



Exchange Traded Products (ETPs) Disclosure

交易所交易產品 (ETPs) 聲明

Exchange Traded Products (“ETPs”) are types of securities that derive their value from a basket of securities such as stocks, bonds, commodities or indices, and trade intra-day on a national securities exchange. Generally, ETPs take the form of Exchange-Traded Funds (“ETFs”) or Exchange-Traded Notes (“ETNs”). Both ETFs and ETNs have risks that all investors should consider before they make their investment decision.

Investors should consider an ETP’s investment objective, risks, charges, and expenses carefully before investing. Investors are encouraged to thoroughly review each ETP’s prospectus and other official filing statements before making an investment decision. These documents can generally be found at the sponsoring financial institution's website or with the appropriate regulatory agency.

交易所交易產品 (“ETP”) 是從一攬子證券 (如股票、債券、商品或指數) 中獲取價值並在國家證券交易所進行日內交易的證券類型。通常，ETP 採用交易所交易基金 (“ETF”) 或交易所交易票據 (“ETN”) 的形式。ETF 和 ETN 都有所有投資者在做出投資決定之前應考慮的風險。

投資者在投資前應仔細考慮 ETP 的投資目標、風險、收費和開支。鼓勵投資者在做出投資決定之前徹底審查每個 ETP 的招股說明書和其他官方備案聲明。這些文件通常可以在贊助金融機構的網站上找到，也可以在相應的監管機構處找到。

Important information to know about ETFs

ETFs are subject to market risk, including the possible loss of principal. The value of the portfolio will fluctuate with the value of the underlying securities. ETFs trade like a stock, and there will be brokerage commissions associated with buying and selling exchange traded funds unless trading occurs in a fee-based account. ETFs may trade for less than their net asset value.

ETFs may have underlying investment strategy risks similar to investing in commodities, bonds, real estate, international markets or currencies, emerging growth companies, or specific sectors.

All ETFs have a sponsor, or a financial institution which created and administers the ETF. ETFs may have counterparty risk in situations where the sponsor becomes insolvent. In addition, the ETF may be involved with swap transactions with multiple financial institutions, thus, subjecting the ETF owners to 3rd party risk.

有關 ETF 的重要信息

ETF 面臨市場風險，包括可能損失本金。投資組合的價值將隨著標的證券的價值而波動。ETF 像股票一樣交易，買賣交易所交易基金會產生經紀佣金，除非交易發生在收費賬戶中。ETF 的交易價格可能低於其資產淨值。

ETF 可能具有類似於投資商品、債券、房地產、國際市場或貨幣、新興成長型公司或特定行業的潛在投資策略風險。

所有 ETF 都有發起人或創建和管理 ETF 的金融機構。在發起人資不抵債的情況下，ETF 可能存在交易對手風險。此外，ETF 可能涉及與多家金融機構的掉期交易，從而使 ETF 持有人面臨第 3 方風險。

Important information to know about ETNs

ETNs are not the same as ETFs. ETNs have characteristics and risks which are different from ETFs. ETNs are senior unsecured promissory obligations, typically issued by a bank or another financial institution; however, ETNs are not categorized as typical fixed income products. ETN holders are directly exposed to the issuer's credit or default risk. If the issuer defaults, an ETN's investors may receive only pennies on the dollar or nothing at all, and investors should remember that credit risk can change quickly.

有關 ETN 的重要信息

ETN 與 ETF 不同。ETN 具有不同於 ETF 的特徵和風險。ETN 是高級無擔保承兌義務，通常由銀行或其他金融機構發行；但是，ETN 不屬於典型的固定收益產品。ETN 持有人直接面臨發行人的信用或違約風險。如果發行人違約，ETN 的投資者可能只收到幾美分或一無所獲，投資者應記住，信用風險可能會迅速變化。

The Difference between an ETF and an ETN

An ETF is a basket of securities such as stocks, bonds, or commodities. It's similar in many ways to a mutual fund, but it trades on an exchange like a stock. An important characteristic of ETFs and mutual funds is that they're legally separate from the company that manages them. ETFs are structured as "investment companies" where the assets of the fund are held separately from the parent company behind the ETF.

ETNs are unsecured, unsubordinated debt obligations of the company that issues them and have no principal protection. ETNs are complex products subject to significant risks and may not be suitable for all investors. Although an ETN's performance is contractually tied to the market index it is designed to track, ETNs do not hold any assets. Therefore, unlike investors in ETFs, which hold assets that could be

liquidated in the event of a failure of the ETF issuer, ETN investors would only have an unsecured claim for payment against the ETN issuer in the event of the issuer's failure.

ETF和ETN的區別

ETF 是一籃子證券，例如股票、債券或商品。它在很多方面與共同基金相似，但它像股票一樣在交易所交易。ETF 和共同基金的一個重要特徵是它們在法律上與管理它們的公司分開。ETF 的結構為“投資公司”，其中基金資產與 ETF 背後的母公司分開持有。

ETN 是發行它們的公司的無擔保、非次級債務，沒有本金保護。ETN 是具有重大風險的複雜產品，可能並不適合所有投資者。儘管 ETN 的業績在合同上與其旨在追蹤的市場指數掛鉤，但 ETN 不持有任何資產。因此，與 ETF 投資者持有的資產在 ETF 發行人倒閉時可能被清算不同，ETN 投資者在發行人倒閉時只能對 ETN 發行人提出無擔保的付款要求。

Risks Associated with ETNs

Before investing, please carefully consider the credit worthiness of the ETN issuer and the ETNs investment objectives, risks, fees, and charges.

- **Liquidity Risk**
The trading activity of ETNs varies widely. For ETNs with very low trading volume, bid-ask spreads can be exceptionally wide, which may impact pricing you receive when buying or selling shares.
- **Issuance Risk (aka Volatile Premiums)**
Unlike ETFs where the supply of shares outstanding fluctuates in response to investor demand, the supply of ETNs is controlled entirely by their issuers. This can include risks of the issuer halting the issue of new shares, or issuing new shares, which may affect supply and demand.
- **Fund Closure Risk**
Although an issuer may call the note through a process called an “accelerated redemption” by returning the value of the note less fees, issuers may also delist the note from national exchanges and suspend new issuance. When this happens, ETN investors can either hold the note until it matures, which could be up to 40 years away, or trade the ETN in the over-the-counter (“OTC”) market where spreads can be even wider than on national exchanges.

與 ETN 相關的風險

在投資之前，請仔細考慮 ETN 發行人的信譽以及 ETN 的投資目標、風險、費用和收費。

- 流動風險

ETN 的交易活動差異很大。對於交易量非常低的 ETN，買賣價差可能非常大，這可能會影響您在買賣股票時收到的價格。

- **發行風險 (又名波動溢價)**
與 ETF 的流通股供應隨投資者需求而波動不同，ETN 的供應完全由其發行人控制。這可能包括發行人停止發行新股或發行新股的風險，這可能會影響供求關係。
- **基金關閉風險**
儘管發行人可以通過一種稱為“加速贖回”的流程通過返還票據價值減去費用來贖回票據，但發行人也可以將票據從國家交易所退市並暫停新發行。發生這種情況時，ETN 投資者可以持有該票據直至其到期 (可能長達 40 年)，或者在場外交易 (“OTC”) 市場交易 ETN，該市場的價差甚至可能比國內市場更大。

Non-Traditional Exchange-Traded Products

Non-traditional ETPs employ sophisticated financial strategies and instruments, such as leverage, futures, and derivatives, in pursuit of their investment objectives. Leveraged and inverse ETPs are considered risky. The use of leverage and inverse strategies by a fund increases the risk to the fund and magnifies gains or losses on the investment. You could incur significant losses even if the long-term performance of the underlying index showed a gain. Typically, these products have one-day investment objectives, and investors should monitor such funds on a daily basis. Non-traditional ETPs are generally categorized as leveraged, inverse, or leveraged-inverse.

- **Leveraged ETPs**
Leveraged ETPs use financial derivatives and debt to multiply the returns of an underlying index, commodity, currency, or basket of assets. Leveraged ETPs may include the terms "double," "ultra," "triple," or similar language in their security name/description. Leveraged ETPs are designed to achieve their investment objective daily and are not designed to, and will not necessarily, track the underlying index or benchmark over a longer period of time.

ETPs that offer leverage or that are designed to perform inversely to the index or benchmark they track are growing in number and popularity. While such products may be useful in some sophisticated trading strategies, they are highly complex financial instruments that are typically designed to achieve their stated objectives daily. Due to the effects of compounding, their performance over longer periods of time can differ significantly from their stated daily objective. ETPs that are reset daily may not be suitable for investors who plan to hold them for longer than one trading session, particularly in volatile markets.
- **Inverse ETPs**
Inverse ETPs use various derivatives to seek to profit from the decline in the value of an underlying index, commodity, currency, or basket of assets; used typically to hedge exposure to downward markets. Inverse ETPs may include the term "contra," "short," or similar language in their security name/description.

Like traditional ETPs, some inverse ETPs track broad indices, some are sector-specific, and still others are linked to commodities or currencies. Inverse ETPs are often marketed as a way for investors to profit from, or at least hedge their exposure to, downward-moving markets. Some funds are both short and leveraged, meaning that they seek to achieve a return that is a multiple of the inverse performance of the underlying index. An inverse ETF that tracks the S&P 500, for example, seeks to deliver the inverse of the performance of the S&P 500, while a 2x leveraged inverse S&P 500 ETF seeks to deliver twice the opposite of that index's performance. To accomplish their objectives, leveraged and inverse ETFs pursue a range of investment strategies.

- **Volatility ETPs**

Volatility linked ETPs pose special risks tied to market volatility that can significantly impact the pricing of the product and your ability to trade them during times of extreme market volatility.

非傳統交易所交易產品

非傳統 ETP 採用複雜的金融策略和工具，例如槓桿、期貨和衍生品，以實現其投資目標。槓桿和反向 ETP 被認為是有風險的。基金使用槓桿和反向策略會增加基金的風險並放大投資收益或損失。即使標的指數的長期表現有所上漲，您也可能蒙受重大損失。通常，這些產品有一日投資目標，投資者應每天監控此類資金。非傳統 ETP 通常分為槓桿、反向或反向槓桿。

- **槓桿ETP**

槓桿 ETP 使用金融衍生品和債務來增加基礎指數、商品、貨幣或一攬子資產的回報。槓桿 ETP 可能在其證券名稱/描述中包含術語“雙重”、“超級”、“三重”或類似語言。槓桿 ETP 旨在每天實現其投資目標，並非旨在且不一定會在較長時間內跟踪標的指數或基準。

提供槓桿作用或旨在與其追踪的指數或基準相反表現的 ETP 的數量和受歡迎程度都在增長。雖然此類產品可能在某些複雜的交易策略中 useful，但它們是高度複雜的金融工具，通常旨在每天實現其既定目標。由於復利的影響，他們在較長時間內的表現可能與他們規定的日常目標有很大差異。每天重置的 ETP 可能不適合計劃持有它們超過一個交易日的投資者，尤其是在波動的市場中。

- **反向ETP**

反向 ETP 使用各種衍生品尋求從基礎指數、商品、貨幣或一攬子資產的價值下跌中獲利；通常用於對沖下行市場的風險。反向 ETP 可能在其證券名稱/描述中包含術語“contra”、“short”或類似語言。

與傳統 ETP 一樣，一些反向 ETP 跟踪廣泛的指數，一些是特定行業的，還有一些與商品或貨幣掛鉤。反向 ETP 通常作為投資者從下行市場中獲利或至少對沖其敞口的一種方式進行營銷。一些基金既是空頭又是槓桿基金，這意味著它們尋求獲得的回報是基礎指數的反向表現的倍數。例如，追踪標準普爾 500 指數的反向 ETF 尋求提供與標準普爾 500 指數相反的表現，而 2 倍槓桿反向標準普爾 500 ETF 則尋求提供與該指數相反兩倍的表現。為實現其目標，槓桿和反向 ETF 採取了一系列投資策略。

- 波動率ETP

與波動率掛鉤的 ETP 會帶來與市場波動相關的特殊風險，這些風險可能會顯著影響產品的定價以及您在市場極端波動時期進行交易的能力。

Effects of Leverage and Compounding

Most leveraged and inverse ETPs "reset" daily, meaning that they are designed to achieve their stated objectives on a daily basis. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time.

Examples of the impact on these products in trading markets can be found at the following website: <https://www.finra.org/investors/insights/lowdown-leveraged-and-inverse-exchange-traded-products>.

Investors who choose to invest in non-traditional ETPs should be aware of the following risks:

- Non-traditional ETPs are complex products that have the potential for significant loss of principal and are not appropriate for all investors. Investors should consider their financial ability to afford the potential for a significant loss.
- Non-traditional ETPs seek investment results for a single day only. The effect of compounding and market volatility could have a significant impact upon the investment returns. Investors may lose a significant amount of principal rapidly in these securities.
- Non-traditional ETPs may be volatile under certain market conditions. Investors holding non-traditional ETPs over longer periods of time should monitor those positions closely due to the risk of volatility.
- Non-traditional ETPs are focused on daily investment returns, and their performance over longer periods of time can differ significantly from their stated daily objective. Investors may incur a significant loss even if the index shows a gain over the long term.
- Non-traditional ETPs use a variety of derivative products in order to seek their performance objectives. The use of leverage in ETPs can magnify any price movements, resulting in high volatility and potentially significant loss of principal.

- Non-traditional ETPs may suffer losses even though the benchmark currency, commodity, or index has increased in value. Investment returns of non-traditional ETPs may not correlate to price movements in the benchmark currency, commodity, or index the ETP seeks to track.
- Some non-traditional ETPs may have a low trading volume, which could impact an investor's ability to sell shares quickly.
- Non-traditional ETPs may be less tax efficient than other ETPs. As with any potential investment, an investor should consult with his or her tax advisor and carefully read the prospectus to understand the tax consequences of non-traditional ETPs.

槓桿和復利的影響

大多數槓桿和反向 ETP 每天“重置”，這意味著它們旨在每天實現其既定目標。由於復利的影響，它們在較長時期內的表現可能與其基礎指數或基準在同一時期的表現（或表現的倒數）有很大差異。

可以在以下網站找到這些產品在交易市場上的影響示例：

<https://www.finra.org/investors/insights/lowdown-leveraged-and-inverse-exchange-traded-products>

選擇投資於非傳統ETP的投資者應注意以下風險：

- 非傳統ETP 是複雜的產品，有可能造成本金的重大損失，並不適合所有投資者。投資者應考慮其承受重大損失的財務能力。
- 非傳統ETP 只尋求一天的投資結果。複利和市場波動的影響可能對投資回報產生重大影響。投資者可能會在這些證券中迅速損失大量本金。
- 非傳統ETP 在某些市場條件下可能會波動。由於存在波動風險，長期持有非傳統 ETP 的投資者應密切監控這些頭寸。
- 非傳統ETP 專注於每日投資回報，它們在較長時期內的表現可能與其規定的每日目標有很大差異。即使指數顯示長期收益，投資者也可能蒙受重大損失。
- 非傳統ETP 使用各種衍生產品以尋求其業績目標。在 ETP 中使用槓桿可以放大任何價格變動，導致高波動性和潛在的重大本金損失。
- 即使基準貨幣、商品或指數升值，非傳統ETP 也可能遭受損失。非傳統 ETP 的投資回報可能與 ETP 尋求追蹤的基準貨幣、商品或指數的價格走勢無關。
- 一些非傳統ETP 的交易量可能較低，這可能會影響投資者快速賣出股票的能力。

- 非傳統ETP 的稅收效率可能低於其他ETP。與任何潛在投資一樣，投資者應諮詢其稅務顧問並仔細閱讀招股說明書，以了解非傳統 ETP 的稅務後果。

Summary 總結

This disclosure is intended to summarize some of the risks associated with trading in certain ETPs. The specific risks associated with a particular ETP are detailed in the fund's prospectus. Investors should refer to the ETP's prospectus to obtain a complete discussion of the risks involved in that ETP before investing.

本聲明旨在總結與某些 ETP 交易相關的一些風險。與特定 ETP 相關的特定風險在基金的招股說明書中有詳細說明。投資者在投資前應參閱 ETP 的招股說明書，以獲得對該 ETP 所涉及風險的完整討論。

Other Resources 其他資源

- FINRA Non-Traditional ETFs FAQ
<https://www.finra.org/rules-guidance/key-topics/etf/non-traditional-etf-faq>
- SEC Investor Bulletin Exchange-Traded Funds (ETFs)
<https://www.sec.gov/investor/alerts/etfs.pdf>
- SEC Fast Answers, Exchange-Traded Funds
<https://www.investor.gov/introduction-investing/investing-basics/glossary/exchange-traded-fund-etf>
<http://sec.gov/investor/pubs/leveragedetfs-alert.htm>
<https://www.finra.org/rules-guidance/notices/09-31>