



Warning and Requirements for Investing in Leveraged/Inverse ETFs

- **Leveraged ETF:** A fund that aims to provide a daily return as a multiple of its benchmark index's movement. For example, a 2X fund aims for a return of two times the change in the benchmark index.
- **Inverse ETF:** A fund that aims to provide a daily return in the opposite direction of its benchmark index. For example, a -1X fund aims for approximately a 1% increase if the index drops by 1%. A -2X fund aims for approximately a 2% increase if the index drops by 1%.

Warning: L&I ETFs are designed for short-term investment. They aim to provide returns proportional to the benchmark index on a **daily reset** basis. The returns are calculated using a **compounding effect**, which means holding the fund for more than one day may cause the returns to deviate from the intended proportion of the index's change, especially in volatile market. Additionally, management fees and other related expenses may cause the fund's returns to differ from the index's changes.

Additional information about Leveraged & Inverse ETFs as follows:

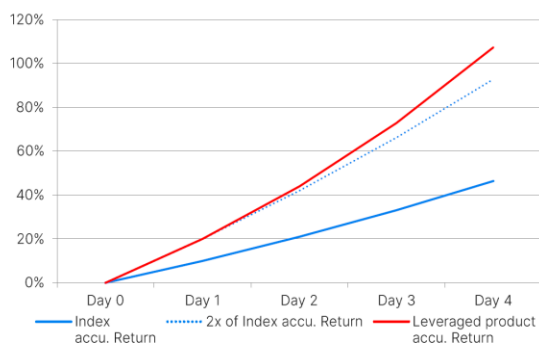
Example 1: Continuous Upward Trend

Assume the benchmark index increases by 10% daily for 4 consecutive trading days.

- If held for more than one trading day, the cumulative return of a 2X leveraged ETF will be **better than two times** the cumulative return of the benchmark index.
- The table and graph show that the benchmark index increased by 46% over 4 days, while the 2X leveraged fund provided a cumulative return of 107%. **This return is more than twice the simple calculated return of the benchmark index.**

Scenario 1: Continuous upward trend

Assume the index grows by 10% daily for 4 trading days



	Index level	Index cumulative return	Daily 2X product	Cumulative performance	
				Leveraged product	2X of Index
Day 0	100.0	0%	100.0	0%	0%
Day 1	110.0	10%	120.0	20%	20%
Day 2	121.0	21%	144.0	44%	42%
Day 3	133.1	33%	172.8	73%	66%
Day 4	146.4	46%	207.4	107%	93%

2X leveraged ETF's performance is **better** than two times the benchmark's cumulative performance in general when held for periods longer than one trading day

- Zero management fee and tracking error are assumed.

Source : Nasdaq

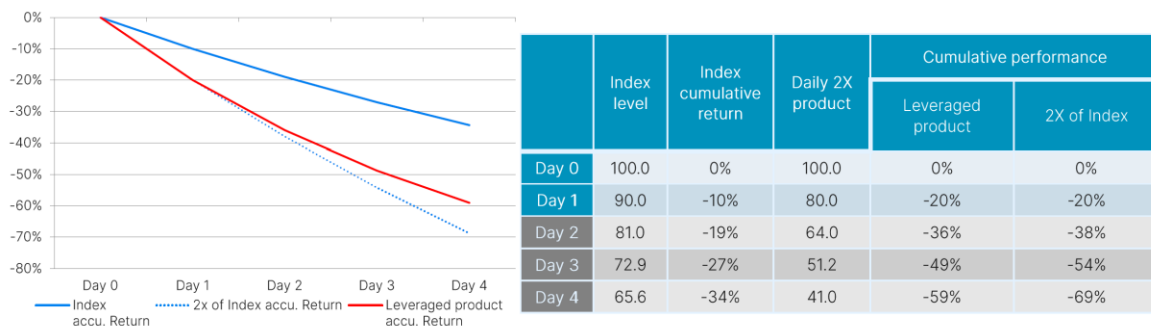
Example 2: Continuous Downward Trend

Assume the benchmark index decreases by 10% daily for 4 consecutive trading days.

- If held for more than one trading day, the cumulative return of a 2X leveraged fund will decrease by less than two times the cumulative return of the benchmark index.
- The table and graph show that the benchmark index decreased by 34% over 4 days, while the 2X leveraged fund had a cumulative loss of 59%. This loss is less than twice the simple calculated return of the benchmark index.

Scenario 2: Continuous downward trend

Assume the index falls by 10% daily for 4 trading days



2X leveraged ETF's performance is better than two times the benchmark's cumulative performance in general when held for periods longer than one trading day

- Zero management fee and tracking error are assumed.

Source : Nasdaq

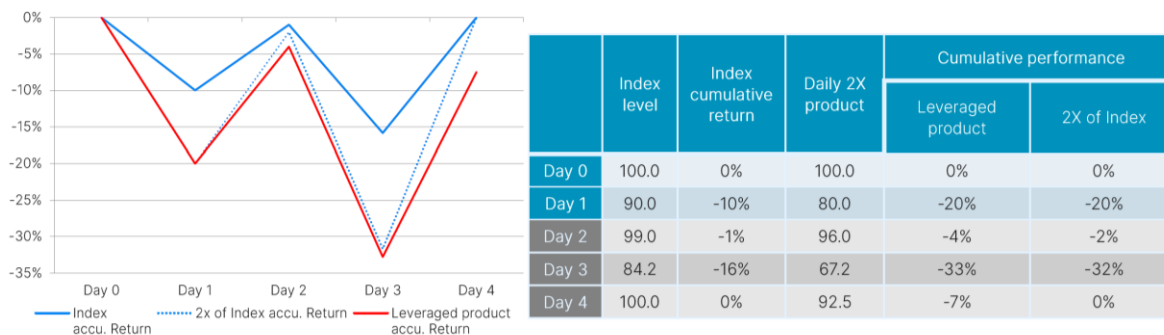
Example 3: Sideways Trend (Volatile Market)

Assume the benchmark index fluctuates within a narrow range, close to its original price.

- If held for more than one trading day, the cumulative return of a 2X leveraged fund will decrease to a level worse than the cumulative return of the benchmark index.
- The table and graph show that over 4 days, the benchmark index fluctuated back to its starting point, while the 2X leveraged fund had a cumulative loss of 7%. This loss is greater than two times the simple calculated return of the benchmark index.

Scenario 3: Volatile market

Assume the index has returned to its previous level in a volatile market



2X leveraged ETF's performance is worse than two times the benchmark's cumulative performance in general when held for periods longer than one trading day

- Zero management fee and tracking error are assumed.

Source : Nasdaq

The risk level of L&I ETFs is 8 (Very High Risk). This product is only suitable for investors with a risk tolerance level of 5. Please ensure you fully understand the risks before continuing. This product is not suitable for investors who want to invest for the long term (buy & hold) or those who cannot monitor their investments regularly.

Please ensure that you fully understand the nature of the product, as well as the conditions of returns and the associated risks, before making any investment decision.