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## **SSIF DCE Iron Ore Futures Index ETF**

Stock Codes: 09047 (USD counter) and 03047 (HKD counter)  
(the “**Sub-Fund**”)

*(a sub-fund of SSIF ETF I (the “**Trust**”), an umbrella unit trust established under Hong Kong law, authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong)*

### **Announcement**

#### **Update of the Investment Strategy of the Sub-Fund about the Use of Financial Derivative Instruments and other General Updates**

Shanxi Securities International Asset Management Limited, the manager of the Trust and the Sub-Fund (the “**Manager**”), wishes to inform Unitholders of the following changes which will come into effect on 28 July 2023 (the “**Effective Date**”): (i) update to the investment strategy of the Sub-Fund about the use of financial derivative instruments; and (ii) other general updates.

Investors should exercise caution in dealing with the Units of the Sub-Fund.

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 March 2021 as amended by the addenda dated 28 April 2022 and 26 April 2023 (collectively, the “**Prospectus**”).

#### **A. Update to the investment strategy of the Sub-Fund about the use of financial derivative instruments**

Currently, other than DCE Iron Ore Futures Contracts (“**Futures Contracts**”), 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. As the base currency of the Sub-Fund’s Underlying Index is in RMB whilst the base currency of the Sub-Fund is in USD,

fluctuations in the exchange rate between RMB and USD and also the volatility of Futures Contracts have led to a wider than expected tracking difference of the Sub-Fund against its Underlying Index. Since the Futures Contracts are traded in RMB, the daily mark-to-market adjustments of the Futures Contracts may result in RMB balance in the margin account and the settlement account which is also subject to RMB / USD exchange rate fluctuations. In order to minimise the tracking difference, the Manager has decided to hedge the exchange rate fluctuation with financial derivative instruments and accordingly change the investment strategy of the Sub-Fund as described below.

From the Effective Date, the investment strategy of the Sub-Fund will be updated (the “**Change**”) as follows:

*“Other than DCE Iron Ore Futures Contracts, the Sub-Fund may use financial derivative instruments (“FDI”) for hedging purposes. ~~Other than DCE Iron Ore Futures Contracts, 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. 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.~~”*

Apart from the Change, the existing investment objective and the core investment strategy of the Sub-Fund will continue to apply. The net derivative exposure of the Sub-Fund remains to be more than 50% but up to 100% of the Sub-Fund’s net asset value.

The tracking difference for calendar year 2022 was -7.93% and the rolling 1-year tracking difference as of 31 May 2023 was -2.86%. The Manager will continue to monitor the tracking difference of the Sub-Fund which will be updated on <http://am.ssif.com.hk> (this website has not been reviewed by the Commission) periodically. The Manager will also keep monitoring market conditions on an ongoing basis with a view of achieving a smaller tracking difference.

As a result of the Change, the following risks will be included as a key risk in the Product Key Facts Statement of the Sub-Fund (“**KFS**”):

#### Derivative instrument risk

Risks associated with FDI include counterparty / credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element / component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDI may lead to a high risk of significant loss by the Sub-Fund.

#### Hedging risk

The Manager is permitted, but not obliged, to use hedging techniques such as using futures, options and/or forward contracts to attempt to offset market and currency risks. There is no guarantee that hedging techniques will fully and effectively achieve their desired result and hedging may become inefficient or ineffective. This may have adverse impact on the Sub-Fund, including its NAV, tracking difference and tracking error, and its investors.

The Change will not result in any material prejudice to the Unitholders’ right or interests. The management fee of the Sub-Fund will also remain the same.

### **B. General updates**

In addition, the Prospectus and the KFS will be updated to reflect other miscellaneous updates and enhancement of risk disclosures applicable to the Sub-Fund.

### **C. Additional information**

The revised Prospectus and KFS will be published on the Manager’s website at <http://am.ssif.com.hk> (this website has not been reviewed by the Commission) and HKEX’s website at [www.hkex.com.hk](http://www.hkex.com.hk) on or around the Effective Date, and will also be available for inspection free of charge at any time

during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Manager.

Investors may also obtain information on the annual tracking difference and tracking error of the Sub-Fund from <http://am.ssif.com.hk> (this website has not been reviewed by the Commission).

Investors who have any enquiries regarding the above may contact the Manager during office hours. The contact details of the Manager are as follows:

Telephone: (852) 2501 1001

Address: Unit A, 29/F, Tower 1, Admiralty Center 18 Harcourt Road, Admiralty, Hong Kong

**Shanxi Securities International Asset Management Limited  
as Manager of the Trust and the Sub-Fund**

27 June 2023