

Issuer: Mirae Asset Global Investments (Hong Kong) Limited

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

Quick facts

Stock code:	3110
Trade lot size:	100 Units
Fund Manager:	Mirae Asset Global Investments (Hong Kong) Limited
Trustee:	Cititrust Limited
Ongoing charges over a year*:	0.44%
Tracking difference of the last calendar year**:	-0.39%
Underlying Index:	Hang Seng High Dividend Yield Index
Base currency:	Hong Kong dollars
Trading currency:	Hong Kong dollars
Dividend policy:	Semi-annually at the Manager's discretion (March and September in each year). Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. Please refer to the risk factor "Distributions out of or effectively out of capital risk" below.
Financial year end of the Sub-Fund:	31 March
ETF Website:	http://www.miraeasset.com.hk/en/etf/3110

* The ongoing charges figure is an annualised figure based on expenses reported in the Sub-Fund's audited financial statements for the year ended 31 March 2018, expressed as a percentage of the Sub-Fund's average net asset value over the same period. This figure may vary from year to year.

** This is the actual tracking difference of the calendar year ended 30 November 2018. Investors should refer to the Sub-Fund's website for more up-to-date information on actual tracking difference.

What is this product?

Mirae Asset Horizons Hang Seng High Dividend Yield ETF (the "Sub-Fund") is an investment fund of the Mirae Asset Horizons Exchange Traded Funds Series, which is an umbrella unit trust established under Hong Kong law. The Sub-Fund is an index tracking ETF falling under Chapter 8.6 and Appendix I of the Code on Unit Trusts and Mutual Funds. The units of the Sub-Fund (the "Units") are traded on The Stock Exchange of Hong Kong Limited (the "SEHK") like stocks.

**Mirae Asset Horizons Exchange Traded Funds Series -
Mirae Asset Horizons Hang Seng High Dividend Yield ETF**

Objective and investment strategy

Objective

The Sub-Fund seeks to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Hang Seng High Dividend Yield Index (the “Underlying Index”).

Strategy

The Manager intends to adopt a full replication strategy through investing all, or substantially all, of the assets of the Sub-Fund directly in substantially all securities constituting the Underlying Index in substantially the same weightings as these securities have in the Underlying Index to achieve the investment objective of the Sub-Fund (“Replication Strategy”).

Where the adoption of a Replication Strategy is not efficient or practicable or is otherwise at the Manager's absolute discretion, the Manager may pursue a Representative Sampling Strategy and hold a representative sample of the constituent securities of the Underlying Index selected by the Manager using quantitative analytical models to derive a portfolio sample. Investors should note that the Manager may switch between the Replication Strategy and the Representation Sampling Strategy without prior notice to investors, in its absolute discretion.

The Manager has no intention to invest in financial derivatives instruments (or to adopt a synthetic replication strategy) nor to engage in securities lending or repurchase transactions in respect of the Sub-Fund. Any change in the Manager's intention to enter into any of the above transactions in respect of the Sub-Fund is subject to prior approval of the SFC and not less than one month's prior notice (or such other notice period as agreed with the SFC) will be given to unitholders should there be a change in such intention.

The Sub-Fund will not invest in A-shares.

Index

The Underlying Index aims to reflect the overall performance of high-yield securities listed in Hong Kong. It comprises 50 constituents and its universe comprises all stocks and REITs that have their primary listings on the Hong Kong Exchanges and Clearing Limited (“HKEx”), excluding stocks that are secondary listings, preference shares, debt securities, mutual funds or other derivatives. Currently, foreign companies are also excluded from the universe. For this purpose, foreign companies refer to companies which are incorporated overseas (outside Hong Kong / mainland China) and have a majority of their business overseas (outside Hong Kong / mainland China).

Eligible stocks should be large-cap or mid-cap constituents from the Hang Seng Composite Index (“HSCI”). Eligible REITs should be constituents from the Hang Seng REIT Index and larger than the smallest mid-cap constituent of the HSCI in terms of the 12-month-average full market value for the past calendar year.

Eligible stocks or REITs (subject to exception as described in the Appendix) should have a minimum velocity of 0.1% (i) for at least 10 out of the past 12 months, and (ii) for the latest three months. For this purpose, “velocity” means median of daily traded shares in specific calendar month divided by free float-adjusted issued shares at month-end.

They should also have a cash dividend paid record of at least three consecutive fiscal years.

The top 25% of the eligible stocks or REITs in terms of one-year historical volatility, i.e. standard deviation of daily logarithmic return for the past 12 months to the review cut-off date,

**Mirae Asset Horizons Exchange Traded Funds Series -
Mirae Asset Horizons Hang Seng High Dividend Yield ETF**

will be excluded from constituent selection.

Stocks or REITs are ranked by net dividend yield. The top 50 stocks or REITs in terms of net dividend yield will be selected as constituents of the Hang Seng High Dividend Yield Index.

The Underlying Index is net dividend yield weighted. At each index rebalancing, the weighting for each constituent is capped at 10%.

The Underlying Index is calculated and maintained by Hang Seng Indexes Company Limited. It was launched on 10 December 2012 and has a base date of 29 June 2007. The Manager (and each of its connected persons) is independent of the index provider.

The Sub-Fund tracks the net total return index of the Underlying Index.

As at 31 December 2018, the Underlying Index had a total market capitalisation of HK\$ 9,071,166million and 50 constituents.

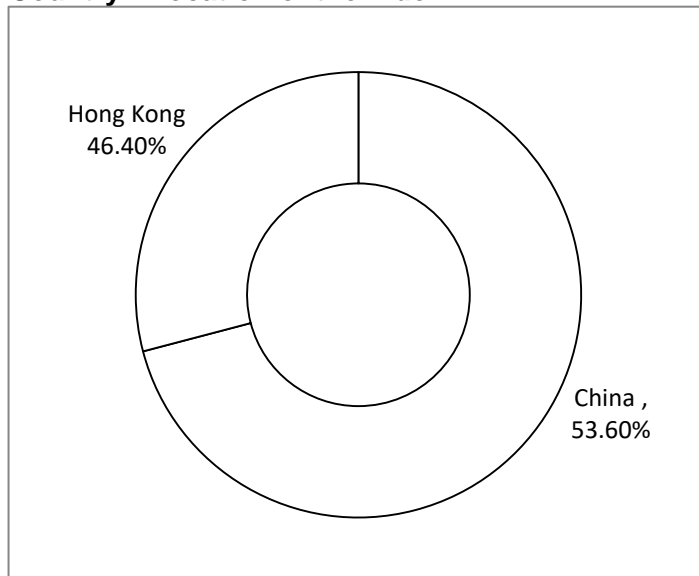
As at 31 December 2018, the 10 largest constituent stocks of the Underlying Index, as listed below, represented about 29.02% of the Underlying Index:

	Index Constituent	Weighting in Index	Exchange
1.	LENOVO GROUP	4.04%	HONG KONG STOCK EXCHANGE
2.	YUEYUEN IND	3.50%	HONG KONG STOCK EXCHANGE
3.	PCCW	3.21%	HONG KONG STOCK EXCHANGE
4.	SINOPEC CORP	2.90%	HONG KONG STOCK EXCHANGE
5.	YUEXIU REIT	2.74%	HONG KONG STOCK EXCHANGE
6.	FORTUNE REIT	2.61%	HONG KONG STOCK EXCHANGE
7.	POWER ASSETS	2.53%	HONG KONG STOCK EXCHANGE
8.	CHINA RES POWER	2.50%	HONG KONG STOCK EXCHANGE
9.	SHENZHEN INT'L	2.50%	HONG KONG STOCK EXCHANGE
10.	BANKCOMM	2.49%	HONG KONG STOCK EXCHANGE

Mirae Asset Horizons Exchange Traded Funds Series - Mirae Asset Horizons Hang Seng High Dividend Yield ETF

Below is the chart showing the weightings in the Underlying Index by country as at 31 December 2018:

Country Allocation of the Index



Details of the index methodology of the Underlying Index can be found on <http://www.hsi.com.hk>.

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 fund may suffer losses. There is no guarantee of the repayment of principal.

2. 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.

3. Dividend risk

- There is no assurance that dividends will be declared and paid in respect of the securities comprising the Hang Seng High Dividend Yield Index. Dividend payment rates in respect of such securities will depend on the performance of the companies or REITs of the constituent securities of the Hang Seng High Dividend Yield Index as well as factors beyond the control of the Manager including but not limited to, the dividend distribution policy of these companies or REITs.
- Whether or not distributions will be made by the Sub-Fund is at the discretion of the Manager taking into account various factors and its own distribution policy. There can be no assurance that the distribution yield of the Sub-Fund is the same as that of the Hang Seng High Dividend Yield Index.

4. Risks associated with the property and construction industry

- There are special risk considerations associated with investing in the securities of

**Mirae Asset Horizons Exchange Traded Funds Series -
Mirae Asset Horizons Hang Seng High Dividend Yield ETF**

companies principally engaged in the property and construction industry. These risks include without limitation: the cyclical nature of property values, risks related to global and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants and increases in interest rates.

5. Concentration risk

- The Sub-Fund is subject to concentration risk as the Underlying Index is concentrated in the property and construction sector.
- The Sub-Fund may likely be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value of the Underlying Index resulting from adverse conditions in the property and construction industry.

6. Emerging market risks

- The portfolio of the Sub-Fund contains investment in companies whose operations are primarily in the PRC and therefore is subject to emerging market risks. The Sub-Fund may therefore be subject to increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

7. Mid-capitalisation companies risk

- The Sub-Fund may contain investment in mid-capitalisation companies. The stocks of mid-capitalisation companies may have lower liquidity and their prices are typically more volatile and more vulnerable to adverse business or economic developments than those of larger capitalisation companies.

8. Passive investments

- 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 Underlying Index are expected to result in corresponding falls in the value of the Sub-Fund.

9. Trading risk

- Generally, retail investors can only buy or sell Units on the SEHK. The trading price of the Units on the SEHK is driven by market factors such as demand and supply of the Units. Therefore, the Units may trade at a substantial premium/discount to its 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.

10. 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 Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimizing tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index.

**Mirae Asset Horizons Exchange Traded Funds Series -
Mirae Asset Horizons Hang Seng High Dividend Yield ETF**

11. Termination risks

- If Hang Seng Indexes Company Limited terminates the Underlying Index or does not allow the Sub-Fund to use the Underlying Index, and there is no successor index or if its fund size falls below HK\$50,000,000 the Sub-Fund may be terminated. Investors may not be able to recover their investments and suffer a loss when the Sub-Fund is terminated.

12. Market interventions by governments and regulators

- Governments and regulators may intervene in the financial markets, such as by the imposition of trading restrictions, a ban on “naked” short selling or the suspension of short selling for certain stocks. This may affect the operation and market making activities of the Sub-Fund, and may have an unpredictable impact on the Sub-Fund.
- Furthermore, such market interventions may have a negative impact on the market sentiment which may in turn affect the performance of the Underlying Index and as a result the performance of the Sub-Fund.

13. Reliance on market maker

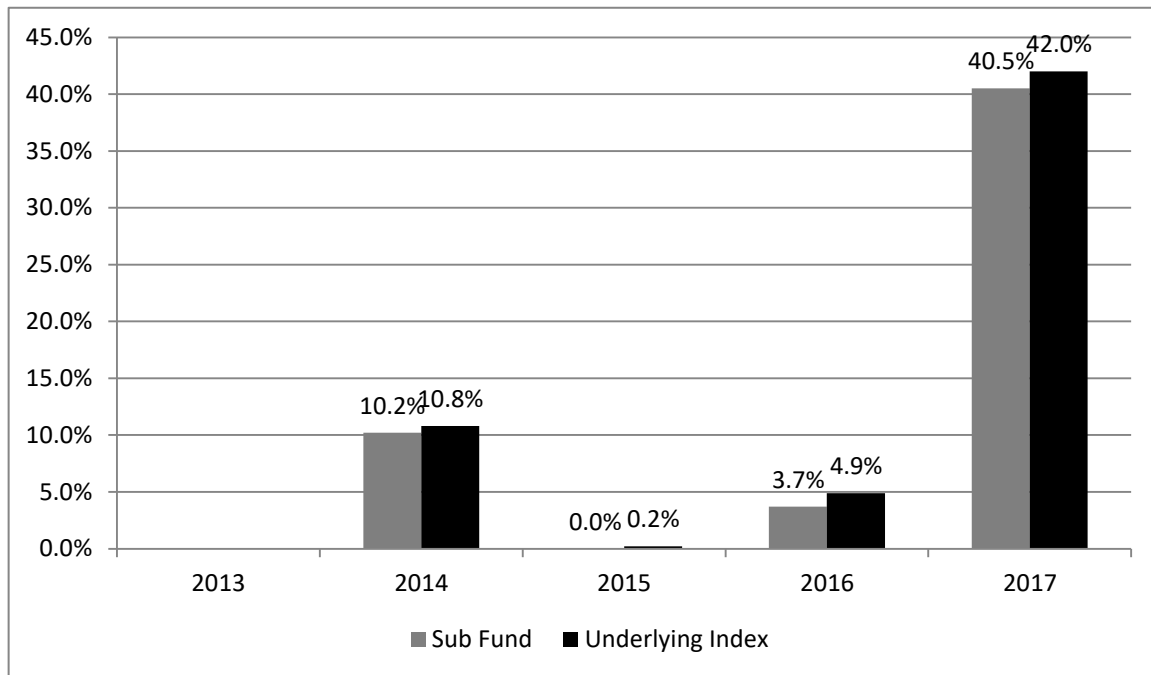
- Liquidity in the market for the Units may be adversely affected if there is no market maker for the Sub-Fund. Although the Manager will ensure that at least one market maker will maintain a market for the Units and that at least one market maker gives not less than 3 months’ notice prior to terminating market making arrangement under the relevant market maker agreement, liquidity in the market for the Units may be adversely affected if there is no or only one market maker for the Units. There is also no guarantee that any market making activity will be effective.

14. Distributions out of or effectively out of capital risk

The Manager may at its discretion pay dividends out of the capital of the Sub-Fund. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Sub-Fund are charged to/paid out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital. 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 distributions involving payment of dividends out of or effectively out of the Sub-Fund’s capital may result in an immediate reduction of the Net Asset Value per Unit.

Mirae Asset Horizons Exchange Traded Funds Series - Mirae Asset Horizons Hang Seng High Dividend Yield ETF

How has the Sub-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 is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the Sub-Fund increased or decreased in value during the calendar year shown. Performance data has been calculated in HKD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Sub-Fund launch date: 17 June 2013

Mirae Asset Horizons Exchange Traded Funds Series - Mirae Asset Horizons Hang Seng High Dividend Yield ETF

Is there any guarantee?

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

What are the fees and charges?

Charges incurred when trading the Sub-Fund on SEHK

Fee	What you pay
Brokerage fee	Market rates
Transaction levy	0.0027%
Trading fee	0.005%
Stamp duty	Nil

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 which may affect the trading price.

	Annual rate (as a % of the Sub-Fund's net asset value)
Management fee*	0.18%
Trustee fee*	Up to 0.06% p.a. (subject to a minimum fee of US\$2,500 per month)
Performance fee	Not applicable
Administration fee	Not applicable

*Please note that such a fee may be increased up to a permitted maximum amount by providing 1 month's prior notice to unitholders. Please refer to the "Fees and Charges" section of the Prospectus for details.

Other Fees

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

**Mirae Asset Horizons Exchange Traded Funds Series -
Mirae Asset Horizons Hang Seng High Dividend Yield ETF**

Additional information

You can find the following information of the Sub-Fund at the following website at <http://www.miraeasset.com.hk/en/etf/3110> (which has not been reviewed by the SFC):

- the Prospectus and this statement (as revised from time to time);
- the latest annual accounts and interim unaudited report (in English only);
- the last closing net asset value of the Sub-Fund in HKD, and last closing net asset value per unit in HKD;
- the near real time estimated net asset value per Unit updated every 15 seconds throughout each dealing day in HKD;
- compositions of dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital), if any, for the last 12 months;
- the latest list of the participating dealers and market makers;
- the composition of the Sub-Fund (updated on a daily basis);
- any notices relating to material changes to the Sub-Fund which may have an impact on its investor such as material alterations or additions to the Prospectus or the Sub-Fund's constitutive documents;
- any public announcements made by the Sub-Fund, including information with regard to the Sub-Fund and the Underlying Index, the notices of the suspension of the creation and redemption of Units, the suspension of the calculation of the net asset value, changes in fees and the suspension and resumption of trading;
- the past performance information of the Sub-Fund;
- the ongoing charges of the Sub-Fund; and
- the actual tracking difference and tracking error of the Sub-Fund.

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.