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Samsung S&P GSCI Crude Oil ER Futures ETF

Stock Code: 03175
(the “**Sub-Fund**”)

*(a sub-fund of Samsung ETFs Trust (the “**Trust**”), a Hong Kong umbrella unit trust, authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

Announcement

One-off and Interim Change of Rolling Strategy

Unless otherwise stated, capitalised terms used in this Announcement shall have the same meaning ascribed to them in the prospectus of the Trust and the Sub-Fund dated 31 December 2019 (the “**Prospectus**”).

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

A. Background

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the S&P GSCI Crude Oil Index Excess Return (the “**Index**”).

In seeking to achieve the Sub-Fund’s investment objective, the Manager adopts a full replication strategy through investing directly in WTI Futures Contracts so as to give the Sub-Fund the performance of the Index.

The rolling strategy of the Sub-Fund currently mimics that of the Index methodology so as to closely track the Index. Currently, 100% of the Sub-Fund’s holdings of WTI Futures Contracts are June 2020 contracts which will expire on 19 May 2020. Under the existing rolling strategy, the Sub-Fund will roll-over the June 2020 contracts in a 5-day roll-over period commencing on 7 May 2020 to be replaced by July 2020 contracts.

Over the course of the past day, the price of June 2020 contracts has dropped substantially. It is possible that the price of June 2020 contracts will drop to zero or a negative value. Consequently, the continued holding of June 2020 contracts may lead to a substantial loss for the Sub-Fund and the Unitholders. In the worst case scenario, the Net Asset Value of the Sub-Fund may drop to zero and investors may suffer a total loss of their investments in the Sub-Fund.

B. Roll-over of June 2020 WTI Futures Contracts

Under these circumstances, the Manager has determined to roll-over the Sub-Fund's holdings of June 2020 contracts and replace its holdings with September 2020 contracts (the "**Roll-over**"), shortly after the publication of this Announcement (the "**Effective Time**"). This means that, from the Effective Time, the Sub-Fund will replace the entirety of its holding of June 2020 contract (by selling the June 2020 contracts) by September 2020 contracts (by buying September 2020 contracts).

In doing so, the Manager is taking a defensive position to protect the interest of the investors in order to avoid potential losses under exceptional circumstances. However, the downside is that investors may not be able to enjoy any upside of holding June 2020 contracts, if the market price of the June 2020 contracts rebound in the future.

C. Impact of the Roll-over

As a result of the Roll-over, the tracking difference and the tracking error of the Sub-Fund may increase. As of 21 April 2020, June 2020 contracts are traded at a lower price than September 2020 contracts. Accordingly, the number of September 2020 contracts which the Sub-Fund will purchase will be lower than the number of June 2020 contracts which it currently holds. While the Sub-Fund will hold September 2020 contracts from the Effective Time, in the meantime the Index will continue to track the performance of June 2020 contracts (subject to rolling methodology of the Index, as described in the Prospectus). The Sub-Fund's exposure will therefore diverge from that of the Index, leading to a higher trading difference and tracking error.

Investors should take note that, after the Roll-over, there is a possibility that the current market trajectory may continue and the prices of the September 2020 contracts may fall substantially, to zero or to a negative value. In the worst case scenario, the Net Asset Value of the Sub-Fund may drop to zero and investors may suffer a total loss of their investments in the Sub-Fund.

The Roll-over is a one-off and interim measure adopted by the Manager in light of the current unusual and extreme market circumstances. Accordingly, after the Roll-over, the Sub-Fund will continue to hold the September 2020 contracts until the normal and scheduled roll-over period in August 2020, upon which the September 2020 contracts will be replaced by October 2020 contracts, as currently described in the Prospectus and in line with the current Index methodology.

The Manager will closely monitor the situation and will also consider alternative solutions (for example, to discuss with the Index Provider the possibility of changing the index methodology), and will notify investors as soon as possible for further updates.

Investors should take precautions before making an investment in the Sub-Fund. Attention should be drawn to the relevant risk disclosures about the Sub-Fund as disclosed in the Prospectus. Please refer to the Manager's website at www.samsungetf.com.hk (this

website has not been reviewed by the SFC) for the portfolio composition of the Sub-Fund (which is updated on a daily basis) and other information concerning the Sub-Fund.

The Manager will continue to monitor the market movements closely and, if circumstances warrant further action, the Manager will issue a further announcement as soon as practicable.

D. General

The Manager is of the view that the measures described in this Announcement, which are in accordance with Clauses 10.2 and 29.10 of the trust deed of the Trust, are in good faith and in the best interests of the Unitholders and of the Sub-Fund. For the avoidance of doubt, the investment objective and policies of the Sub-Fund will remain unchanged save for the one-off and interim measures described in this Announcement.

The Trustee has no objections to the measures described in this Announcement.

The Prospectus and Product Key Facts Statement of the Sub-Fund are available on the Manager's website at www.samsungetf.com.hk (this website has not been reviewed by the SFC) and HKEx's website at www.hkex.com.hk.

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

Samsung Asset Management (Hong Kong) Limited

三星資產運用 (香港) 有限公司

as Manager of the Trust and the Sub-Fund

21 April 2020