the list of the constituents of the Index, their respective weightings and additional information of the Index from the following website www.samsungetfhk.com (this website has not been reviewed by the SFC).

Vendor codes

Bloomberg: SH931072

Use of derivatives

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

What are the key risks?

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

1. General investment risk

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

2. Currency risk

- Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. The Net Asset Value of the Sub-Fund may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

3. Equity market risk

- The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

4. Internet and technology sector concentration risks

- The Sub-Fund's investments are concentrated in the internet and technology sector, in PRC based companies. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- Companies in the software, internet and related services industries are often smaller and newer, and are characterised by relatively higher volatility in price performance when compared to other economic sectors. Rapid changes in the market and intense competition in the internet and technology sector which may have an adverse effect on profit margins, causing investments in such companies to be more volatile. Moreover, the internet business is subject to complex laws and regulations which may be costly to comply with. There may also be substantial government intervention, such as restrictions on investments in internet companies or access to internet products and services. All of these may adversely affect the profitability of the companies in the sector in which the Sub-Fund invests and the value of the Sub-Fund's investments.

5. PRC market risks

- The Sub-Fund's investments are concentrated in the PRC. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the PRC market.

- The A-Share market in the PRC is highly volatile and may be subject to potential settlement difficulties. Prices of A-Shares may rise and fall significantly and may fluctuate to a greater degree than more developed markets. Such volatility may result in suspension of A-Shares or imposition of other measures by the PRC authorities affecting the dealing/trading of Units and adversely affecting the value of the Sub-Fund.
- Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. The PRC government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

6. Multi counter risks

- If there is a suspension of the inter-counter transfer of units between the counters and/or any limitation on the level of services by brokers and CCASS participants, Unitholders will only be able to trade their Units in one counter only, which may inhibit or delay an investor dealing. The market price of Units traded in each counter may deviate significantly.
- As such, investors may pay more or receive less when buying or selling the Units traded in HKD on the SEHK than in respect of the Units traded in USD and vice versa.

7. Distributions out of or effectively out of capital risks

- Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction in the Net Asset Value per Unit of the Sub-Fund.

8. Stock Connect associated risk

- The relevant rules and regulations on Stock Connect are subject to change which may have potential retrospective effect. Stock Connect is subject to quota limitations. Where a suspension in the trading through Stock Connect is effected, the Sub-Fund's ability to invest in A-Shares or access the PRC market through the programme will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective could be negatively affected.

9. RMB currency and conversion risks

- RMB is currently not freely convertible and is subject to exchange controls and restrictions. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.
- Any depreciation of RMB could adversely affect the value of any investor's investment in the Sub-Fund. Investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the Sub-Fund base currency (HKD) will not depreciate.

10. Securities lending transactions risks

- The borrower may fail to return the securities in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests and may trigger claims.
- There is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This may result in significant losses for the Sub-Fund if the borrower fails to return the securities lent out.

- By undertaking securities lending transaction, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays or failure may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests and may trigger claims.

11. Passive investments risk

- The Sub-Fund is passively managed and the Manager will not have the discretion to adapt to market changes due to the inherent investment nature of the Sub-Fund. Falls in the Index are expected to result in corresponding falls in the value of the Sub-Fund.

12. Tracking error risk

- The Sub-Fund may be subject to tracking error risk, which is the risk that its performance may not track that of the Index exactly. This tracking error may result from the investment strategy used and/or fees and expenses. The Manager will monitor and seek to manage such risk and minimise tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

13. Trading risks

- The trading price of Units on the SEHK is driven by market factors such as the demand and supply of Units. Therefore, the Units may trade at a substantial premium or discount to the Sub-Fund's Net Asset Value.
- As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Units on the SEHK, investors may pay more than the Net Asset Value per Unit when buying Units on the SEHK, and may receive less than the Net Asset Value per Unit when selling Units on the SEHK.

14. Trading differences risks

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

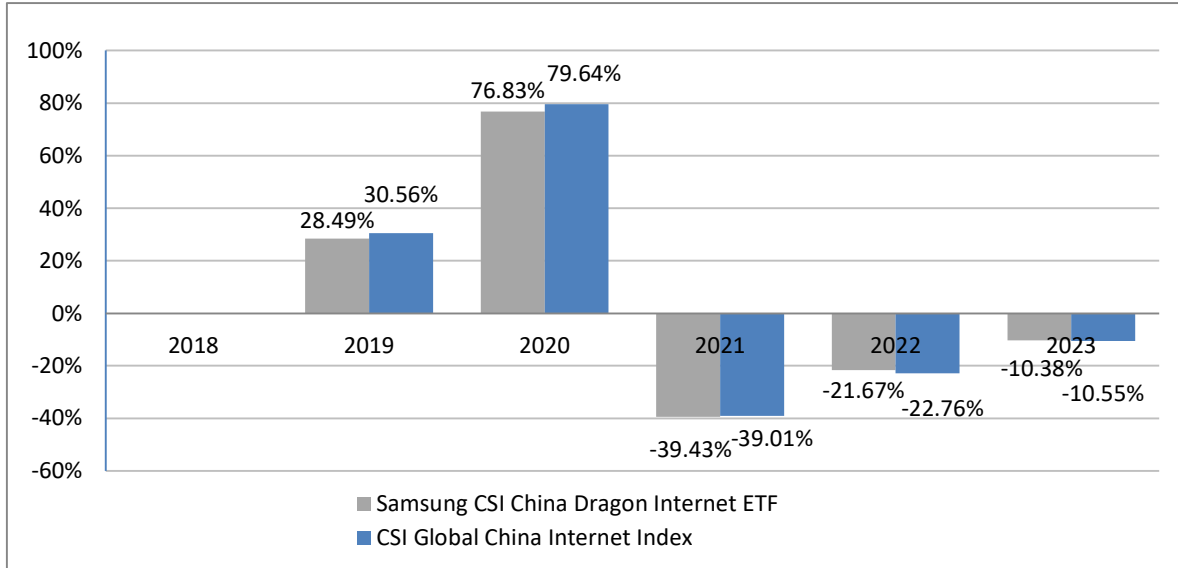
15. Termination risks

- The Sub-Fund may be terminated early under certain circumstances, for example, where the Index is no longer available for benchmarking or if the size of the Sub-Fund falls below HKD40 million. Investors may not be able to recover their investments and suffer a loss when the Sub-Fund is terminated.

16. Reliance on market maker and liquidity risks

- Although the Manager will use its best endeavours to put in place arrangements so that at least one Market Maker will maintain a market for the Units traded in each counter (which may be the same market maker), and that at least one Market Maker for each counter (which may be the same market maker) gives not less than 3 months' notice prior to terminating market making arrangement under the relevant market maker agreement, liquidity in the market for Units may be adversely affected if there is no or only one Market Maker for the HKD or USD traded Units. There is also no guarantee that any market making activity will be effective.

How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance of the Sub-Fund is based on the calendar year end, NAV-To-NAV, without dividend reinvested.
- These figures show by how much the Sub-Fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding your trading costs on SEHK.
- Where no past performance is shown, there was insufficient data available in that year to provide performance.
- The Underlying Index is CSI Global China Internet Index
- Sub-Fund launch date: 20 June 2018

Is there any guarantee?

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

What are the fees and charges?

Please refer to the section entitled “Fees and Expenses” of the Prospectus for details of other fees and expenses.

Charges incurred when trading the Sub-Fund on the SEHK

Fees	What you pay
Brokerage fee	Market rates
Transaction levy	0.0027% ¹ of the trading price
Financial Reporting Council (“FRC”) Transaction Levy	0.00015% ⁴ of the trading price
Trading fee	0.00565% ² of the trading price
Stamp duty	Nil
Inter-counter transfer fee	HKD5 per instruction ³

- ¹ Transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.
- ² Trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.
- ³ Hong Kong Securities Clearing Company Limited (HKSCC) will charge each CCASS participant a fee of HKD5 per instruction for effecting an inter-counter transfer from one counter to another counter. Investors should check with their respective brokers regarding any additional fees.
- ⁴ FRC transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.

Ongoing fees payable by the Sub-Fund

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

Fees	Annual rate (as a % of the Sub-Fund's value)
Management fee*	0.65%
Trustee fee*	0.10%, subject to a monthly minimum of USD2,000
Performance fee	Nil
Administration fee	Nil

* Please note that these fees may be increased up to a permitted maximum on giving 1 month's notice to Unitholders. Please refer to the section of the Prospectus entitled "Fees and Expenses" for further details of the fees and charges payable and the permitted maximum of such fees allowed as well as other ongoing expenses that may be borne by the Sub-Fund.

Other fees

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

Additional information

You can find the following information relating to the Sub-Fund (in English and in Chinese) at the following website www.samsungetfhk.com (which has not been reviewed or approved by the SFC):

- The Prospectus including the Product Key Facts Statement (as revised from time to time)
- The latest annual audited financial reports and interim half yearly unaudited financial reports of the Sub-Fund (in English only)
- Any notices relating to material changes to the Sub-Fund which may have an impact on its investors such as material alterations or additions to the Prospectus including the Product Key Facts Statement or the constitutive documents of the Trust and/or the Sub-Fund
- Any public announcements made by the Manager in respect of the Sub-Fund, including information with regard to the Sub-Fund and the Index, the suspension of creations and redemptions of Units, the suspension of the calculation of its Net Asset Value, changes in its fees and the suspension and resumption of trading in its Units
- The near real time indicative Net Asset Value per Unit of the Sub-Fund (updated every 15 seconds throughout each dealing day) in HKD and USD
- The last Net Asset Value and the last Net Asset Value per Unit of the Sub-Fund in HKD and USD (updated on a daily basis)
- The past performance information of the Sub-Fund
- The tracking difference and tracking error of the Sub-Fund
- The full portfolio information of the Sub-Fund (updated on a daily basis)
- The latest list of the Participating Dealers and Market Makers of the Sub-Fund
- The composition of distributions (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital), if any, for a 12-month rolling period

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

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

The last Net Asset Value per Unit in USD is indicative and for reference purposes only. It is calculated using the last Net Asset Value per Unit in HKD multiplied by an assumed foreign exchange rate using the exchange rate for USD quoted by WM Reuters at 4:00pm London time as of the same dealing day. When the Hong Kong market is closed, the official last Net Asset Value per Unit in HKD and the indicative last Net Asset Value per Unit in USD will not be updated.

Important

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

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