



**IMPORTANT:**

- Mirae Asset Horizons S&P 500 Daily (-1X) Inverse Product\* (\*This is a synthetic product) the ("Product")
- Investment risk  
The Product is a derivative product and not intended for all investors. There is no guarantee of the repayment of principal. Therefore your investment in the Product may suffer substantial/-total losses.
- Inverse performance risk  
The Product tracks the inverse Daily performance of the Index. Should the value of the underlying securities of the Index increase, it could have a negative effect on the performance of the Product. Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments.
- Long term holding risk  
The Product is not intended for holding longer than one day as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the inverse performance of the Index over that same period (e.g. the loss may be more than -1 times the increase in the Index).  
The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. With higher Index volatility, the deviation of the Product's performance from the inverse performance of the Index will increase, and the performance of the Product will generally be adversely affected.  
As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance falls or is flat.
- Inverse Product vs. short selling risk  
Investing in the Product is different from taking a short position. The return profile of the Product is not the same as that of a short position over a period of more than one day. In a volatile market with frequent directional swings, the performance of the Product may deviate from a short position.
- Unconventional return pattern risk  
Risk investment outcome of the Product is the opposite of conventional investment funds. If the value of the Index increases for extended periods, the Product will likely to lose most or all of its value.
- Synthetic replication and counterparty risk  
The Product seeks to obtain the required exposure through one or more Swaps with different Swap Counterparties. The Product is therefore exposed to counterparty risk and default risk of the Swap Counterparties and may suffer significant losses if a swap counterparty fails to perform its obligations. Derivative instruments are subject to valuation risk and liquidity risk and are susceptible to price fluctuations and higher volatility, which may result in large bid and offer spreads with no active secondary market. The Product may suffer losses potentially equal to the full value of the derivatives.  
Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.
- Intraday investment risk  
The leverage factor of the Product is normally reset to -1 at the end of a Business Day. As such, return for investors that invest for a period less than a full trading day may be greater than or less than the inverse investment exposure to the Index, depending upon the movement of the Index from the end of the Business Day until the time of purchase.
- Foreign exchange risk  
The Units of the Product listed on the SEHK are traded in HKD, but the Net Asset Value of the Product and the Index are calculated in USD. Accordingly, Unitholders will be exposed to foreign exchange currency risks arising from the fluctuations of HKD and USD. Unitholders may suffer a loss if USD depreciates against HKD, irrespective of the performance of the Index.

- Concentration risk  
The Product's investments are concentrated in the United States. The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments.
- Risks of investing in fixed income securities
- Credit/counterparty risk  
The Product is exposed to the credit/default risk of issuers of the debt securities that the Product may invest in.
- Interest rate risk  
Investment in the Product is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- Credit ratings risks  
Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- Passive investments risks  
The Product is not "actively managed" and therefore the Manager will not have discretion to adapt to market changes when the Index moves in an unfavourable direction to the Product. In such circumstances the Product will also decrease in value.
- Trading risks  
The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Therefore, the Units may trade at a substantial premium or discount to the 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.
- Tracking error and correlation risks  
Due to fees, expenses, transaction costs as well as costs of using financial derivatives, liquidity of the market and the investment strategy adopted by the Manager, the correlation between the performance of the Product and the Daily inverse performance of the Index may reduce. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the Daily inverse performance of the Index.
- Termination risk  
The Product may be terminated early under certain circumstances, for example, where there is no market maker, the Index is no longer available for benchmarking or if the size of the Product falls below USD10 million. Any distribution received by a Unitholder on termination of the Product may be less than the capital initially invested by the Unitholder, resulting in a loss to the Unitholder.
- Reliance on market maker risks  
Although it is a requirement that the Manager will ensure that at least one market maker will maintain a market for the Units and gives not less than 3 months' notice prior to terminating market making arrangement under the relevant market maker agreement, the Product may be required by the SFC to be terminated if there is no market maker for the Units. There is no guarantee that any market making activity will be effective.

**Investment objective and investment strategy**

**Investment objective**

The Product seeks to provide investment results that, before deduction of fees and expenses, closely correspond to the inverse (-1x) Daily performance of the S&P 500 Index (net of swap fees).

The Product does not seek to achieve its stated investment objective over a period of time greater than one day.

"Daily" in relation to the inverse performance of the Index or performance of the Product, means the inverse performance of the Index or performance of the Product (as the case may be) from the close of the relevant market of a given Business Day until the close of the relevant market on the subsequent Business Day.

**Strategy**

In seeking to achieve the Product's investment objective, the Manager will adopt a synthetic replication investment strategy, pursuant to which the Product will enter into one or more unfunded swaps whereby the Product will receive the exposure to the economic gain/loss in the Inverse performance of the index (net of swap fees) on a daily basis to achieve the investment objective of the Product.

The swap fees represent a variable spread (which can be positive or negative) plus LIBOR which reflects the Swap Counterparty's costs of financing the underlying hedge in order to provide the inverse performance of the Index. If the swap fee is a positive figure, the swap fees will be borne by the investors and may have a substantial adverse impact on the Net Asset Value and the performance of the Product and may result in higher tracking error. On the contrary, if the swap fee is a negative figure, the Swap Counterparty will pay the swap fee to the Product.



As of 29 June 2018

# Mirae Asset Horizons S&P 500 Daily (-1X) Inverse Product\*

(\*This is a synthetic product)

(Stock Code: 7322)

## Quick facts

Stock code:	7322
Trade lot size:	100 units
Product inception date:	5 October 2016
Listing date on the HKEx:	11 October 2016
Total NAV:	USD4,911,371.64
NAV per unit:	USD1.51
Manager:	Mirae Asset Global Investments (Hong Kong) Limited
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Ongoing charges over a year*:	1.68%(0.00672%)
(annual average daily ongoing charges**)	
Underlying Index:	S&P 500 Price Return Index *
Base currency:	US dollars
Trading currency:	Hong Kong dollars
Dividend policy:	The manager does not intend to pay or make any distributions or dividends
Financial year end of the Product:	31 March
Product website** :	www.miraeasset.com.hk/li

\* The ongoing charges figure is an annualized figure based on expenses reported in the Product's interim financial report for the period ended 30 September 2017. It represents the ongoing expenses chargeable to the Product as a percentage of the average Net Asset Value of the Product over the same period. The figure may vary from year to year. It does not include the swap fees. The ongoing charges figure has been capped at a maximum of 1.68% of the average Net Asset Value of the Product since launch. Any ongoing expenses of the Product will be borne by the Manager and will not be charged to the Product if such expense would result in the ongoing charges figure exceeding 1.68%. An increase or removal of the cap is subject to prior approval of the SFC and one month's prior written notice to Unitholders.

\*\* The annual average daily ongoing charges figure is equal to the ongoing charges figure divided by the number of dealing days for the year ended 31 March 2018. The figure may vary from year to year.

\* Index returns are for illustrative purposes only and should not be taken as an indication or guarantee of future performance. Management fees, transaction costs or other expenses are not reflected in index returns. Change indicates the change since the previous business day's closing index level. (Source: Standard & Poor's).

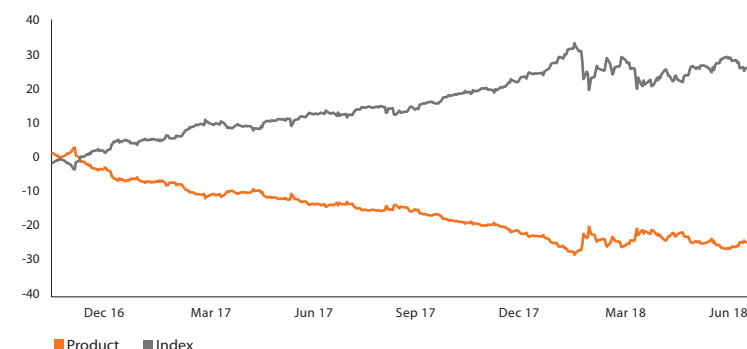
\*\* The contents of this document is prepared and maintained by the Manager and has not been reviewed by the SFC.

## Holdings

Holdings	Weighting
Cash and Cash Equivalents (HKD)	79.25%
Deposit (HKD)	20.75%

## Product performance

Cumulative performance (%)



Returns (%)	1 Mth	3 Mths	6 Mths	YTD	1 Yr	2017	Since Inception
Product	-0.6	-3.2	-2.7	-2.7	-12.9	-17.7	-24.4
Index	0.5	2.9	1.7	1.7	-12.2	19.4	25.9

Source: Mirae Asset Global Investments (Hong Kong) Limited, data as of 29 June 2018. All performance numbers of the Product are net of fees, NAV to NAV, in USD without dividends reinvested.

Index: S&P 500 Index (Price Return).

All information is as of 29 June 2018 unless otherwise specified.

## Fees payable by retail investors when trading the Product on the HKEx

Brokerage fee	Market rates
Transaction levy	0.0027% <sup>1</sup>
Trading fee	0.005% <sup>2</sup>
Stamp duty	Nil

<sup>1</sup> Transaction levy of 0.0027% of the trading price of the Units, payable by each of the buyer and the seller.

<sup>2</sup> Trading fee of 0.005% of the trading price of the Units, payable by each of the buyer and the seller.

## Ongoing fees payable by the Product

% of NAV

The following expenses will be paid out of the Product. They affect you because they reduce NAV which may affect the trading price.

Management fee*	0.85%
Trustee fee*	0.12%
(subject to a monthly minimum of USD10,000, waived until September 2018)	

\* 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 Expenses" section of the Prospectus for details.

## Disclaimer:

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The Product or securities referred to herein are not sponsored, endorsed, or promoted by Standard & Poor's ("S&P"), and S&P bears no liability with respect to any such products or securities or any index on which such products or securities are based. The Product's prospectus contains a more detailed description of the limited relationship S&P has with Mirae Asset HK and any related products.

Investors should note that the Product differs from a typical retail fund as units of the Product may only be created and realized by participating dealers in large unit sizes. This website is prepared and maintained by Mirae Asset HK and has not been reviewed by the Securities and Futures Commission of Hong Kong.

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