

SAMSUNG ASSET MANAGEMENT

2021 PROFILE BOOK

CONTENTS

Introduction

- 02 Financial Highlights
- 04 Message from the CEO
- 08 Vision
- 09 Investment Philosophy
- 10 Samsung Asset Management's ESG Investment

Business Overview

- 16 ETF Consulting/ETF Management/Quant Investment
- 20 Multi-Asset Investment
- 22 Investment Research Center
- 24 Liability-Driven Investment
- 26 Alternative Investment
- 30 Fixed-Income Investment
- 32 WM Marketing
- 34 Fund Solution
- 36 Investment Pool
- 38 Industrial Accident Compensation Insurance Fund
- 40 OCIO (Outsourced Chief Investment Officer)

- 42 Samsung Active Asset Management
- 45 Overseas Subsidiaries (Hong Kong, New York, London, Beijing)

Stay Ahead Together

- 50 Risk Management
- 52 Compliance/Legal
- 54 Ethical Management
- 55 Reporting on Unethical Practices
- 56 Social Contribution

Financial Section

- 58 Independent Auditor's Report
- 60 Consolidated Statements of Financial Position
- 61 Consolidated Statements of Comprehensive Income
- 62 Consolidated Statements of Changes in Equity
- 64 Consolidated Statements of Cash Flows
- 66 History

SAMSUNG ASSET MANAGEMENT

Samsung Asset Management leading the way in Korea's capital market.

Samsung Asset Management opened an era of KRW 100 trillion in assets under management in 2011. Since then, we continued to drive change and innovation, and increased our AUM to KRW 275 trillion, the largest in the country, as of the end of 2020. We now stand as Korea's foremost asset manager in terms of AUM, product development, disciplined investment processes and risk management. We have the best talent in the industry who focus their core capabilities to serve our clients' diverse and evolving needs.

Financial Highlights

Samsung Asset Management became the first in the country to surpass KRW 100 trillion in AUM in 2011. As of December of 2020, Samsung Asset Management is the front-running asset management company in Korea, with an unrivaled KRW 275 trillion in AUM.

Our business continues to grow, recording a total asset of KRW 1,021.3 billion, operating revenue of KRW 281.4 billion, income before tax of KRW 104.4 billion, and net income of KRW 76.5 billion for the 2020 financial year.

(unit: KRW million)

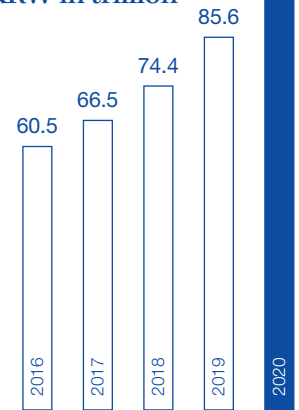
	FY2020	FY2019
Operating revenue	281,362	249,951
Operating expenses	177,485	161,453
Operating profit	103,877	88,498
Income before tax	104,415	86,969
Corporate tax	27,917	21,425
Net income	76,498	65,544
Cash and cash equivalents	92,110	60,271
Other assets	929,239	1,077,276
Total assets	1,021,349	1,137,547
Customer deposits for beneficiaries	19,677	117,742
Other liabilities	430,184	520,481
Total liabilities	449,861	638,223
Total shareholder's equity	571,489	499,324

AUM (unit: KRW trillion)

275.2
KRW in trillion

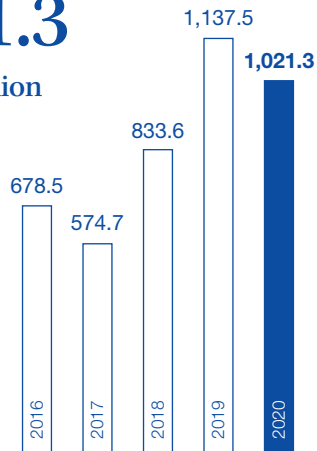
Fund sales (unit: KRW trillion)

95.2 KRW in trillion



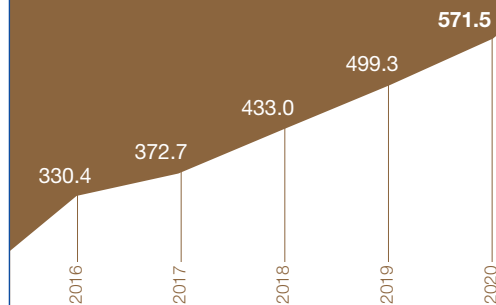
Total assets (unit: KRW billion)

1,021.3
KRW in billion



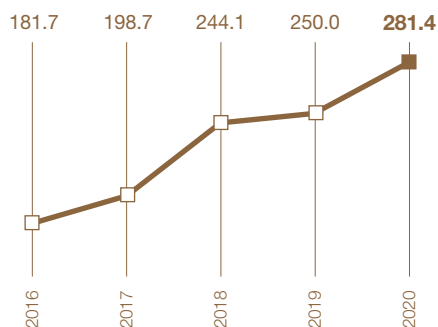
Total shareholder's equity (unit: KRW billion)

571.5 KRW in billion



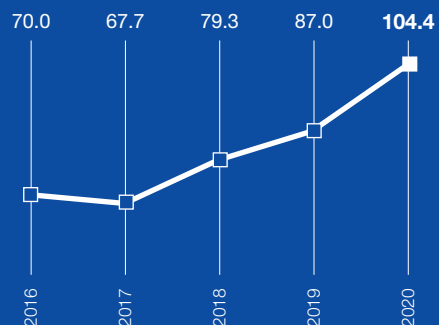
Operating revenue (unit: KRW billion)

281.4 KRW in billion



Income before tax (unit: KRW billion)

104.4 KRW in billion





Message from the CEO

We will further solidify our position as the leading asset management company in Korea, while developing into a global financial player.

**Dear valued customers,
This is Jongkeug Shim, CEO of Samsung Asset Management.**

I would like to express my deepest gratitude for your continued trust and support in Samsung Asset Management during the past year.

The first half of 2020 was fraught with difficulties, with global financial markets experiencing sharp downturns due to the unexpected Covid-19 pandemic. Fortunately, market stability was restored in the second half as governments adopted extensive fiscal policies.

Despite highly volatile market conditions, Samsung Asset Management has delivered record performances, reporting revenues of KRW 281.4 billion and pre-tax income of KRW 104.4 billion in our consolidated financial statements and solidifying our position as the leading asset management company in Korea. Our AUM is nearing KRW 300 trillion, and the KODEX ETF products' NAV has grown to approximately KRW 30 trillion, accounting for 50% of the ETF market share in Korea. We have pioneered the private sector OCIO market, having been selected as the OCIO for not only government funds such as the Pension Fund Investment Pool and Industrial Accident Compensation Insurance Fund, but also for the Ewha Womans University Fund as well. The inflow of funds from the National Pension Fund and institutional investors increased greatly last year, continuing our legacy as the industry leading asset management company.

Samsung Asset Management will further establish its position as the leading asset management company in 2021 and build a balanced business portfolio by successfully managing its global investments. To this end, we will pursue the following three key objectives.

First, we will improve the competitiveness of our core operations.

Our core operations consist of ETF, TDF, pensions, and OCIO. Since we introduced the first ETF product in 2002, the KODEX ETF has commanded an overwhelming market share as the industry leader. Its product lineup will be strengthened to reflect market demands, introducing products investing in diversified global assets, the fourth industrial revolution sector, and renewable energy.

In response to the investors' demand for pension products, retirement pension products such as TDF will be expanded, and marketing efforts in cooperation with other financial institutions and brokerage firms will be continued in order to expand the presence of the KODEX ETF in the pension investment market.

Our fund business will secure its position as the leading company in the public OCIO sector, having been selected as the Investment Pool lead manager for the 6th consecutive time by building upon 20 years of know-how, competitiveness, and improved management infrastructure.

Second, we will strengthen our alternative investment business, developing it into a new source of growth.

Samsung Asset Management's real asset funds have reached an AUM of approximately KRW 6 trillion as of May 2021, investing in infrastructure funds such as domestic BTL (Build Transfer Lease) and overseas power generation and renewable energy, as well as aircraft and ship financing. As for infrastructure investments, in addition to impressive returns from existing investments in Dunkerque LNG facilities and British natural gas infrastructure, we have launched the largest overseas infrastructure blind fund in the Korean market valued at KRW 1 trillion, as well as the PIS (Plant Infrastructure, Smart city) Fund valued at KRW 200 billion, building a reputation as an expert general partner in the overseas alternative investment sector. We will continue to develop our alternative investment business by diversifying its assets, utilizing blind funds when investing in alternative investments such as infrastructure and private equity.



Samsung Asset Management has delivered record performances, reporting revenues of KRW 281.4 billion and pre-tax income of KRW 104.4 billion in our consolidated financial statements.

Third, we will cultivate networks to establish ourselves as a global player.

Samsung Asset Management has established subsidiaries in Hong Kong, London, New York, and Beijing. Our headquarters and local subsidiaries will communicate around the clock to cooperate in our global businesses, stepping up our marketing efforts targeting overseas institutional investors to raise our international profile. We are striving to develop the KODEX ETF into a global product, going beyond its current position as the No.1 in Korea. In 2016, we signed a comprehensive ETF consulting agreement with CCB Principal Asset Management, which has the second largest AUM in China, and in May 2018, we launched an ETF co-developed with CCB and listed it in the Shanghai Exchange. Samsung Asset Management was able to provide consulting services to CCB, a major Chinese asset management company, because our capabilities regarding ETF product development, marketing, administration, and overall ETF maintenance were recognized in the Asian market. Samsung Asset Management will continue to utilize our local subsidiaries in establishing the systems and personnel for competing in the global market.

Respected customers,

We expect significant shocks in the financial sector in 2021 due to issues such as tapering, interest rate hikes, and inflation, all of which have tendencies to exacerbate market volatility. However, the employees of Samsung Asset Management will be thoroughly prepared to again turn difficulties into opportunities, striving to report excellent performance in the next year as well.

We vow to stay one step ahead and fulfill our calling as Korea's representative asset management company. Once again, thank you again for your boundless support and encouragement, and ask for your continued interest and loyalty.

Thank you.



Jongkeug Shim,
CEO of Samsung Asset Management

Vision

As Korea's representative asset management firm, Samsung Asset Management is boldly striding forward to make the leap into Asia's premier asset manager. In the fast changing financial environment, we will draw upon our scientific investment techniques, industry leading personnel, systematic risk management and global marketing expertise to increase the value of client assets. Our aim is to always remain a step ahead with preemptive measures and ideas that meet clients' expectations and live up to their trust with unrivaled products and services.

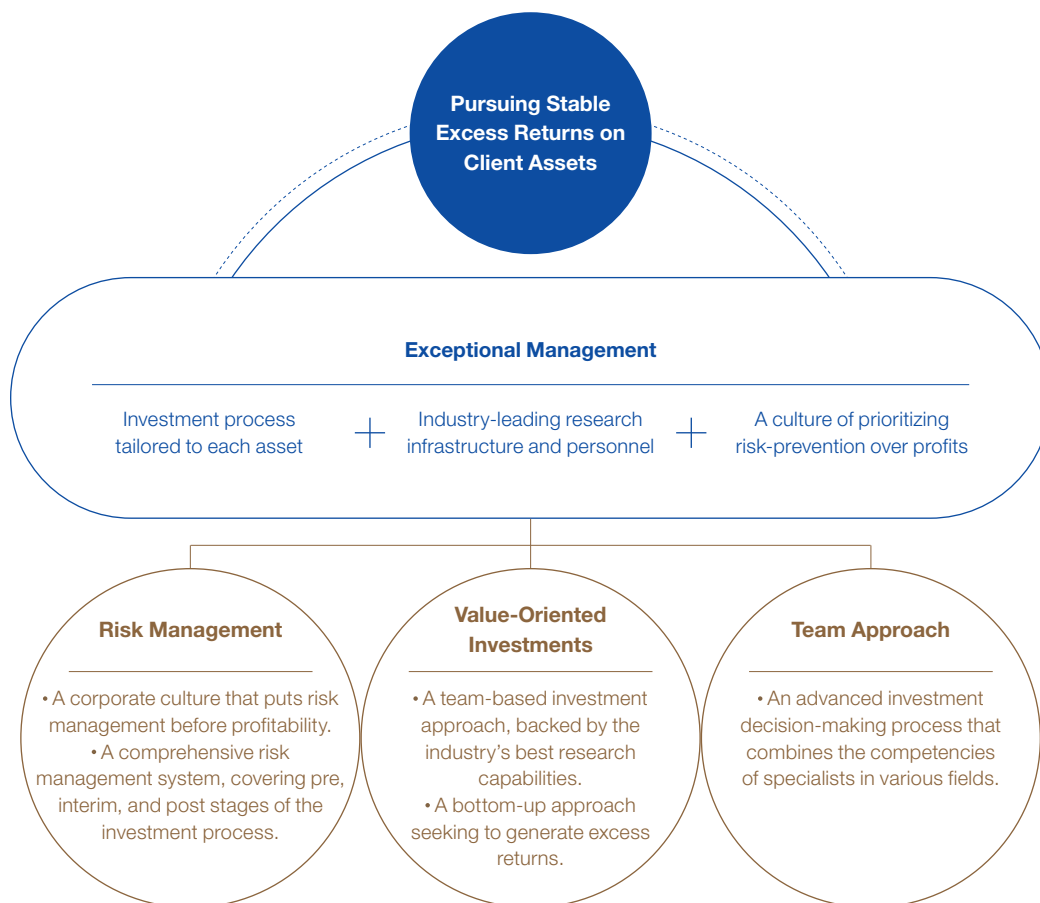


Organization



Investment Philosophy

At Samsung Asset Management, each division follows sophisticated investment processes and scientific investment methods based on the findings of our industry-leading in-house research group. We have also established a culture that values risk prevention to differentiate our professionally advanced investment practices. By faithfully adhering to our process, we hope to continue to yield stable excess returns for our clients and contribute to their prosperity.



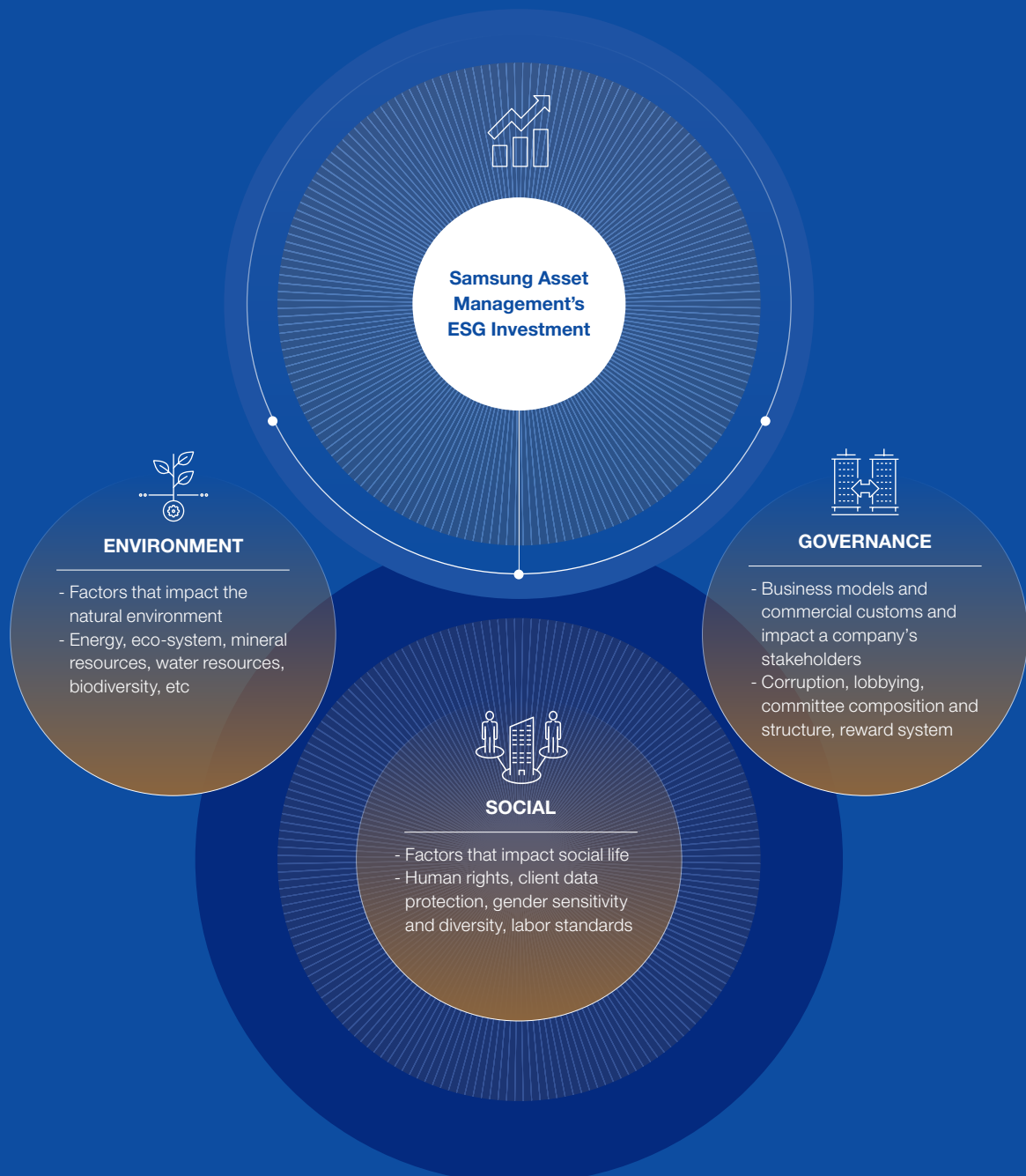
Business Principles

- 1 We always put our clients' interests first.
- 2 We satisfy client needs with the best possible products and services.
- 3 We view asset management as risk management.
- 4 We practice value-focused management and pursue management by principle.
- 5 We are an ethical company that commands respect from the public.
- 6 We do our best to secure and retain talented people.
- 7 We strengthen our competitiveness through outstanding infrastructure systems.
- 8 We value teamwork in all our activities.

Your Next Step ESG Investing

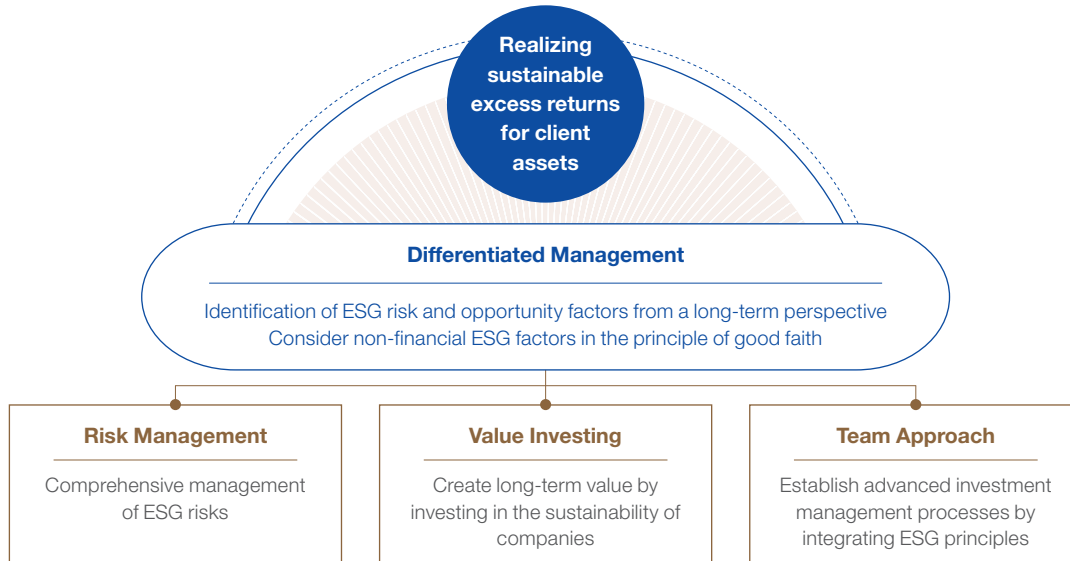
Samsung Asset Management's ESG Investment

Environment-Social-Governance refers to non-financial factors that impact a company's value and sustainability. Consideration of ESG factors during the investment decision-making process is no longer a choice, but rather an essential requirement. Samsung Asset Management, as the leading asset management company in Korea, comprehensively reflects ESG factors in all processes including product development, research, operations, and risk management, identifying opportunities and controlling risk to realize sustainable excess returns for the customers.



ESG Philosophy

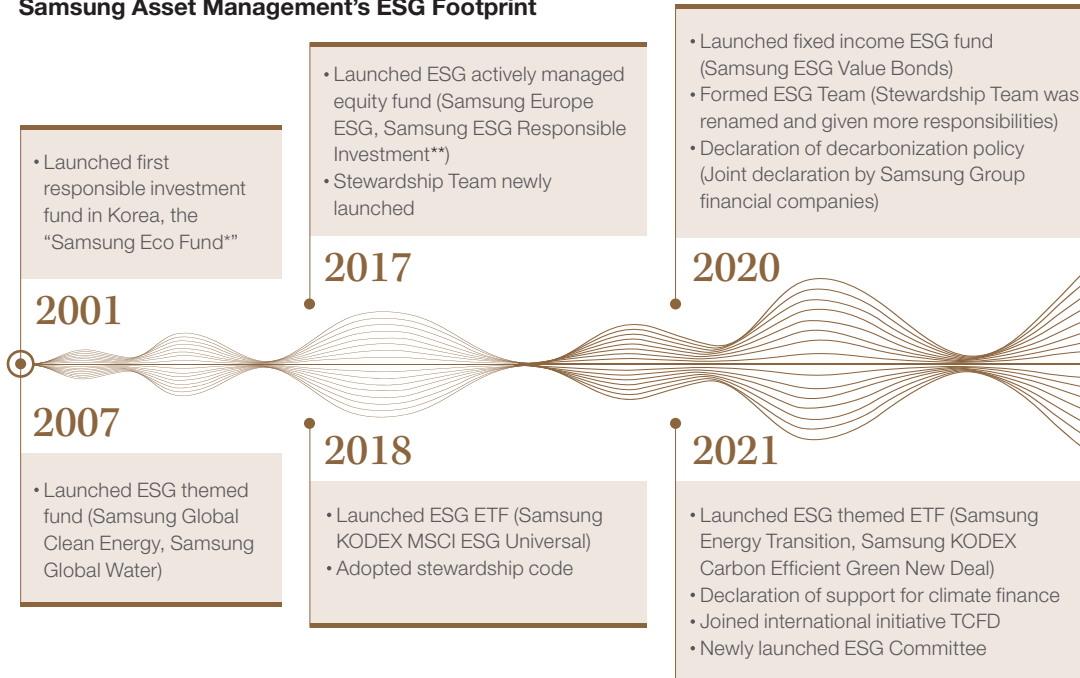
Samsung Asset Management will conduct ESG analysis to reinforce risk management, striving to identify companies with promising long-term value growth. ESG principles will be efficiently integrated into our industry-leading investment management processes to further strengthen those processes.



ESG Milestone

For Samsung Asset Management, ESG is not a novel buzzword. In 2001, we launched the Samsung Eco Fund, the first of responsible investment funds in Korea. We were the first in the industry to establish a team dedicated to ESG, announce decarbonization policies, and join the international TCFD initiative, actively engaged in ESG activities both within and outside the company.

Samsung Asset Management's ESG Footprint

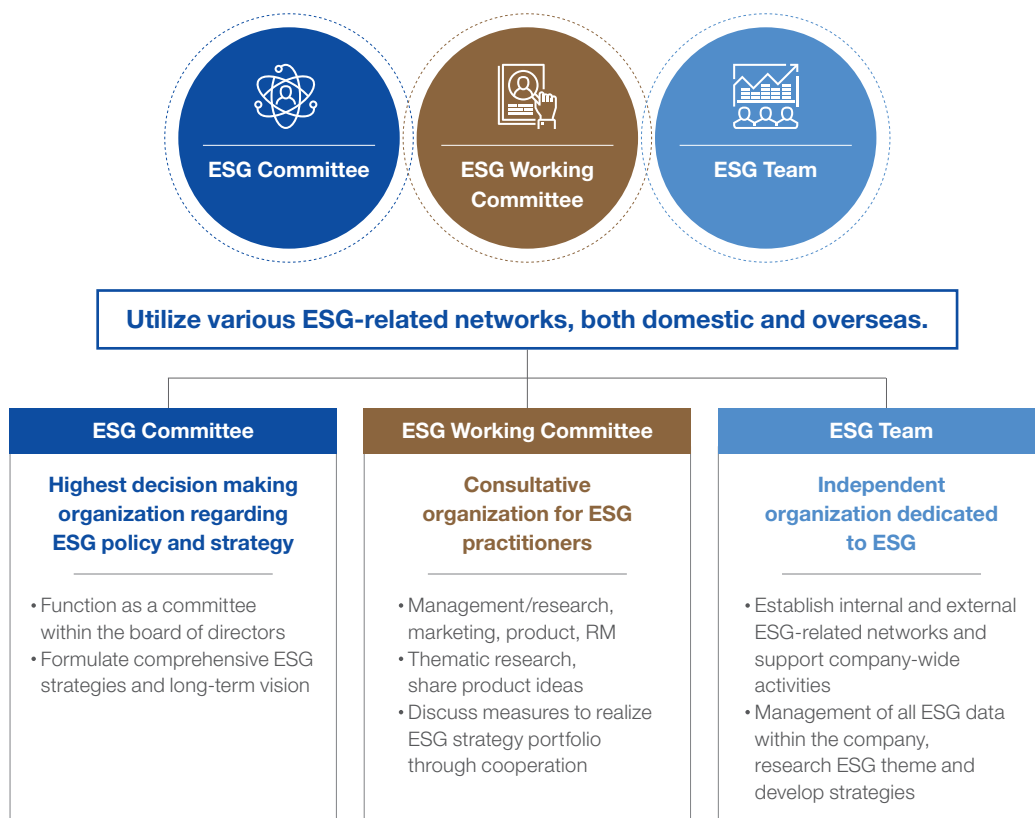


* Samsung Eco Fund was managed by our predecessor, Samsung Trust Investment, with a maximum NAV of KRW 250 billion, currently liquidated

** Samsung ESG Responsible Investment Fund is managed by our subsidiary Samsung Active Management

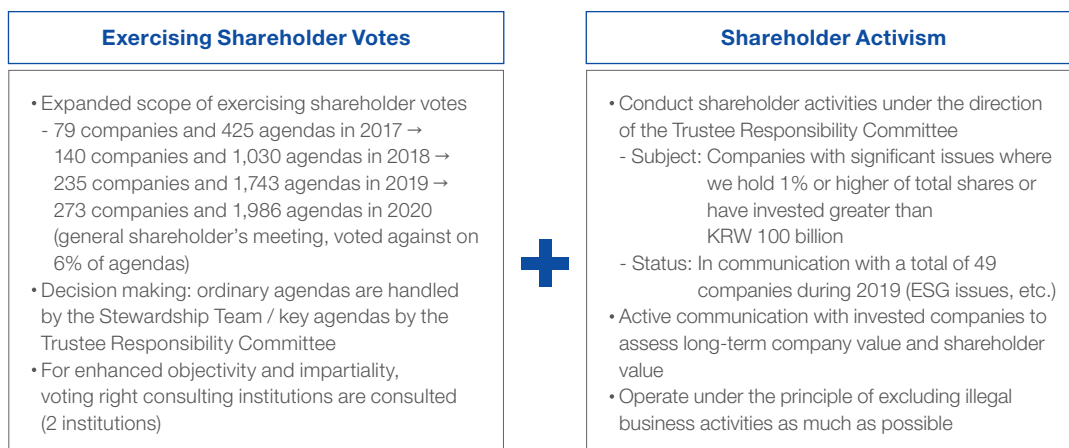
ESG Accountability & Structure

To efficiently and successfully integrate ESG investment DNA, both Top-down and Bottom-up approaches must be adopted. The highest decision-making organization, the ESG Committee, will formulate overarching strategies and objectives, while the Working Committee is tasked with ensuring organic communication between divisions.



Organizational Roles

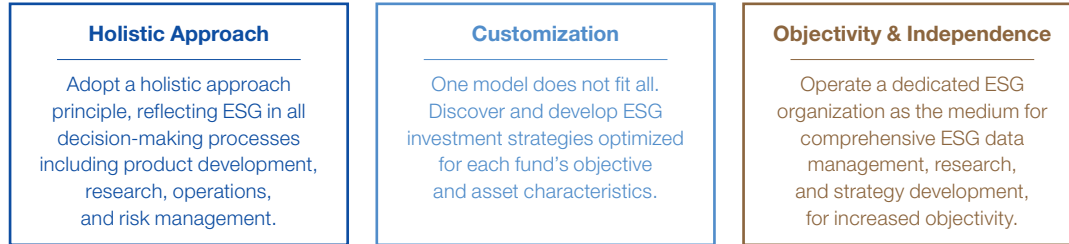
ESG research functions were added to previous stewardship code activities such as exercising shareholder voting rights and shareholder activism, expanding the scope of operations to include ESG product development, ESG investor education, and other ESG related work.



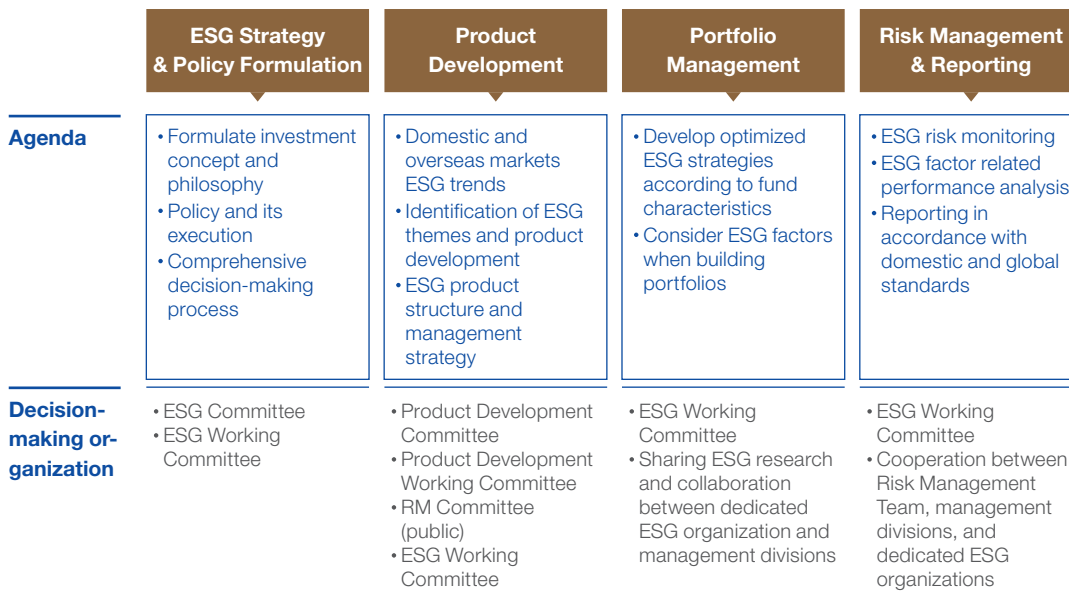
ESG Investment Process

Samsung Asset Management's ESG investments follow holistic approach principles. Starting with reflecting ESG in our investment philosophy and decision-making process, developing high quality products to include in the client's portfolio, identifying promising investment opportunities that consider ESG factors, as well as comprehensively managing risk and producing reports are all part of ESG investing.

ESG Basic Methodology

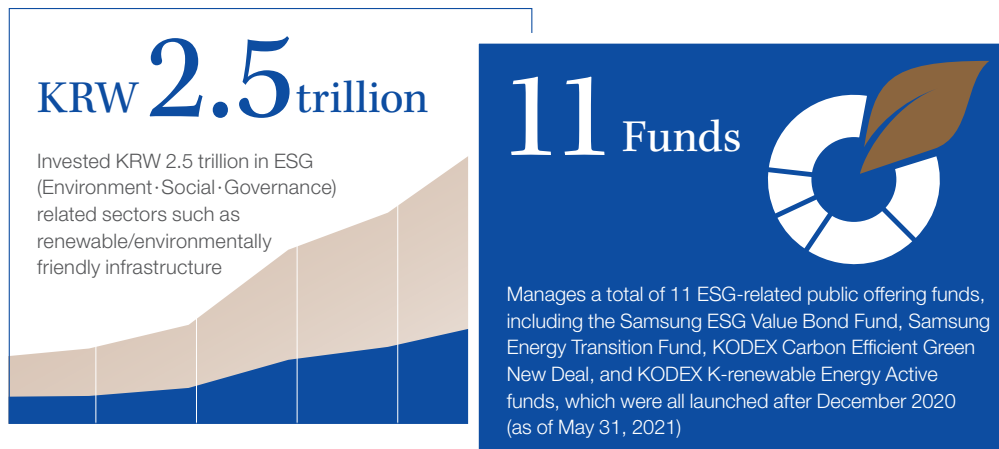


ESG Decision-making System



ESG Investment Status (As of Mar. 31, 2021)

Samsung Asset Management is further diversifying its ESG investment products to meet customers' investment needs, as well as faithfully performing its role as an institutional investor so that companies pursue more substantial ESG strategies.



BUSINESS OVERVIEW

Samsung Asset Management provides investment products and solutions that respond preemptively to the market based on tried-and-tested investment principles. We also practice risk management in accordance with the highest ethical standards and strictest rules and regulations. In doing so, we strive to turn our customers' valued assets into greater dreams and hopes.

16	ETF Consulting/ETF Management/Quant Investment
20	Multi-Asset Investment
22	Investment Research Center
24	Liability-Driven Investment
26	Alternative Investment
30	Fixed-Income Investment
32	WM Marketing
34	Fund Solution
36	Investment Pool
38	Industrial Accident Compensation Insurance Fund
40	OCIO (Outsourced Chief Investment Officer)
42	Samsung Active Asset Management
45	Overseas Subsidiaries (Hong Kong, New York, London, Beijing)

ETF Consulting/ ETF Management/ Quant Investment

Best ETF Solution Provider in Korea

The ETF Consulting Division and ETF Management Division are the leading organizations in Korea for specialized ETF management, developing, managing, marketing ETF products, and providing investment solutions. Having accumulated years of experience and ETF related know-how in the domestic market, we are striving to expand our ETF business in overseas markets such as New York, London, and Hong Kong. We have successfully listed ETFs in the Hong Kong Exchange under our management.

The Quant Investment Team is tasked with operating our index funds, as well as managing a scientific system based on quantitative analysis to monitor the global market, formulate strategies, and develop a comprehensive process for making investment decisions, and has achieved sustainable results by investing in both domestic and overseas assets.

Samsung Asset Management's KODEX ETF was the first of its kind to be listed on the Korea Stock Exchange, and our innovative product development has pioneered the growth of Korea's ETF market. Since the KOSPI200 ETF was listed in 2002, the first ETF to invest in overseas markets was listed in 2007, the first fixed-income ETF in 2009, as well as the first inverse and leveraged ETF were listed in 2009 and 2010 respectively, both firsts for any Asian stock exchange. We have also launched a factor-based smart-beta ETF by analyzing the source of excess returns, and in 2020, the first long-short strategy ETF and active stock ETF were listed. We continue to provide innovative investment solutions, expanding the market and asset classes for KODEX ETFs investments.



The EMP (ETF Managed Portfolio) strategy is recently establishing itself as a significant tool for asset allocation in domestic financial markets, following the trends in advanced markets overseas. Accordingly, Korea's most talented experts have developed an EMP strategy investment product following relentless research, and we continue our innovative efforts to allow investors to efficiently allocate assets and seek sustainable returns.

As a pioneer of the domestic ETF market, the ETF Consulting Division will broaden the ETF investor base by continuing to develop innovative products and provide diverse investor education and investment solutions to build on the reputation and trust of KODEX ETF is not only the domestic market but overseas markets as well.

As of the end of 2020, the Net Asset Value of our ETFs amounts to KRW 27 trillion, accounting for 52% of the domestic market. Our 116 products provide investors with solutions for efficient asset management. Furthermore, we conduct continuous research and product development to provide new investment opportunities in the domestic market. As the demand for overseas investment grows, we are developing products and strategies related to overseas assets to offer global solutions. While increasing the operating efficiency of our existing products, we will also enable investor access to more diverse asset classes. To this end, we will develop proprietary platforms and provide consulting strategies to meet customer demands and contribute to the development of the Korean ETF market.

NAV for each ETF type (unit: KRW billion, as of end of Dec. 2020)

27,050.6
KRW in billion

● Index	10,167.5 (37.6%)
● Derivatives	6,495.4 (24.0%)
● Bonds	4,697.9 (17.4%)
● Theme	1,959.6 (7.2%)
● Overseas Equity	1,241.3 (4.6%)
● Commodities	842.9 (3.1%)
● Smart Beta	742.3 (2.7%)
● Sector	720.8 (2.7%)
● ETC	182.9 (0.7%)

ETC 182.9

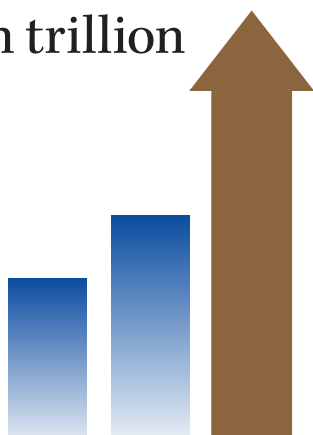


Index Fund (as of end of Dec. 2020)

NAV

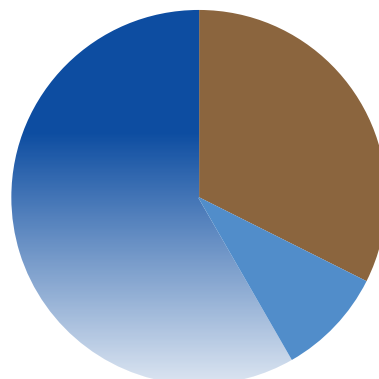
6.2

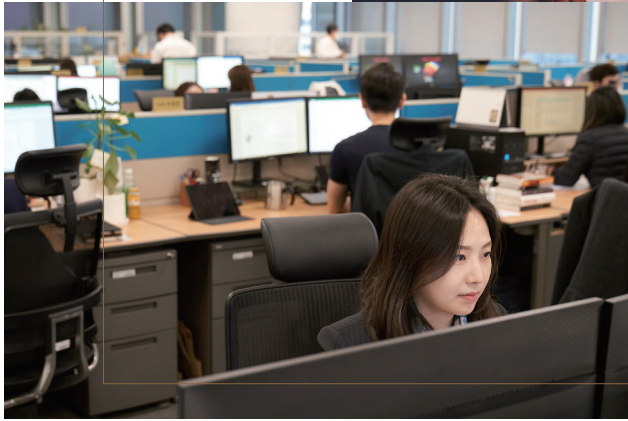
KRW in trillion



Total

93 Funds





KODEX ETF, Preparing for the Digital Age

Samsung Asset Management's ETF Consulting Division has a history of innovating retail sales channels, launching the first ETF in Korea in 2002. In line with the digital transformation of the financial market precipitated by the recent Fin-tech revolution, we presented the 'R2' service in 2020, which is a fully contactless digital direct sales service capable of providing investors with ETF-based EMP funds through digital channels.

The R2 service is an innovative mobile platform service that allows the individual investor to directly invest in the asset management company's fund product without the involvement of distributors such as banks or brokerage firms by utilizing contactless certification technology and digital infrastructures. From opening an account, making deposits or withdrawals, investing in funds, issuing certification, to customer service, the entire service is provided through a mobile/contactless platform, dramatically reducing the cost of investing by simplifying the distribution structure and enabling the innovative value of maximizing the customer's investment returns.

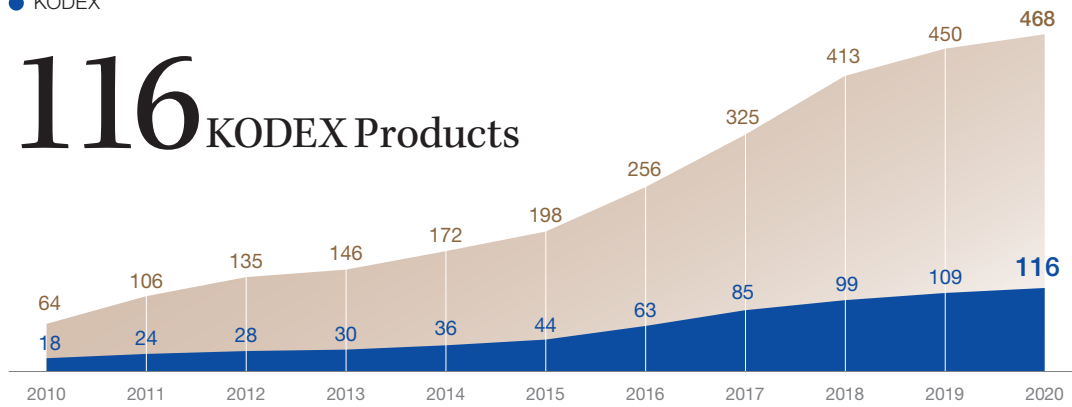
The ETF Consulting Division will utilize the experience gained from this new attempt at digital innovation and combine it with the competitiveness of Samsung Asset Management's KODEX ETFs to create novel digital services, continuing to undertake the challenge of strengthening communications with our customers. By coordinating the KODEX ETF and the groundbreaking R2 Service, we seek to provide a digital ETF platform where every investor can conveniently experience the benefits of the KODEX ETF products.

The ETF Consulting Division is prepared to respond more effectively to the rapid digital transformation in investing and the sharp increase in demand from individual investors. As an organization that has continued to innovate alongside its customers through the KODEX ETF products, we will continue our persistent efforts to always provide customers with successful investments amidst the sweeping digital transformation.

Number of ETF Products (unit: No. of products, as of end of year)

- Market Total
- KODEX

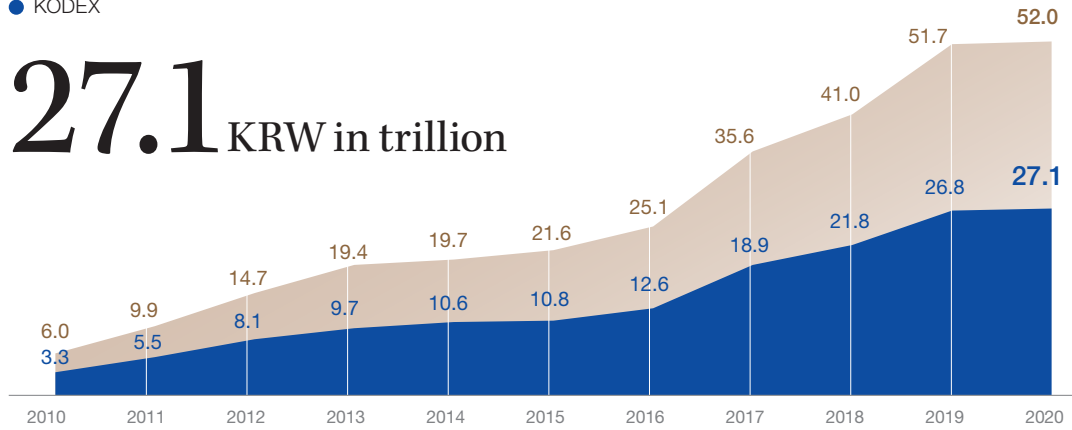
116 KODEX Products



ETF NAV (unit: KRW trillion, as of end of year)

- Market Total
- KODEX

27.1 KRW in trillion



Digital Innovation

Designed and Sold Directly Fund Investment Platform 'R2'

Fund Investment Platform 'R2', designed and sold directly by Samsung Asset Management. The simplification of the fund purchase process reduces expensive fees and reduces the inequality in financial information between investors.



Multi-Asset Investment

Providing Innovative Investment Solutions and Diversified Investment Products

Samsung Asset Management's Multi-Asset Investment Division aims to present clients with the most efficient and rational solutions according to their needs in order to support their investment goals.

The Multi-Asset Investment is a specialized organization that provides solutions to meet the evolving needs of investors in a financial environment that is increasingly difficult to predict. The division has investment knowhow on various assets ranging from domestic/overseas stocks and bonds to REITs, infrastructure, commodities, and alternative assets such as global hedge funds. Based upon this knowhow, the division possesses global capabilities including systematic approaches and investment mechanisms to realize investment solutions by combining numerous products such as ETFs and funds.

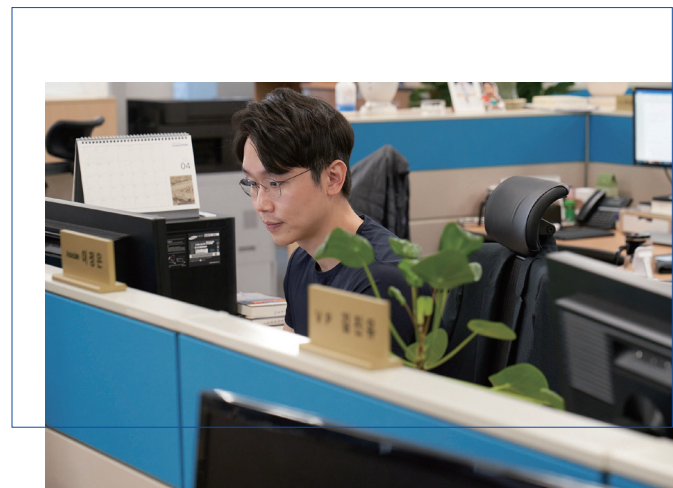
We conduct an in-depth analysis of clients' risk profiles and financial goals to provide optimized investment assets and strategies. We manage the TDF (Target Date Fund), which offers an ideal investment solution for subscribers of defined contribution (DC) pension plans. For corporations with defined benefit (DB) pension plans, we offer Asset & Liability Management (ALM)-based DB solutions.

By providing individual investors with a medium risk/medium return portfolio based on a global asset allocation that utilizes the sales channels of banks and securities firms or variable insurance products of insurers firms, we are establishing ourselves as a trusted partner to multiple institutional investors as well as individual and corporate clients. Moreover, we have been selected to manage Seoul National University's endowment fund in 2020 and Ewha Womens' University's fund in 2021, and the Multi-Asset Management Fund is solely responsible for OCIO management and has delivered sustainable returns, actively expanding our presence in the rapidly expanding private OCIO market.

The Multi-Asset Management Division's Multi-Asset Management Team focuses on the development of diverse investment strategies such as TDF, retirement pension solution, asset allocation EMP, and private OCIO, to provide asset allocation solutions appropriate for the customer's risk profile. The Multi-Manager Team plans to continue strengthening its Fund of Funds business based on the company's proprietary fund platform through quantitative and qualitative analyses of overseas funds.

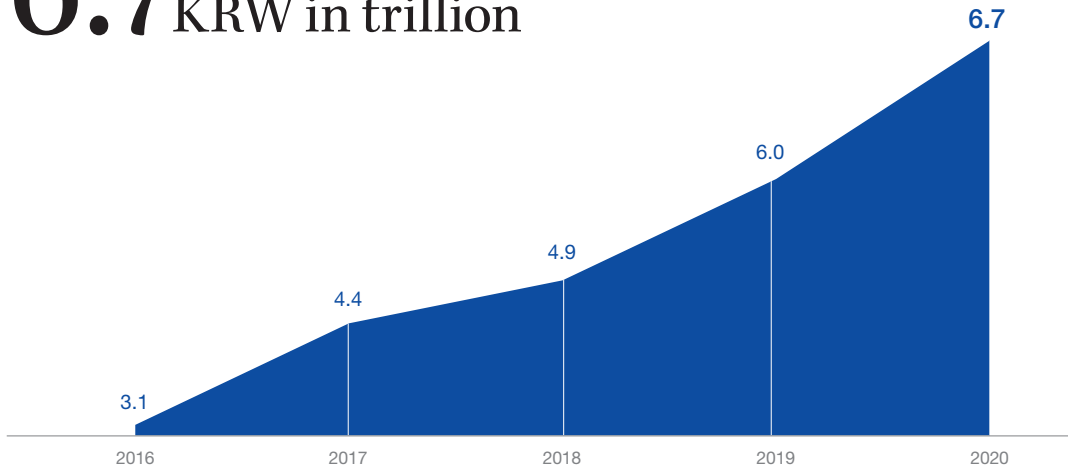
The Global Equities Management Team will collaborate with our Hong Kong subsidiary to improve the returns of China and EM Asia stock funds and direct its efforts towards developing innovative products by utilizing big data in a rapidly changing market environment.

We will concentrate our management capabilities to provide diverse investment solution, focusing our capabilities for the stable management of the Samsung Global Dynamic Asset Allocation Fund that invests in global stocks and bonds; Mainland China stock funds, and India funds in cooperation with our Hong Kong subsidiary; global stock funds such as the ASEAN fund; and thematic funds that share the benefits of long-term economic shifts such as clean energy and the 4th industrial revolution.



Multi-Asset Investment Division AUM Trends (unit: KRW trillion, as of end of year)

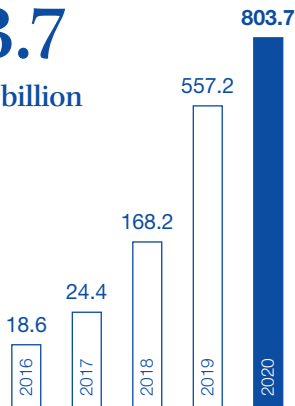
6.7 KRW in trillion



Variable Asset Allocation Management - AUM

(unit: KRW billion, as of end of year)

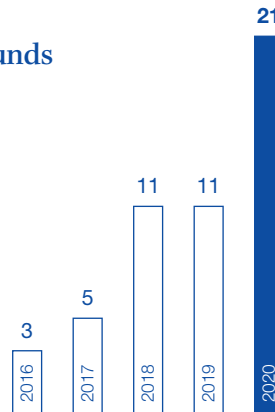
803.7
KRW in billion



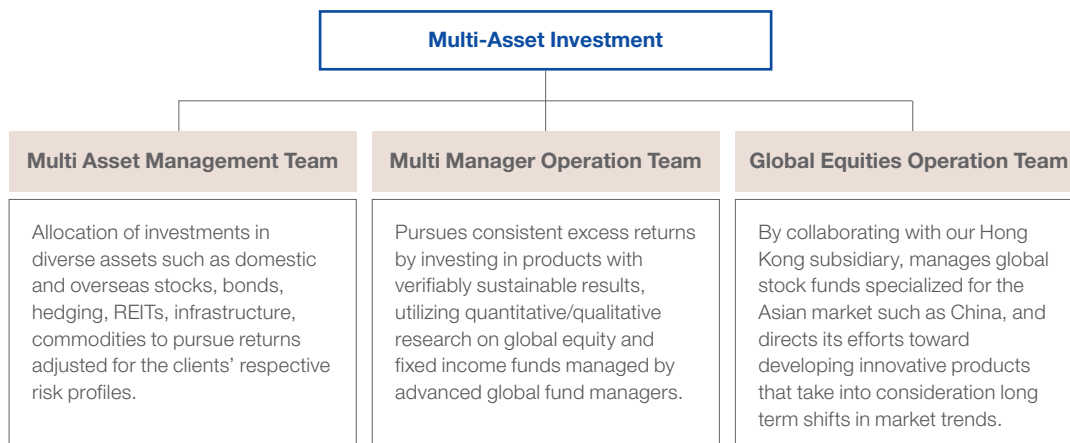
Variable Asset Allocation - Funds

(unit: No. of funds, as of end of year)

21 Funds



Management Organizations



Investment Research Center

Supporting Investment Strategy Solutions and Marketing with its House View

The Investment Research Center consists of the Investment Strategy Team and ESG Team. The Investment Strategy Team is in charge of global equity market analysis and development of asset allocation solutions, while the ESG team analyzes environment, social, and governance investments, monitoring, and thematic analysis. The Center provides Samsung Asset Management's House-View on the financial market based on thorough analysis of the economy, investment assets, and investment trends, as well as providing optimized asset allocation solutions and ESG investment guidelines.

The Investment Research Center's House-View presents the overall direction of investment strategy formulation for each asset class such as fixed-income and equity, asset allocation, and investment themes such as ESG, and helps clients understand our products and strategies. In addition, the Center's investment solutions serve as the fundamental and consistent strategy driving our investments in various sectors including multi-assets, pension funds, OCIO, and investment fund management.

The Investment Research Center is strengthening its research into financial theories, trends at advanced companies, new technology, and formulating investment strategies based on environmental protection, social contribution, and ethical management. We are formulating efficient processes to improve our capacity for providing customized solutions, securing proprietary Economic Scenario Generators, and also systemizing our ESG (Environment, Social, Governance) investments.

Investment Strategy Team

The Investment Strategy Team serves a pivotal role in formulating the company's forecasts through its top-down analysis of the financial market. The team's analysis of major investment assets and issues in the financial market is used to support investment and marketing activities throughout the whole company. Also, the team helps clients reach their diverse financial goals by offering investment solutions based on long-term asset and market forecasts, and modern portfolio theory. The global asset allocation process serve as the core model for multi-asset management, DB pension funds, and OCIO operations (private and public pension funds).



ESG Team

The ESG Team was created as the first dedicated stewardship team at a Korean asset management company in September of 2017 and now conducts various ESG-related operations.

Key activities include the introduction of a stewardship code in 2018, the declaration of a decarbonization policy in November of 2020, formulating company-wide ESG investment guidelines, and establishing an ESG monitoring system.

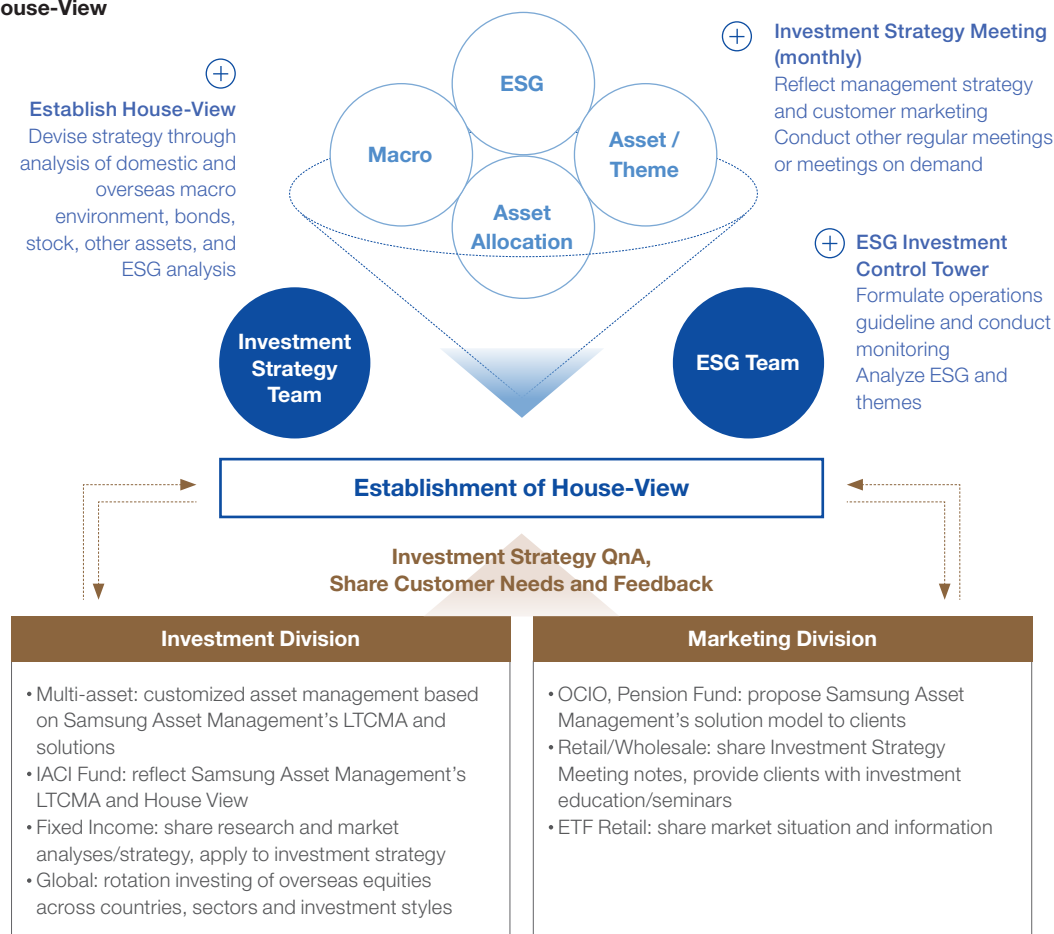
Building the Foundations of ESG Research and ESG Investment

The ESG Team researches ESG investments and corporate ESG evaluation. It has established a system where it monitors ESG issues related to the industry, investment companies, regulation, and non-financial reporting to shares the results with management-marketing-product divisions. The results of research and monitoring as utilized for company-wide ESG strategy formulating and building ESG investment foundations. Samsung Asset Management leads the industry in domestic ESG investment, going beyond establishing internal ESG investment principles to cooperate with the government, the national assembly, and civil initiatives.

Performing Stewardship Functions

The ESG team seeks to improve the long-term value of the target company, induce sustainable growth, and contribute to improving the value of customers' assets by exercising the shareholder's rights in lieu of the customer. The ESG team's stewardship expert drafts a report on the shareholders' general meeting agenda by considering the shareholders' general meeting agenda consulting the company's opinion and internal monitoring system, and dialogue with the company to discuss the direction of exercising the shareholder's voting rights. The dialogue with the company is conducted under the principle of 'friendly and constructive discussions' on issues such as environment, social issues, and governance.

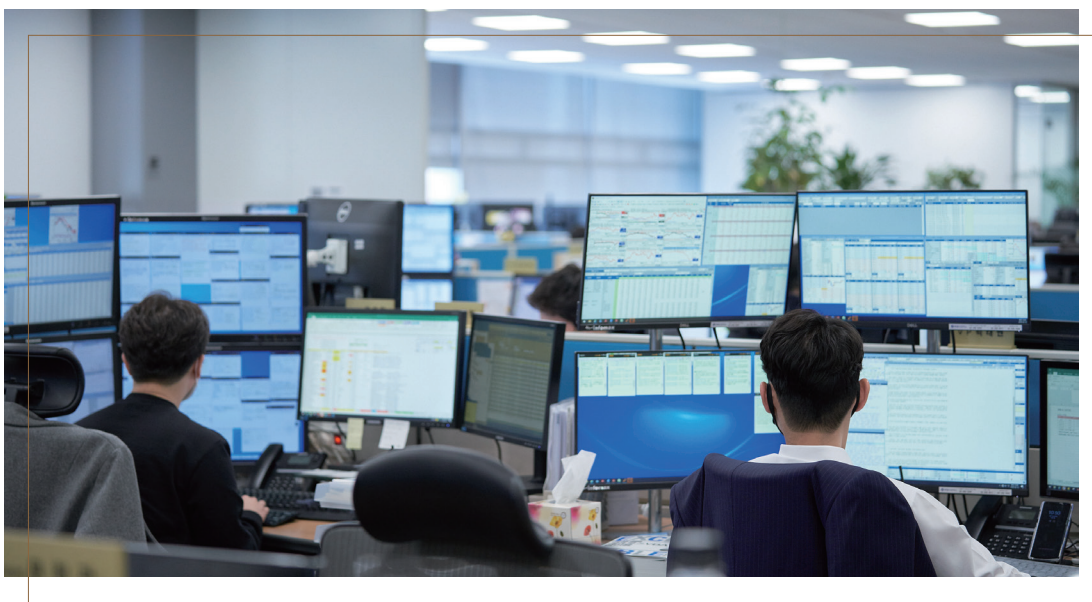
House-View



Investment Strategy Team

Investment Process	Methodology and Content
Long-Term Capital Market Assumption: LTCMA	<ul style="list-style-type: none"> Forecast expected yields for each long-term asset <ul style="list-style-type: none"> - Building Block approach using GDP growth rate, inflation, YTM, etc. Forecast volatility/correlation <ul style="list-style-type: none"> - Weighted linear covariance of historic asset returns
Strategic Asset Allocation	<ul style="list-style-type: none"> Portfolio design based on long term forecasts <ul style="list-style-type: none"> - Extrapolate client's financial objective (Return/Risk Objective) - Devise strategic asset allocation plan considering nature of the fund (Asset Only or Asset/Liability approach) - Consider Investment Constraints
Tactical Asset Allocation	<ul style="list-style-type: none"> Business cycle model <ul style="list-style-type: none"> - Adjust portfolio based on differentiation of asset yield during the business cycle Qualitative evaluation by analysts <ul style="list-style-type: none"> - Reflect analyst opinion for each asset class
Portfolio Building	<ul style="list-style-type: none"> Propose asset allocation MP <ul style="list-style-type: none"> - Reflect opinion of an investment strategy conference - Utilize global ETF as an investment vehicle
Performance Analysis/Rebalancing	<ul style="list-style-type: none"> Performance analysis and rebalancing <ul style="list-style-type: none"> - Performance analysis (strategy+tactic+contribution of active investment selection) - Decide whether to change asset allocation decision making

Liability-Driven Investment



The Liability-Driven Investment (LDI) Division was created in January 2015 and now consists of three teams: Domestic Fixed-Income, Overseas Fixed-Income, and Equity. The Division manages KRW 137 trillion (as of end of 2020) worth of Samsung Life Insurance's general and retirement account assets.

Considering the nature of life insurance liabilities, the LDI Division adopts a long-term perspective in allocating assets according to the ALM (Asset-Liability Management) strategy and secures high-yield value assets to build a foundation for stable returns. In line with the long-term nature of a life insurer's liabilities, the Division makes large-scale investments in domestic bonds. These are accompanied by investments in overseas bonds as well as domestic and global equities to enhance returns. We also formulate FX hedge strategies for overseas investments and manage FX risk through a variety of derivative products such as currency swaps.

The LDI Division will further strengthen its insurance asset management capabilities and embrace recent changes in the environment, including the aging population and growing retirement market, as an opportunity for expanding its business scope. In doing so, it will solidify its identity as LDI specialists.

The LDI Division's total AUM has grown steadily since it was created in 2015 to reach the current level of KRW 137 trillion. According to investment principles aligned with our clients' financial goals, we will continue to implement rigorous risk management and build a stable foundation for improved returns.

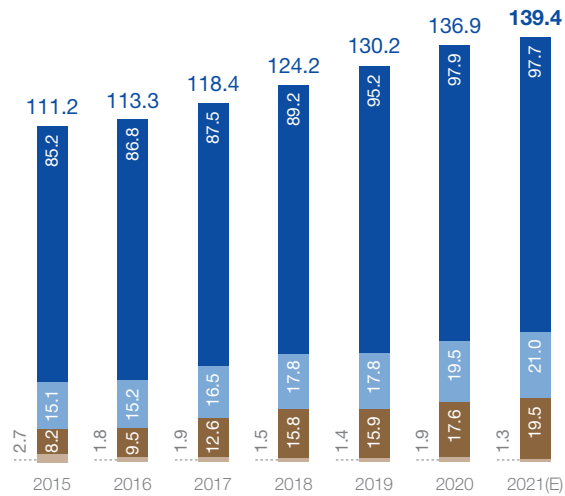
LDI Division AUM (unit: KRW trillion, as of end of year)

- Domestic Bond (General)
- Domestic Bond (Pension)
- Overseas Bond
- Equity

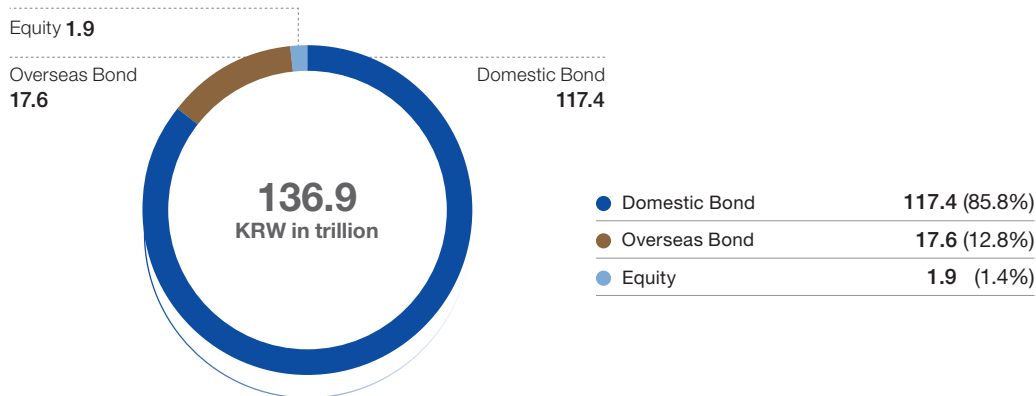
136.9

KRW in trillion

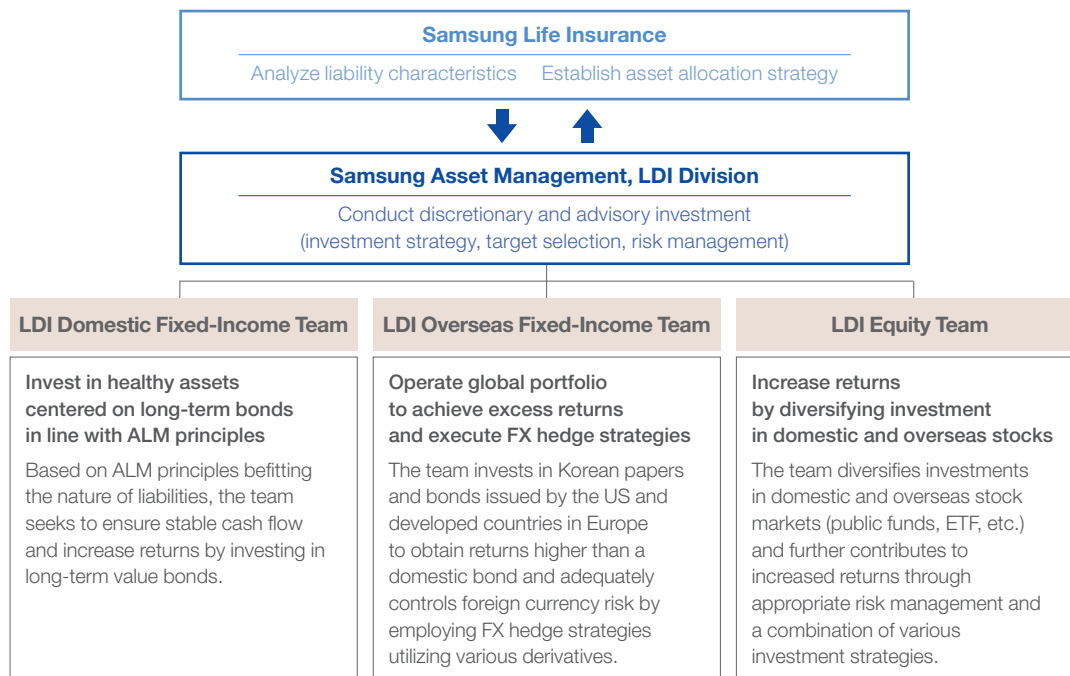
(as of end of Dec. 2020)



LDI Investment Division Weight by Asset Class (unit: KRW trillion, %, as of end of Dec. 2020)



LDI Division's Investment Process



Alternative Investment

Focus on Identifying Overseas Alternative Investment Assets

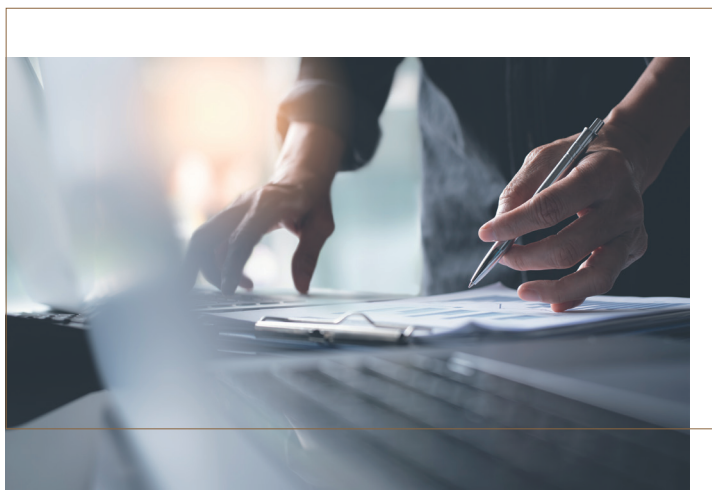
The Alternative Investment Division provides diverse alternative investment opportunities such as domestic and overseas infrastructure, real assets, acquisition financing, private equity, and global hedge funds through the work of its Infrastructure Management Teams 1, 2, 3, Private Equity Team, and Alternative Asset Management Team. The Division identifies alternative investment opportunities that are not easily accessible to domestic investors, and selects investment targets by conducting a thorough analysis, generating sustainable returns that are comparatively higher than traditional assets.

The Infrastructure Management Team manages domestic and overseas infrastructure funds such as domestic BTL (Build-Transfer-Lease), overseas energy and renewable energy, overseas PPP (Public-Private-Partnership) as well as real assets such as aircraft financing, ship financing, and acquisition financing, concentrating on discovering global alternative assets that will meet domestic investors' demands. Building upon its global network and experience, the Team is actively pursuing reliable infrastructure investments in developed markets as well as participating in emerging market infrastructure investments. We are also continuing our efforts to discover investment opportunities in ships, aircraft, and other real assets. Going forward, we will diversify our portfolio and expand our domestic business by investing in additional real assets, developing the PIS fund, and identifying opportunities through our

network of domestic construction companies. Moreover, we will continue to enhance profitability by increasing the weight of high-yield funds mezzanine/stakes funds, while pioneering new markets such as Central America (Mexico, Chile) and the Middle East.

The PE Team is focusing its efforts on identifying and executing investment opportunities in high-quality global private equity and private debt, to consistently generate high returns. Samsung began investing in global PE in 1997, accumulating investment experience and building networks with global PE management companies over the past 20 years, and now operates fund of funds that invest in global PEF and PDF. The global PE fund of funds minimizes the J-Curve effect caused by PE asset class' characteristics and adequately allocates its investments in PEF and PDF in order to build a portfolio capable of delivering profits from the beginning, as well as actively generating excess profits by continuing to identify joint-investment opportunities with reliable leading management companies.

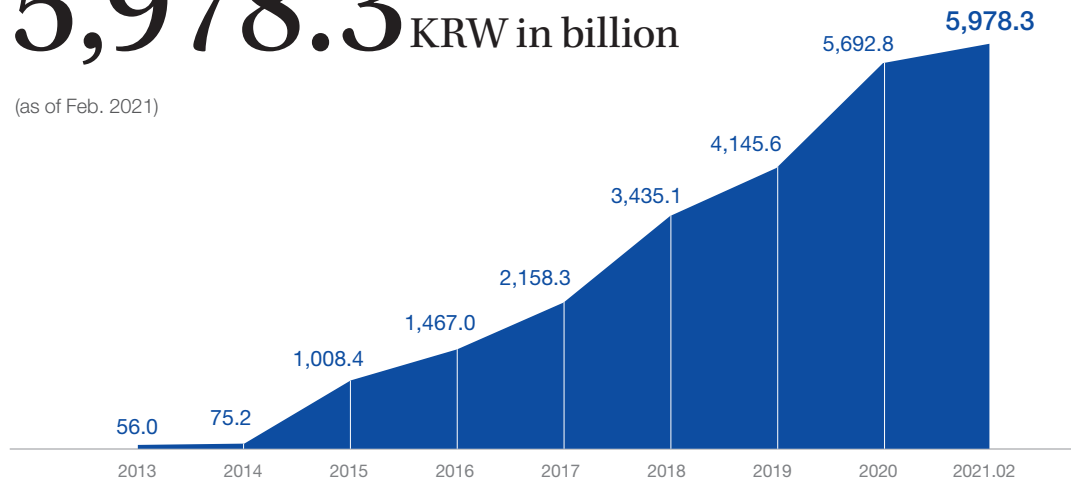
The Alternative Asset Management Team manages a fund of funds portfolio based on profound research into various alternative assets such as public/private global hedge funds, Private Debt, Private Equity, global real estate funds, and REITs. As for global hedge funds, the Team has built a diversified portfolio by selecting renowned global hedge funds that employ long/short trading strategies on various assets such as equity, bonds, and FX. In addition, the Team identifies promising funds that employ Private Debt, Private Equity, global real estate strategies in order to provide institutional and individual investors in Korea with investment opportunities in various alternative assets. The Team also offers highly liquid investment products such as public UCITS hedge funds traded in the open market and REITs assets. Accessible alternative asset portfolios such as public UCITS hedge funds managed according to strict European regulations, alternative assets listed in the London Stock Exchange, and REITs listed in the US, Japan, Hong Kong, and Taiwan are managed by the Team as well. Building on current global networks, the Team will continue to provide even more alternative products and improve fund returns through meticulous research.



AUM (unit: KRW billion)

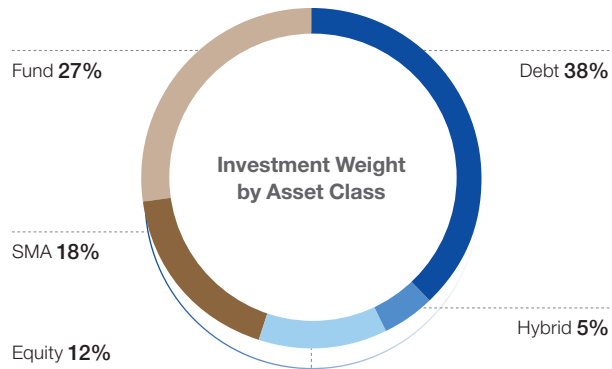
5,978.3 KRW in billion

(as of Feb. 2021)



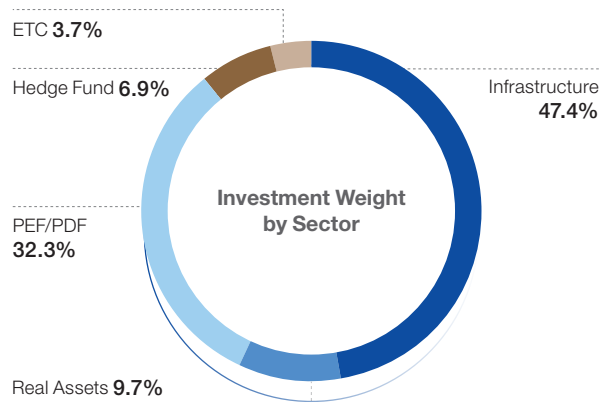
Investment Weight by Asset Class (unit: KRW billion, %, as of Feb. 2021)

● Debt	2,272.75 (38%)
● Hybrid	316.18 (5%)
● Equity	717.04 (12%)
● SMA	1,057.98 (18%)
● Fund	1,614.25 (27%)



Investment Weight by Sector (unit: KRW billion, %, as of Feb. 2021)

● Infrastructure	2,832.8 (47.4%)
● Real Assets	580.5 (9.7%)
● PEF/PDF	1,929.5 (32.3%)
● Hedge Fund	413.8 (6.9%)
● ETC	221.6 (3.7%)





Mexico Norte II Power Plant Fund

Fund investing in senior secured USPP loan for refinancing a 433MW combined cycle power plant in northwestern Mexico

The fund is invested in a gas-combined cycle power plant located in Chihuahua, some 1,200km north-west of Mexico City. The fund was set up with a value of approximately KRW 170 billion in the second half of 2019 and the majority shareholder is KEPCO (Korea Electric Power Corp.). The fund is expected to produce stable returns in the future as it has signed a long-term sales contract with Mexico's CFE (Comisión Federal de Electricidad; Federal Electricity Commission).

Prior to investing in the Norte II Power Plant fund, Samsung Asset Management acquired shares in the same power plant through the first fund of its kind to gain experience as a financial investor in overseas infrastructure facilities. We will continue to uncover similarly promising opportunities as this fund, which was honored as the Deal of the Year (Latin America) by IJ Global Awards in 2019.



Dunkerque LNG Terminal Fund

The fund invests in the acquisition financing and shares of a SPAC, which holds stakes in the natural gas supply facilities of France

This fund invests in an LNG import terminal located in Dunkerque, France. Set up in the second half of 2018 with an investment of approximately KRW 700 billion, the fund is expected to generate consistent, long-term returns as the terminal is an essential facility for supplying natural gas in France and Belgium. We also believe that investing in an advanced country with stable policies will produce predictable results. Samsung Asset Management invested KRW 10 billion of its capital to align its interest with that of investors. We will continue to explore new opportunities based on our investment experience in global infrastructure facilities and our access to a network of leading global corporations.





Samsung Global Private Equity Manager Privately Placed No.1 [Hybrid-FoF]

Fund investing in joint investments with promising small-medium sized global PE funds, which are not readily accessible to domestic institutions

The Fund, set up in 2019, is the successor to the 'Samsung Global PE Manager Fund' set up in 2015, which was the first blind, KRW-denominated, fund of funds PE fund established in Korea for the purpose of investing in global PE funds and joint investment contracts. The Fund plans to invest mainly in the buyout funds of management companies with excellent track records in advanced US and European markets. To realize profits from the onset, assets employing mezzanine and secondary strategies will take up approximately 15% of the entire fund. Also, actively leveraging Samsung's well-established global PE management company network, up to 30% of the fund will be invested in the shares of management companies and individual companies, as well as joint investments into their loan holdings. As of March 2021, the fund's AUM is \$369m (desired total of \$500m), and Samsung Asset Management has invested \$10m of its capital to align its interest with that of investors.



Global Plant Infrastructure Smart City (PIS) Fund

Overseas greenfield blind pool fund that invests in overseas infrastructure projects with Korean corporations' participation

In September 2019, Samsung Asset Management was selected as the lead manager of the PIS (Plant Infrastructure Smart City) Fund, a project by KIND's (Korea Overseas Infrastructure & Urban Development Corp.), a subsidiary institution of the Ministry of Land, Infrastructure, and Transport. The PIS Fund is a policy-driven fund for supporting Korean corporations to secure overseas contracts and export deals. The Fund will be set up with KRW 1.5 trillion, with KRW 0.6 trillion supplied by government financing and public institution investments.

The PIS Fund is a blind fund that invests in overseas greenfield infrastructure assets, which also serves national policy functions and provides new investment opportunities for domestic institutional investors. Samsung Asset Management will continue to develop this fund into an industrial/finance synergy fund that contributes to the continued growth of the national economy as well as sustainable long-term income for private investors.



Samsung Solution Global Hedge Fund

Fund seeking return flows showing a low correlation with market movements by diversifying investments in global private hedge funds

The fund invests in global private hedge funds by utilizing the global network of UBS Hedge Fund Solution, the advising company for the fund. The AUM of the fund is KRW 180 billion, and its track record has been resilient despite market downturns since the fund was launched. The fund invests in various strategies, from equity long/short strategies that generate profit through individual stock selection, event-driven strategies that invest in corporate events, global macro strategies that invest in interest rate, currencies, and commodities, as well as relative value strategies that exploit arbitrage opportunities. These strategies have established a portfolio with diversified asset classes regions, sectors, and strategies. We will continue to manage the fund to generate stable returns for the investor through various sources of alpha.

Fixed-Income Investment

Samsung Asset Management's Fixed-Income Investment Division is responsible for developing bond strategies and managing fixed-income funds, aiming to satisfy the customer's varying needs from seeking regular yield income to aggressive investments based on interest rate forecasts.

The Fixed-Income Investment Division utilizes the know-how it has accumulated over an extended period as the industry leader, the Division's philosophy revolves around pursuing stable and long-term investment returns for clients according to the nature of the fixed-income market.

With a proven long term track record, we have been entrusted with the large-scale management of major pension funds and insurance companies in Korea, and in the retail funds sector, we offer a variety of fixed-income funds as part of our lineup, including the largest MMF fund sales in the industry.

As for investment strategy, we benchmark prominent global asset management firms and avoid investments relying on individual managers' intuition. Instead, we strive for sustainable long-term excess returns by internalizing quantitative investment paradigms through stringent analysis of factors that affect interest rates.

The total AUM of our Fixed-Income Investment Division increased by over KRW 5 trillion YoY to record KRW 41 trillion as of the end of 2020. We maintained our unrivaled position in discretionary advisory service for institutional clients by attracting numerous new clients and increasing the AUM of existing clients (KRW 19 trillion → KRW 20 trillion). Increased demand for short-term funds management saw MMF

assets increase by a large margin (KRW 8 trillion → KRW 12.3 trillion). Also, the Global Fixed-income investment Team, which was assigned to the Fixed-Income Investment Division last year, saw its assets increase by more than KRW 600 billion, resulting in a successful integration within the division.

Amidst heightened interest rate volatility last year, the Fixed-Income Investment Division saw active fixed-income ETF assets increase by KRW 200 billion to KRW 1.5 trillion. Especially the long-term fixed-income active ETF was launched in September of last year, and we plan to develop it in a leading ETF that reflects domestic fixed income market trends, alongside the existing fixed-income ETF. In the MMF sector where our stable management provides an advantage over other companies, market share has been greatly increased and our position as the foremost asset management company has been solidified.

We expect challenging conditions to continue this year both at home and abroad, with interest rate volatility to increase. In this rapidly changing market environment, the Fixed Income Investment Division will introduce various strategic products including overseas bonds to preempt the market trend and respond to customer demands.

The financial markets have recently come to emphasize ESG (Environment, Social, Governance) investments. Where Global ESG investment growth was focused on equities in the past, the trend has expanded into the fixed-income market after the Paris Climate Agreement in 2015. Accordingly, the Fixed-Income Investment Division seeks to establish ESG investment principles, investment guidelines, set benchmarks, and develop a Korean ESG fixed-income product to pioneer the emerging domestic ESG fixed-income market.

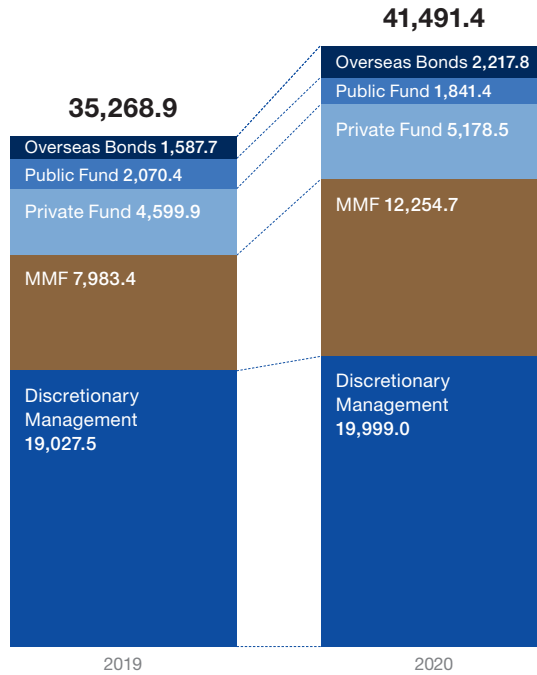
Samsung Asset Management's Fixed-Income Investment Division is synonymous with the history of the Korean fixed-income market, and we will maintain our role as the pioneer of the fixed-income market, staying true to the fundamentals of fixed-income investment while offering various new products, establishing a systematic approach management approach based on academic grounds to provide clients with excess returns in a financial market where extremely low interest rates persist.



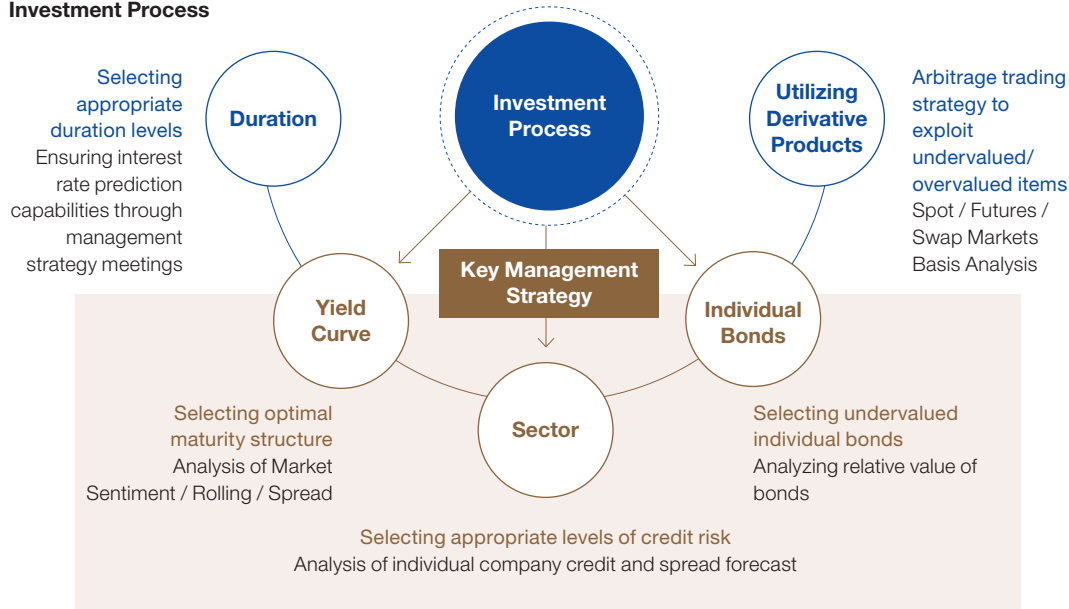
41,491.4

KRW in billion

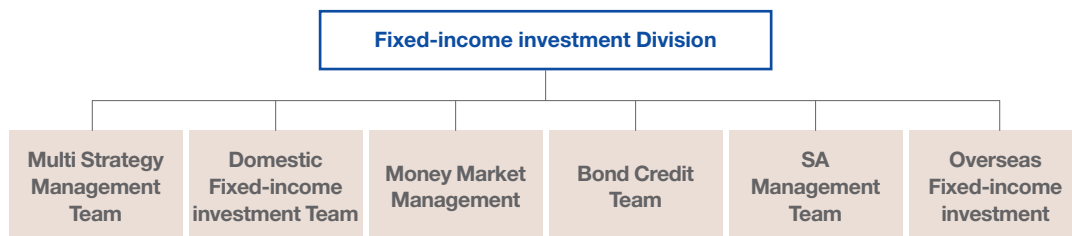
(as of end of Dec. 2020)



Investment Process



Organization



WM Marketing

The WM Marketing Division provides optimized products and solutions that satisfy the investment demands of retail and retirement/individual pension customers, contributing to the growth of the individual investors' assets and pension funds. Furthermore, so that individual investors and fund sellers may conveniently access information about the asset market and industry products regardless of time or location and make investment decisions, we operate the 'Fund Solution' website (www.fundsolution.co.kr) and mobile application (individual investor/seller versions) to provide optimal investor/seller services.

As the largest asset management company in Korea, we provide the best product lineup of investment opportunities in various asset classes around the world. Equities, bonds, alternative assets, and asset allocation products that cover not only the domestic market but various regions and countries around the globe are prepared for the investor to conveniently invest in the asset and region of their choice. Also in 2020, in addition to existing Japan and Asia-Pacific REITS products, the US REITS fund was newly launched to strengthen our alternative assets lineup.

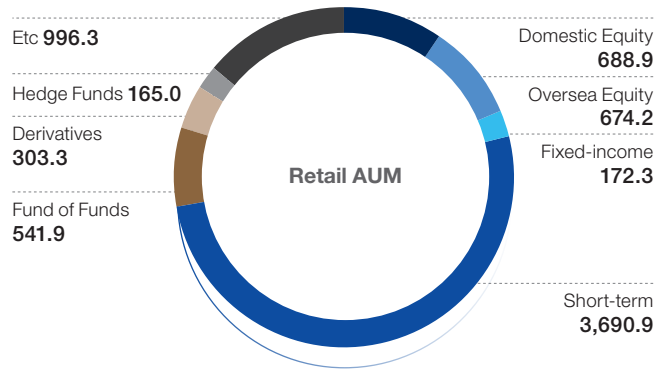
The Samsung Korea TDF (Target Date Fund) launched in April 2016 is an advanced solution optimized for managing pension funds for the Korean investor, which has exceeded KRW 1.6 trillion in AUM, and recorded annual returns of 9.4% (total accumulated returns of 44.2% for the 2045Fund(H)) during the 4 years and 8 months since its launch, continuing to lead the domestic pension asset management market (as of December 2020). In addition, the Samsung ETF TDF series of products were launched in 2020 in order to respond to the varying needs of the market.

In 2021, we will continue to preemptively assess changing trends in the asset market and identify investors' needs to provide optimized products along with ample investing-related information. Our leading product series, the Samsung Korea TDF, has entered its fifth year of operations, and we will continue to maintain the highest levels of product quality by adjusting and supplementing its life cycle asset allocation strategy by capitalizing on the experience gained during the past 5 years. Also, we will implement our stock portfolio consulting service in earnest, reinforcing our innovative theme product line in line with current trends, continuing to lead the industry with our excellent product lineup and investing-related information.



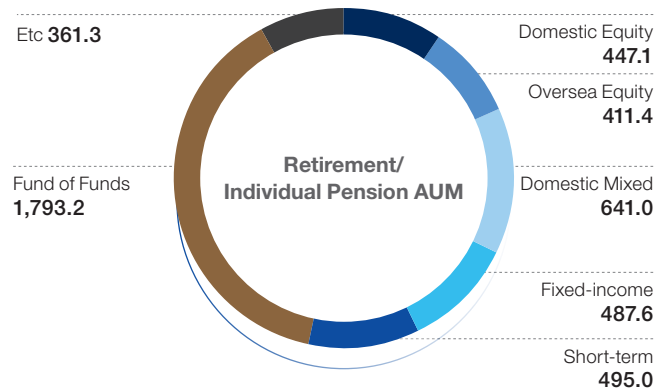
Retail AUM Status (unit: KRW billion, as of end of Dec. 2020)

7,232.8
KRW in billion



Retirement/Individual Pension AUM Status (unit: KRW billion, as of end of Dec. 2020)

4,636.5
KRW in billion



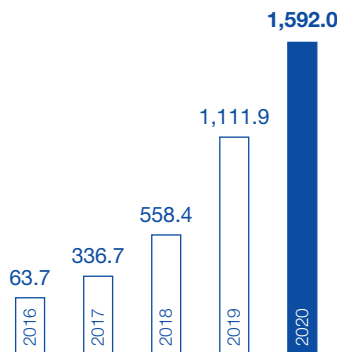
Samsung TDF reaches KRW 1.6 trillion in AUM and Samsung Korea TDF 2045(H) records annual returns of 9.4% since its introduction

(as of end of Dec. 2020)

Samsung TDF AUM

(Korea TDF & ETF TDF Series, unit: KRW billion)

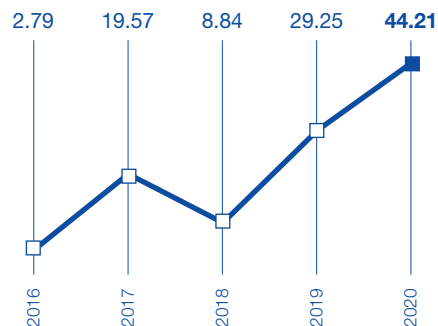
1,592 KRW in billion



Samsung Korea TDF 2045 total returns since introduction

(unit: %, cp Class, start date: April 21, 2016)

44.21%



Fund Solution



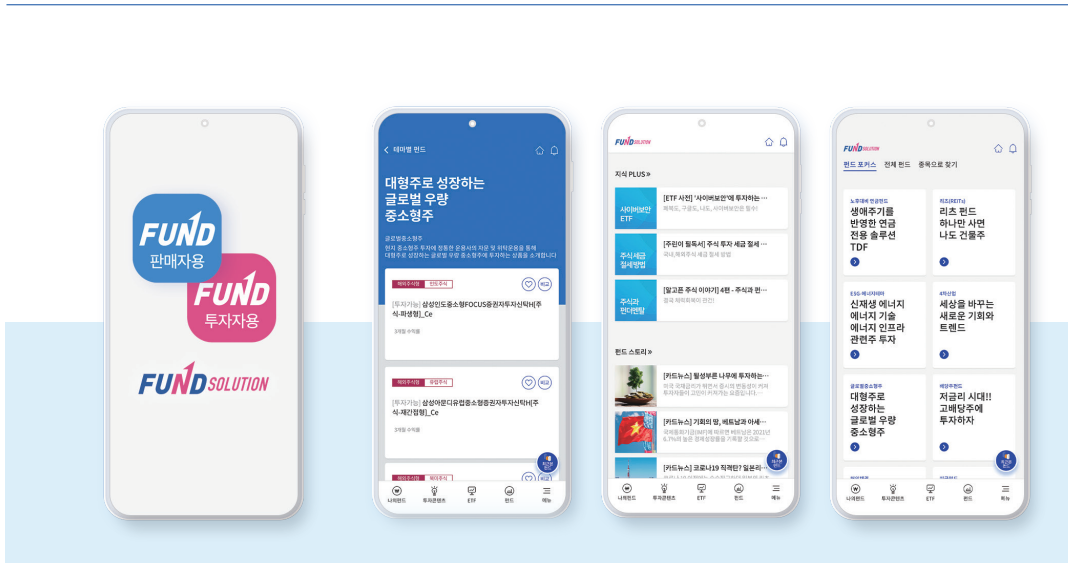
The financial market shifting towards digital/contactless channels, and the asset management market is rapidly evolving.

In such an environment, the Digital Marketing Team has developed the 'Fund Solution' service to facilitate fund sales and support the financial consumer's investment decision-making process. The service is provided as separate applications for sellers and investors.

Widely used by financial company employees, the 'Fund Solution for sellers' service was released in July 2017, providing information on all public offering funds in Korea, and it is the only sales support platform that serves banks and securities firms' private bankers (PB) as well as investment advisors.

In December 2019, we launched the industry's first Open-Architecture Fund-Content portal website for financial consumers. With 100,000 users, the 'Fund Solution for investors' provide various investing content services and expand the investment experience of financial consumers. Especially, web seminars are broadcast live at least twice a week to provide the latest market news and fund/ETF investment information.

Adopting the strategy of 'Establishing new channels and employing efficient digital marketing', the Digital Marketing Team is focused on building digital capabilities in addition to operating the Fund Solution platform. The Team supplies dedicated products to Kakaopay, which has tens of millions of subscribers, and cooperates with fin-tech companies such as Mydata companies, developing new sales channels through partnerships with companies both within and outside the financial industry. The Digital Marketing Team, seeking to expand its business into the largest investment platform in Korea, will continue to innovate at the forefront of the financial industry's Digital Transformation.

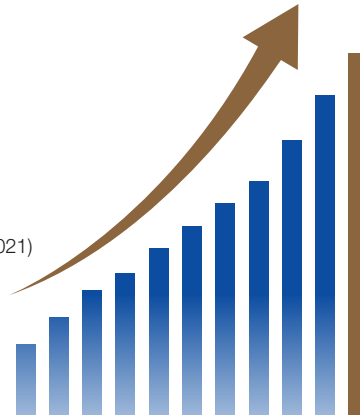


Total number of Fund Solution users

250,000 users

Fund Solution annual number of visits (Between June 2020 and May 2021)

3,000,000 visits



Fund Solution Web Seminar
(Between June 2020 and May 2021)

Over 200
seminars
broadcasted
during the year



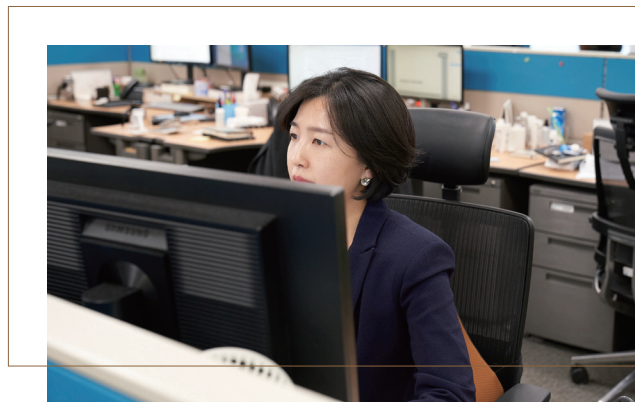
**Fund Solution
Platform
for sellers**

10,000 sellers affiliated
with 53 companies are
active on the platform



Investment Pool

The Investment Pool Operations Division acts as lead manager for the Pension Fund Investment Pool, integrating surplus funds and efficiently distributing them to individual asset management companies in the pool. This system was introduced by the Ministry of Strategy and Finance in December of 2001 to enhance investment yields, transparency, and expertise in the management of pension funds and other public organizations' assets. The assets are pooled and managed in as a Fund of Funds. Samsung Asset Management has been selected as the lead manager for five consecutive terms since the system was adopted, serving the role for over 19 years.



We draw on over 19 years of experience and know-how in managing the Pension Fund Investment Pool and have established an unrivaled system for managing pension funds. We have strengthened capabilities in asset allocation and diversifying investment targets such as overseas and alternative investment products that are aligned with the diverse and specialized needs of each fund. Additionally, our efforts to qualitatively develop the investment pool system by enhancing investment processes and risk management systems and providing integrated consulting services related to pension fund asset management have resulted in our management of over 70 funds and their assets.

Building upon our significant management experiences, we will continue to pursue the qualitative and quantitative improvement of our business stability to realize the objective of sustainably managing the Investment Pool. Furthermore, we will contribute to the expansion and development of the OCIO market in Korea by upgrading our OCIO infrastructure to ensure industry-leading capabilities based on years of accumulated expertise.

Performance

Achieved excess returns in all asset classes across all holding periods

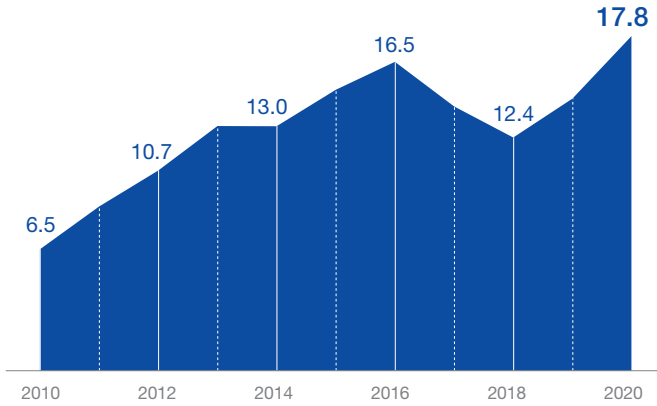
(unit: %, as end of Dec. 2020)

Asset Class	Annualized return											
	MMF (Annualized)			Bonds (Annualized)			Hybrid			Stocks		
	Investment Pool	BM	Excess of BM	Investment Pool	BM	Excess of BM	Investment Pool	BM	Excess of BM	Investment Pool	BM	Excess of BM
Last 1 year	1.03	0.91	0.12	2.49	2.14	0.36	9.02	7.94	1.08	34.39	31.35	3.04
Last 2 years	1.38	1.27	0.12	2.57	2.36	0.21	14.42	13.16	1.25	47.37	41.55	5.82
Last 3 years	1.49	1.38	0.11	2.66	2.50	0.16	13.64	12.17	1.47	22.62	16.86	5.75
Last 5 years	1.45	1.35	0.09	2.07	2.01	0.06	20.50	18.93	1.57	60.18	48.40	11.78
Last 10 years	2.06	1.96	0.10	2.92	2.81	0.11	38.31	35.41	2.91	59.16	34.39	24.77
Last 15 years	2.71	2.58	0.13	3.73	3.57	0.16	68.99	61.39	7.60	177.90	103.79	74.12
Since Inception	2.97	2.84	0.13	3.92	3.72	0.20	190.67	144.15	46.51	504.34	285.87	218.47

Pension Fund Investment Pool (Annual Average AUM)

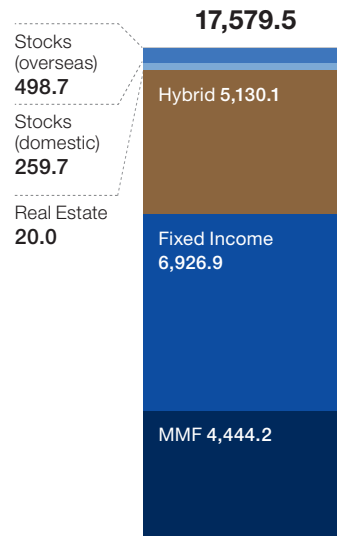
(unit: KRW trillion)

17.8 KRW in trillion

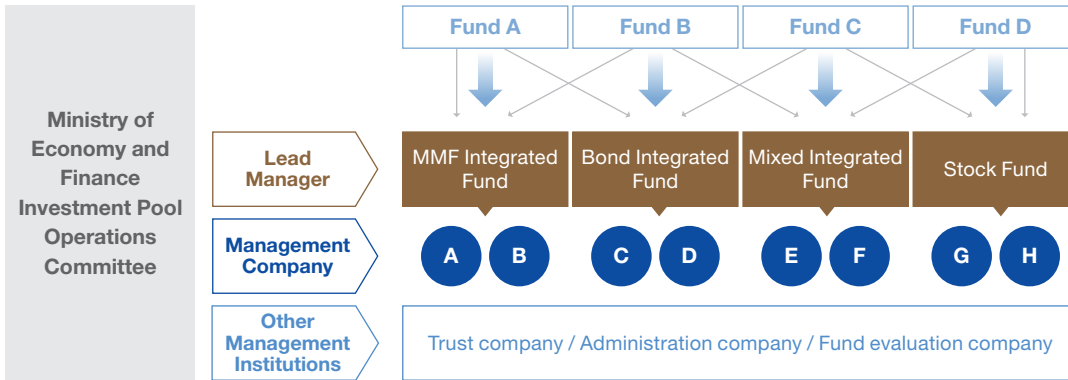


AUM

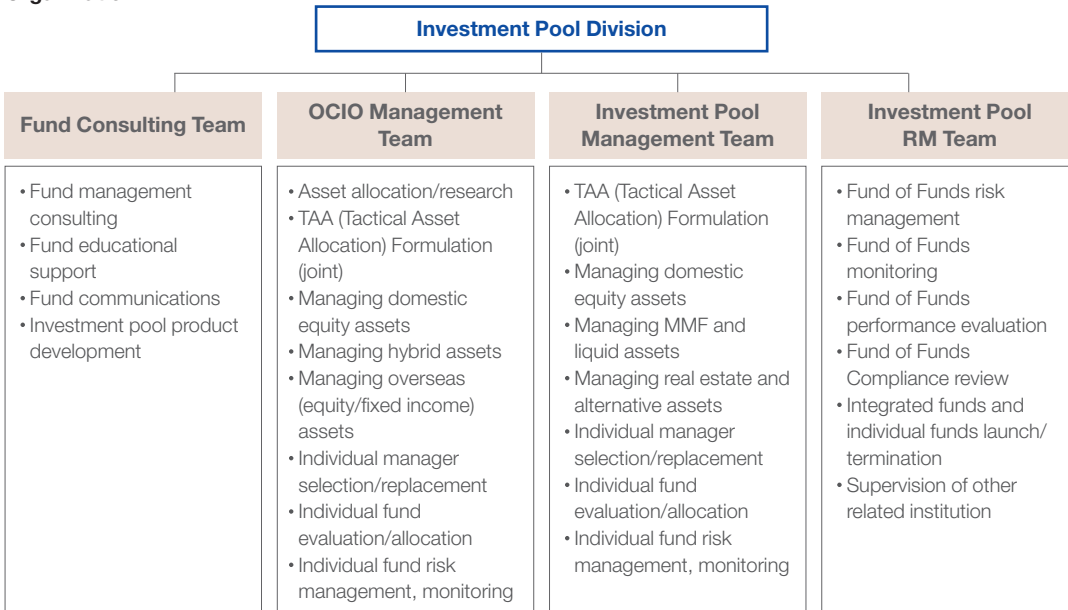
(unit: KRW billion, as of end of Dec. 2020)



Pension Fund Investment Pool Operations Structure



Organization



Industrial Accident Compensation Insurance Fund



The Industrial Accident Compensation Insurance Fund Division is the OCIO (Outsourced CIO) for the Ministry of Employment and Labor's Industrial Accident Compensation Insurance Fund, providing services such as management of fund assets and consulting services. In July 2015, the Ministry of Employment and Labor adopted a dedicated asset management system to enhance the profitability, stability, and asset management expertise of the fund and has entrusted its management to the OCIO.

The IACI Fund Division has been selected by the Ministry as the IACI Fund's OCIO (Outsourced Chief Investment Officer) for two consecutive terms since the dedicated asset management system was introduced, and has worked to construct a management system tailored for the IACI Fund by establishing an OCIO platform. Moreover, the Division is hard at work to increase management competitiveness and improve performance by implementing long-term in-

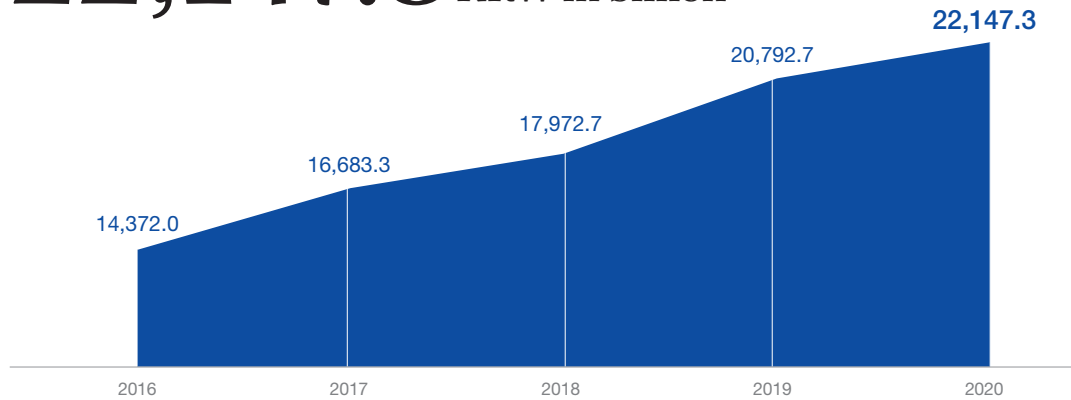
vestment plans and optimized asset allocation strategies that consider the Fund's assets and liabilities.

The purpose of the IACI Fund is to ensure the continuity of the Fund and protecting it, which is a valuable source of revenue for industrial workers. To this end, we provide a comprehensive range of services based on industry-leading OCIO management know-how to achieve the IACI Fund's objectives.

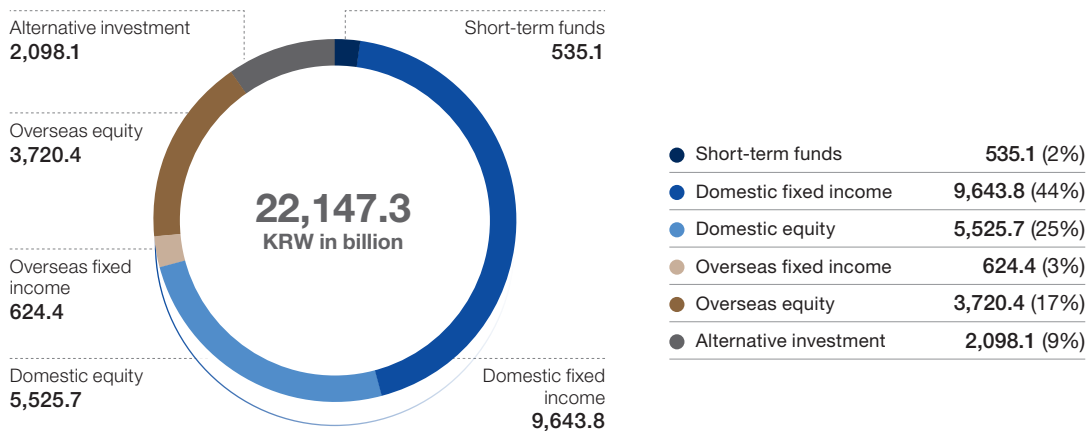
In 2021, we will continue to build a sustainable management system to ensure the IACI Fund's objective as a social safety net is effectively realized, diversifying its portfolio by expanding the share of global asset classes and alternative assets and conducting stringent risk management to generate stable returns and ensure the public nature of the Fund.

Annual AUM Trends (unit: KRW billion, Based on NAV)

22,147.3 KRW in billion

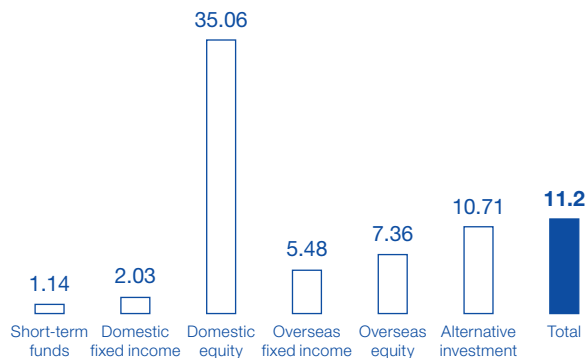


AUM by asset class (unit: KRW billion, as of end of Dec. 2020)



Rate of return by asset class (unit: %, as of end of Dec. 2020)

11.2%



2 consecutive terms

Selected as the lead manager for two consecutive terms since adopting the exclusive asset management system

OCIO

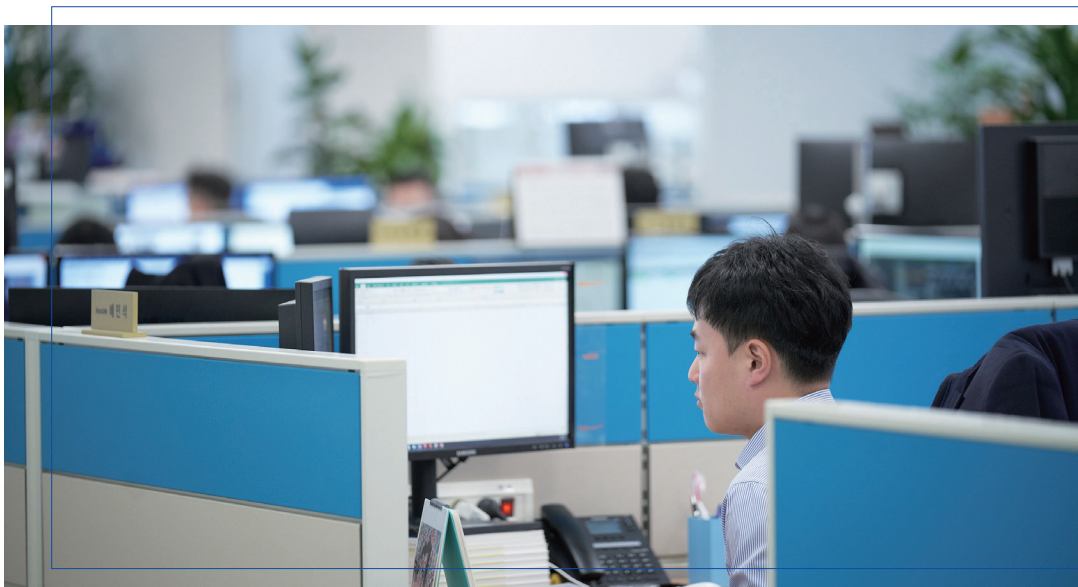
(Outsourced Chief Investment Officer)

The OCIO (Outsourced Chief Investment Officer) Consulting Team goes beyond previous outsourcing patterns that only provided investment consulting services or investment execution services, providing services tailored to each institution's characteristics including asset allocation, selection and supervision of fund managers, review of investment execution as well as performance, and reflecting the contents of the review to the investment strategy, serving the role of the client institution's CIO during the entire management process.

Actively leveraging the OCIO management capability and track record it has gathered as the lead manager of the Pension Fund Investment Pool and IACI Fund, Samsung Asset Management continues to expand our OCIO services to college funds, public interest foundations, semipublic institutions as well as private corporations.

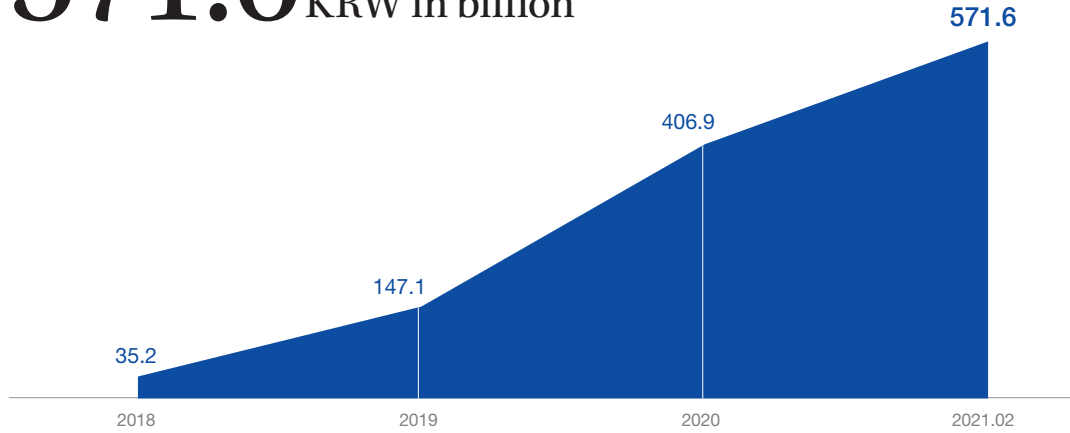
In 2019, Samsung Asset Management was selected as the first private OCIO to manage Seoul National University's Development Fund, and in 2020, we were designated as the managing institute for Ewha Womans University's endowment fund, becoming the first to manage a private university fund to continue expanding OCIO services for university funds. Various other public institutions and corporations subscribe to our OCIO service, and as of February 2021, the OCIO fund-related AUM has increased by 178% since the end of 2018.

In 2021, the OCIO Consulting Division is establishing an OCIO system to standardize, integrate and manage consulting and education services for its clients, ultimately creating a shared management platform for the public-private sectors. Successful cases such as public OCIO, Seoul National University Development Funds will be expanded into the private OCIO sector, solidifying our position as the leading pioneer of the domestic OCIO industry.

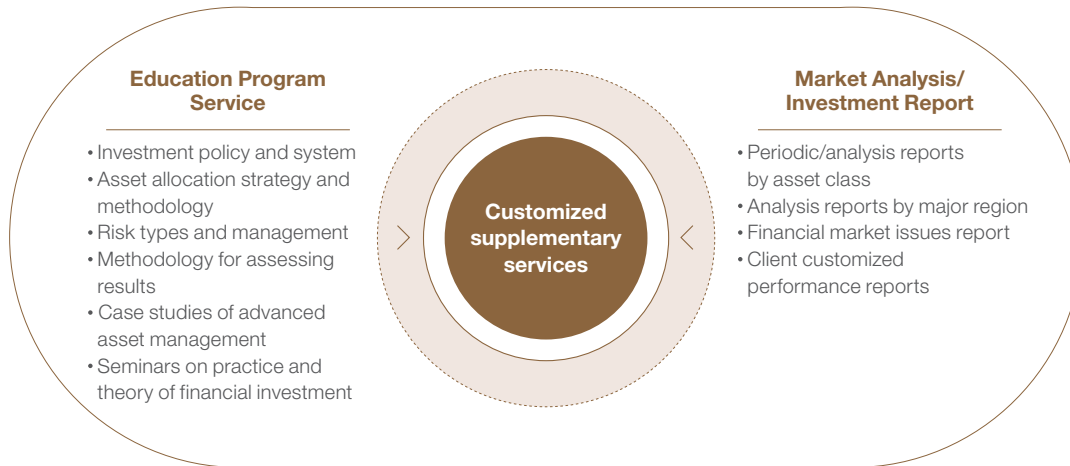


AUM (unit: KRW billion)

571.6 KRW in billion



OCIO: Customized supplementary services



Organization



Samsung Active Asset Management



Yousang Kim

CEO, Samsung Active Asset Management

At Samsung Active Asset Management, our ultimate goal lies in increasing the value of clients' assets. To realize this goal, we will employ all active investment strategies to provide management solutions, satisfying our clients to the greatest extent possible.

Samsung Active Asset Management will manage the client's assets in the following manner.

First, the research center and management divisions will engage in strenuous communications, making investment decisions through a team approach system.

Second, we will emphasize the fundamental value of investments and their long-term competitiveness and sustainability. Securities that meet stringent standards for investment confidence will be selected.

Third, we will thoroughly consider expected returns and risks in the decision-making process, seeking to achieve stable excess returns using scientific and rational approaches.

Lastly, we will continue to be conscious of corporate social responsibility. The concept of socially responsible based on environmental, social, and corporate governance (ESG) factors will be reflected in the investment process.

In today's era of low growth and low-interest rates, we will develop reliable fund products to address the clients' concerns regarding asset management. We will dedicate our utmost efforts to become an asset management company that is esteemed by its clients and contributes to the development of society.

Growth Investment Division

The Growth Investment Division focuses on the business competitiveness of investment targets based on in-depth analyses of information acquired through company visits. It invests in the future value of the companies by evaluating macro changes rather than stock market fluctuations while also diligently managing risk.

Portfolio Structure

- RP (Research Portfolio): Diversified portfolio developed by sector analysts
- AP (Actual Portfolio): Growth portfolio reflective of fund managers' convictions

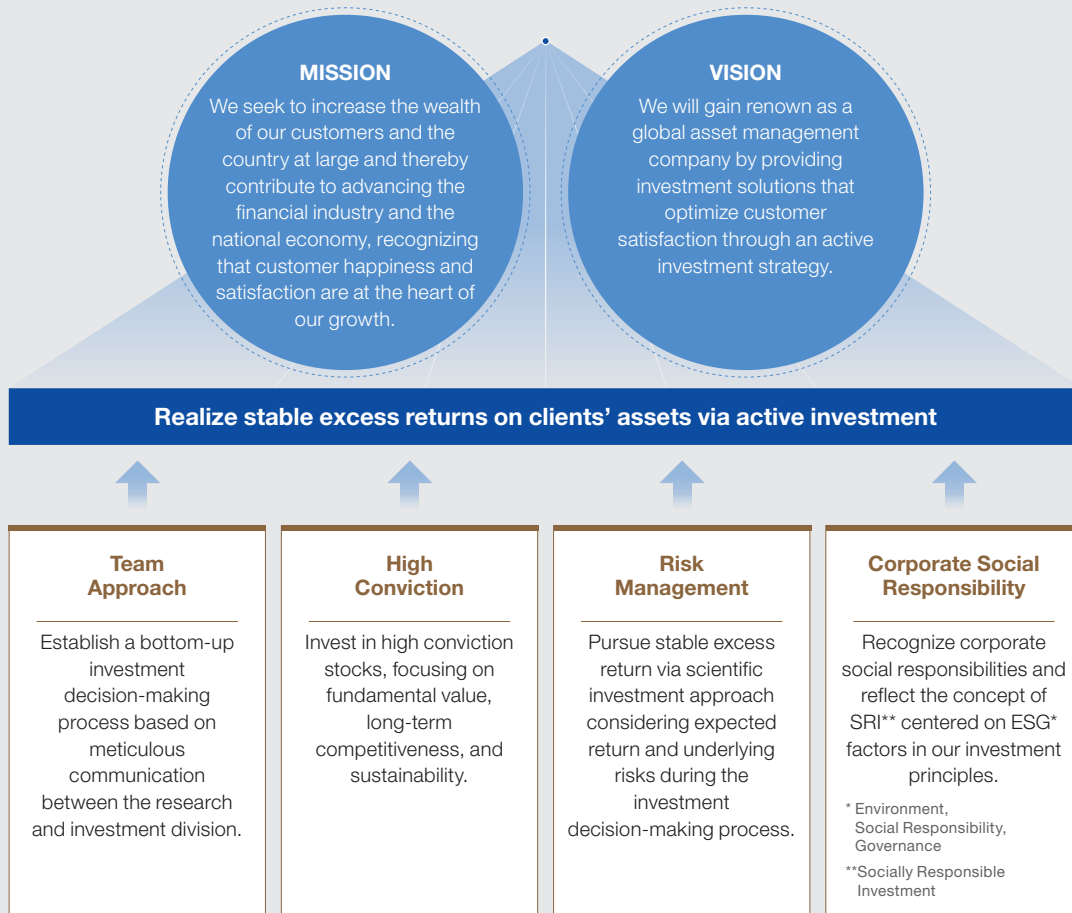
Value Investment Division

The Value Investment Division prioritizes finding companies with steady growth and cash flows to purchase at reasonable prices and invest for long periods. It minimizes losses by thoroughly verifying risks instead of prioritizing profits and rejects bandwagon investments based on temporarily popular trends in the stock market. This resolute investment philosophy has enabled a stable rate of returns in the long term.

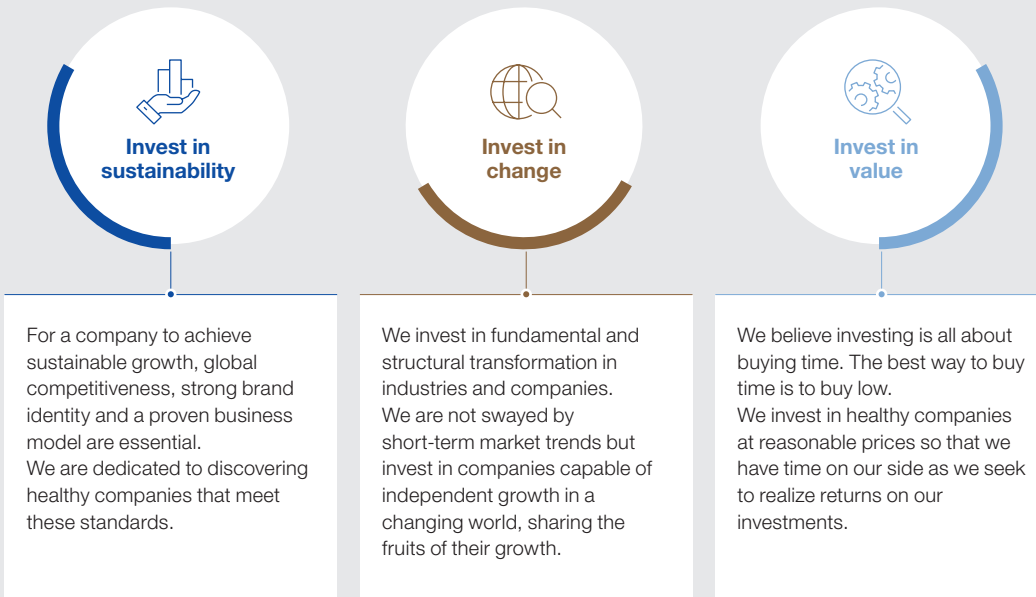
Investment Style

- Commit to finding small but strong companies and growth stocks at reasonable prices
- Reduce volatility and enhance returns by investing in small and mid-sized companies that grow into large corporations based on stable capital and aggressive, strategic mindsets

Investment Philosophy



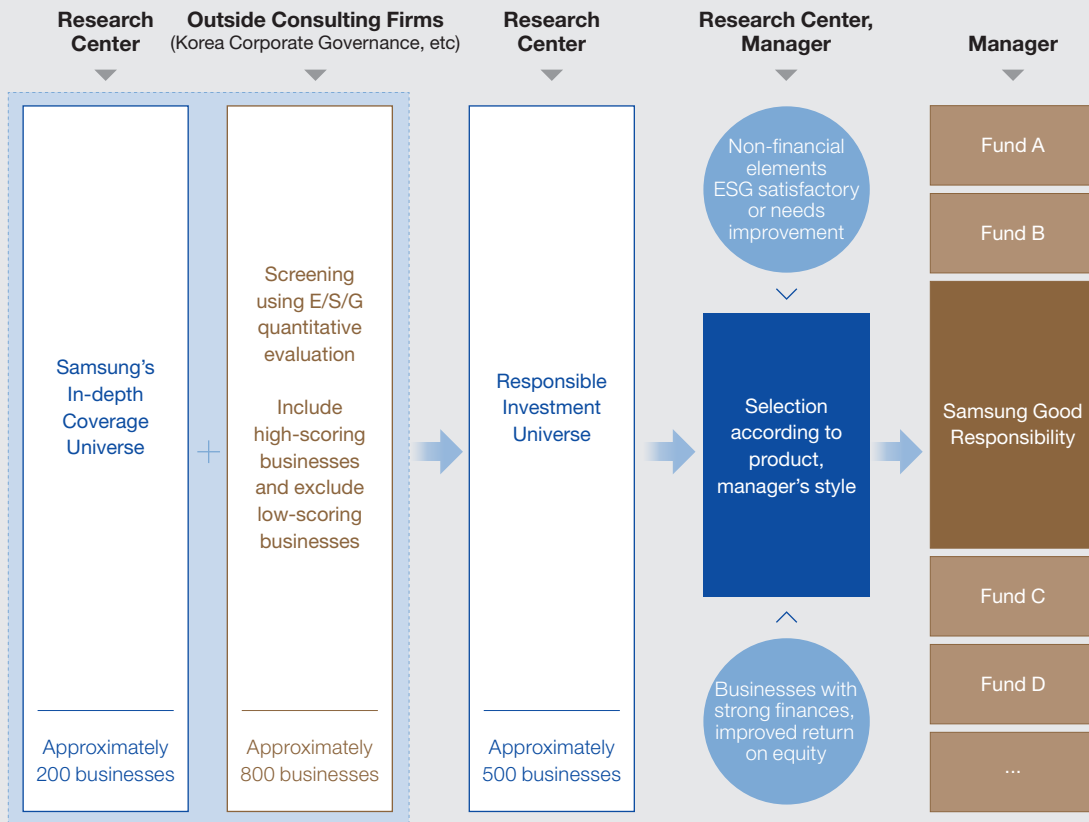
GARP (Growth at Reasonable Price)
Invest in stocks with both reasonable valuations and growth potential





ESG Management Process

- We apply ESG principles (according to UN PRI, membership planned) to our investment process as follows.
- We build a responsible investment universe to avoid potential non-financial risks and consider the sustainability of businesses.
- The responsible investment universe is composed of businesses with excellent ESG performance and the possibility of improvement, according to the quantitative evaluation values of external consulting firms and our own research team (or ESG team)'s qualitative analysis.
- The responsible investment universe is regularly maintained and managed by the research team (or ESG team).
- Each fund develops its own portfolio according to its strategy style, selecting individual securities within the responsible investment universe.
- Currently, this process is applied only to the Samsung Responsible Investment Fund but will be applied to all funds once the UN PRI is signed.



Overseas Subsidiaries



New York

Samsung Asset Management (New York), Inc.

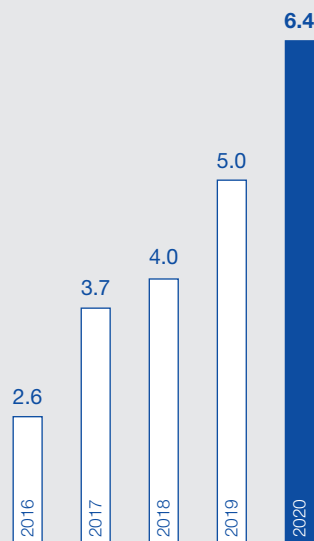
Samsung Asset Management New York (SAMNY) was established in 1994 to act as an overseas asset manager for Samsung Life Insurance. It is registered with the US Securities and Exchange Commission (SEC) and manages approximately KRW 6.4 trillion in assets as of the end of 2020.

Drawing on its accumulated investment capabilities, SAMNY manages assets for Korean insurance companies and public funds. SAMNY began managing assets for its American clients in 2019 and continues to strengthen its local business presence as an asset management company.

SAMNY's functions go beyond asset management, meeting the demands of American and Latin American investors for investing in Asia by engaging in local marketing campaigns for Samsung Asset Management's leading Asian equity and ETF products.

Samsung Asset Management is expanding its North American business, operating out of New York, the center of global finance. We will continue to pursue strategies to expand our business presence in the US, seeking to position ourselves in the global market as Asia's leading asset manager.

SAMNY AUM (unit: KRW trillion)



London

Samsung Asset Management (London) Ltd.

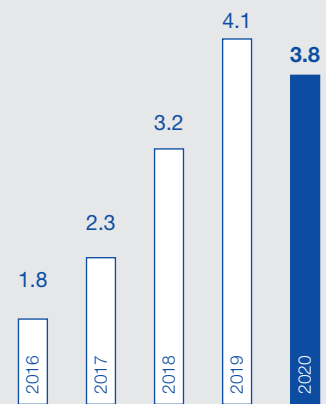
Samsung Asset Management London (SAMLN) was set up in April 1991 as Samsung Life Insurance's first overseas asset management subsidiary. It became a subsidiary of Samsung Asset Management in December 2015.

Since its formation, SAMLN has been accumulating management capability through direct investments in long-term overseas bonds, mainly European sovereign, public and corporate bonds, and manages some KRW 3.8 trillion in assets as of the end of 2020. SAMLN has taken advantage of the most developed market for offshore funds in the world to introduce attractive offshore funds to Korean clients through its fund platform business.

In addition to its existing operations, SAMLN is also engaged in the sale of Asian financial products in the European and Middle Eastern markets, helping to position Samsung Asset Management as Asia's leading asset manager in those regions.



SAMLN AUM (unit: KRW trillion)



Samsung Asset Management (Beijing) Ltd.

Samsung Asset Management Beijing (SAM Beijing) was founded in August 2016 and serves as the gateway to participating in China's growing ETF market in partnership with our partner in mainland China by drawing on Samsung Asset Management's capabilities and experience of success in the Korean market.

Samsung Asset Management entered into a strategic partnership with CCB Principal Asset Management in 2015 and signed a consulting agreement in 2016 to cooperate on ETFs, including product development and marketing. Under the agreement, a total of ten ETFs have been successfully launched since 2017, beginning with the large-cap SSE50 ETF, followed by the CSI300 dividend ETF, energy and chemical engineering (futures product), CSI financials, Shanghai GOLD, and others, growing to a combined NAV of KRW 370 billion.

CCB Principal Asset Management, a subsidiary of China Construction Bank, is the second largest asset management company in China with some KRW 220 trillion worth of assets under its management. SAM Beijing is providing CCB Principal Asset Management with consulting services on launching innovative products such as China's first leveraged ETF.



Beijing

Samsung Asset Management (Hong Kong) Ltd.

Established in November 2007, Samsung Asset Management Hong Kong (SAMHK) is Samsung Asset Management's forward base of operations for Asian equity products in mainland China, Taiwan, Hong Kong, India, and ASEAN countries. With a proven long-term track record, its goal is to provide tailored products to investors at home and abroad considering investing in Asian stocks.

Starting with a China large-cap fund, SAMHK has proceeded to strengthen its lineup of Chinese fund products. In 2014, it released the first China small-cap fund in Korea. It has also consistently expanded its portfolio of Asian investment products by launching various ASEAN and Indian funds.

In 2017, SAMHK succeeded in attracting capital from investors in the US and Europe based on the outstanding performance of the ASEAN fund. Having gained recognition from overseas institutional investors, it steadily grew both domestic and overseas AUM to manage some KRW 2.2 trillion as of the end of 2020.

SAMHK has launched and manages the WTI Crude Oil ETF, China Internet Sector ETF, and APAC REITs ETFs, and plans to continue to expand its product lineup in 2021 by introducing new specialized products that are attracting the market's attention.

3175 (Ticker)

- SAMSUNG S&P GSCI Crude Oil ER Futures ETF

2812 (Ticker)

- SAMSUNG CSI China Dragon Internet ETF

3187 (Ticker)

- SAMSUNG S&P High Dividend APAC ex NZ REITs ETF

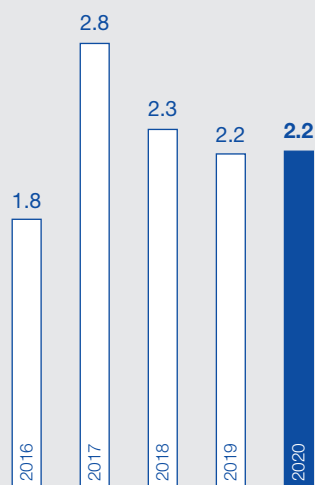
2814 (Ticker)

- SAMSUNG NYSE FANG+ ETF

Hong Kong



SAMHK AUM (unit: KRW trillion)



STAY AHEAD TOGETHER

Samsung Asset Management is taking a leading role in the growth of our future society by doing its part to safeguard the assets of and generate profits for customers, and by promoting sound investments.

Going forward, we will continue to strive to improve product, marketing, and risk management for long-term and sustained growth while simultaneously practicing ethical and transparent management to become a respected company that fulfills its social responsibility.

- 50 Risk Management
- 52 Compliance/Legal
- 54 Ethical Management
- 55 Reporting on Unethical Practices
- 56 Social Contribution

Risk Management

Samsung Asset Management protects investment assets through methodical and organized risk management.



50

Risk Management Policy

At Samsung Asset Management, we realize that the core value of the asset management industry is related to risk management and systematically manage risk by establishing risk management systems at all levels. This allows us to check and balance asset management and risk management and maximize investment performance within the acceptable risk parameters.

We measure and analyze risk by evaluating the investment return and performance for each division, fund, and manager. We also monitor risk by examining investment strategies and conducting compliance checks. We maintain a comprehensive risk management system that enables us to respond to any crisis, financial or non-financial, at the earliest stage possible.

Risk Management Organization

The Risk Management Working Committee, a comprehensive decision-making institution under the board of directors, is responsible for the systematic monitoring of risk and making necessary decisions. Organizations dedicated to risk management, the Risk Management Team, Compliance Team, and Audit Team, measure, analyze, monitor risk and report their findings to the Risk Management Working Committee.

Risk Management Process

Samsung Asset Management operates a comprehensive risk management process, conducting pre-, interim, and post-management of risks that may occur during the design, launch, and operation of investment products.

We clearly define risk management principles and investment guidelines to strategically examine potential risks early in the product development stage, while constantly monitoring risk, checking for violations on a daily basis, and when a risk factor is identified, we engage in proactive feedback to remove the risk factor and prevent reoccurrences.

For comprehensive management of risks inherent in asset management, we classify risk according to categories such as performance, credit concentration, and atypical product risks.

Definition and Management of Risk Factors

Each risk category is precisely defined in the risk management guidelines, and types of risk are specified to establish a systematic approach. Key control indicators are established for each risk factor within the investment guidelines and monitored regularly, allowing us to preemptively identify and manage market, credit, liquidity, and operational risk.

Risk Management



Risk Management Organizations



Risk Management Process by Stage



Risk Factor Definitions and Measurement Indicators

Risk management methodology: Manage risks according to investment goal and strategy

Category	Definition	Indicator/Tool
Market risk	Risk caused by uncertainty in future value of assets due to changes in stock prices, interest rates, exchange rates and any other market-related factors	Ex-ante tracking error, factor exposure, factor analysis
Credit risk	Risk associated with fund investment recipients or transaction counterparty failing to perform their payment obligations	Investment universe & counterparty management, differentiating credit rating per customer type
Liquidity risk	Risk associated with being unable to meet financial obligations arising from maturity mismatches or from the deteriorating market liquidity of assets in possession	Weight of liquid assets, weight of low-liquidity assets
Operational risk	Risk that may be incurred during the course of business operations due to inadequate systems, negligence, wrongdoing, or other exceptions	Independent operation department, provision of operation process manuals

Compliance/ Legal

We practice sound asset management through the control tower overseeing legal and regulatory compliance and internal control.



52

Control tower overseeing legal and regulatory compliance and internal control

Samsung Asset Management regards ethical reputation as a valuable asset in business operations, taking into consideration compliance with laws and ethical codes in all decision-making processes and supporting all employee to carry out their jobs honestly and fairly.

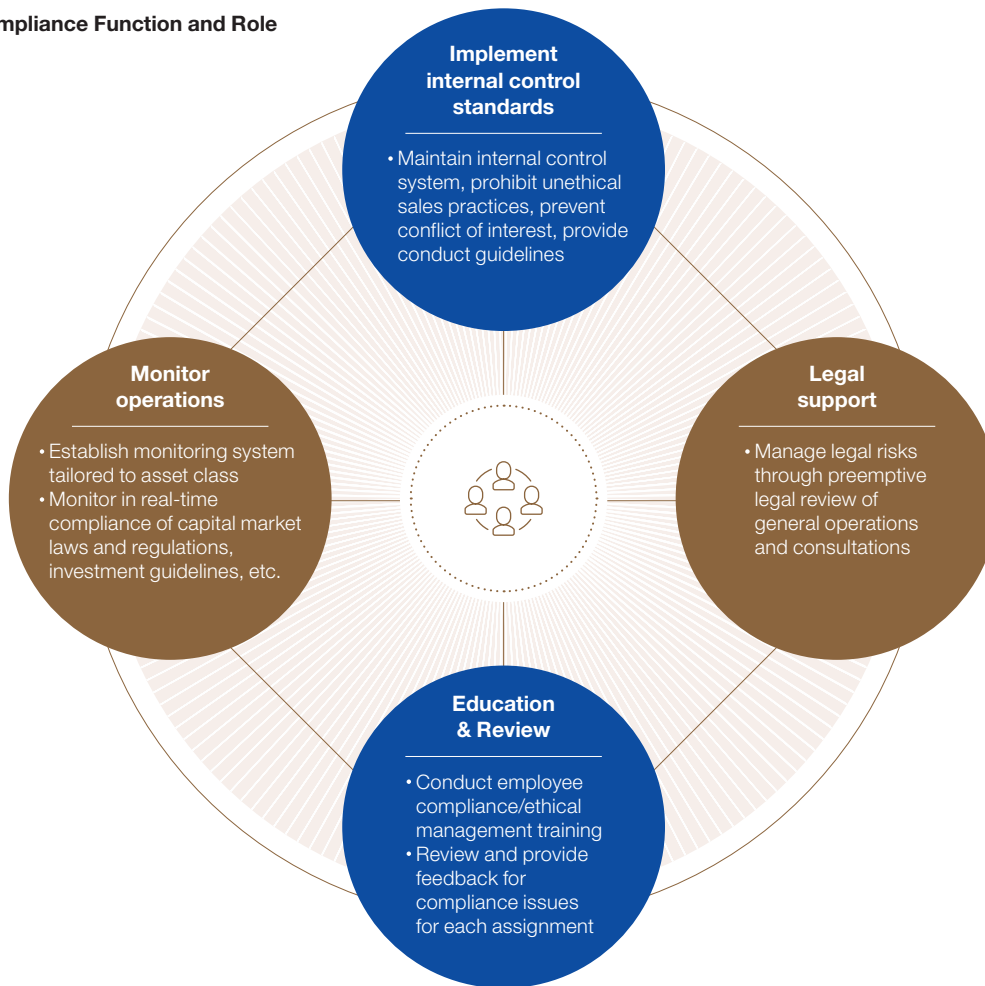
We operate under clearly defined internal control standards that outline the basic business procedures and standards that should be observed by all employees. We have improved employees' ethical consciousness by adopting ethical management evaluations according to each division's characteristics, and have established a voluntary internal control system where the employees are those responsible for internal control procedures.

Samsung Asset Management diligently ensures compliance with laws both before and after business decisions are made and executed, effectively managing the company's legal risks. We will continue to develop internal control mechanisms, interpret and analyze relevant regulations, manage education and monitoring activities to engage in law-abiding asset management and financial customer protection.

Internal Control Management System

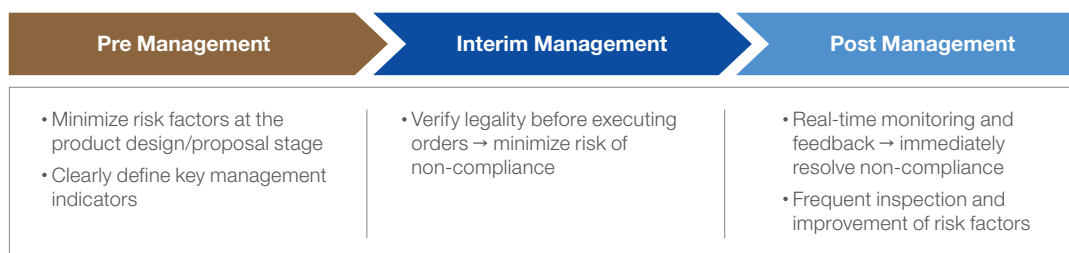


Compliance Function and Role

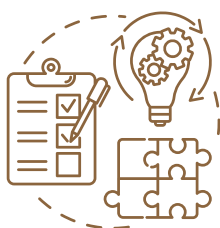


Compliance System

Investment guideline and legal breach risks → Prior check / Regular monitoring / Real-time feedback → Follow-up supplementation & feedback



Key Points of Compliance Training



- 01 Mindset training for developing a culture of internal control**
 - Continuous and repeated training sessions to ensure compliance and ethical business mindset amongst all employees
- 02 Tailored training for new employees and promoted employees according to their position and assignment**
 - Improve self-control capabilities by acquiring professional knowledge required for performing actual internal control duties
- 03 Establishing a compliance organization engaged in constant research and education**
 - As the organization responsible for internal control, exert continuous efforts to build industry-leading capabilities and an ethical mindset

Ethical Management

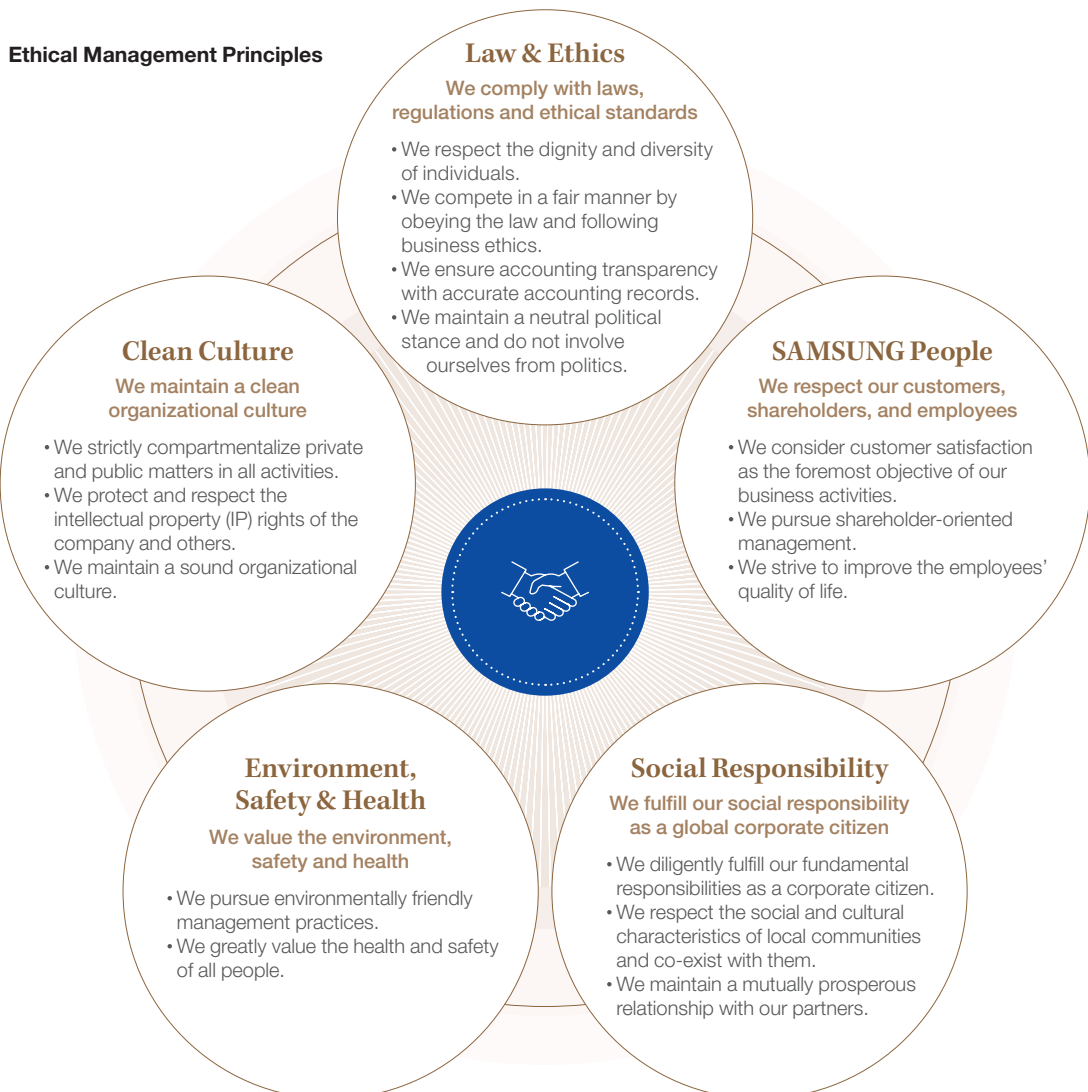
Samsung Asset Management practices ethical management for transparent business operations.



Ethical Management Principles

Samsung Asset Management recognizes business ethics as a core asset of its corporate management in order to position itself as an asset management company trusted by all stakeholders including clients, shareholders, investors and the local community. Compliance with laws and internal control guidelines are always considered before the volume of AUM or investment returns in all decisions.

The Samsung Business Principles outline the ethical standards for complying with laws and ethics, and performing the proper roles and social responsibilities of a company.



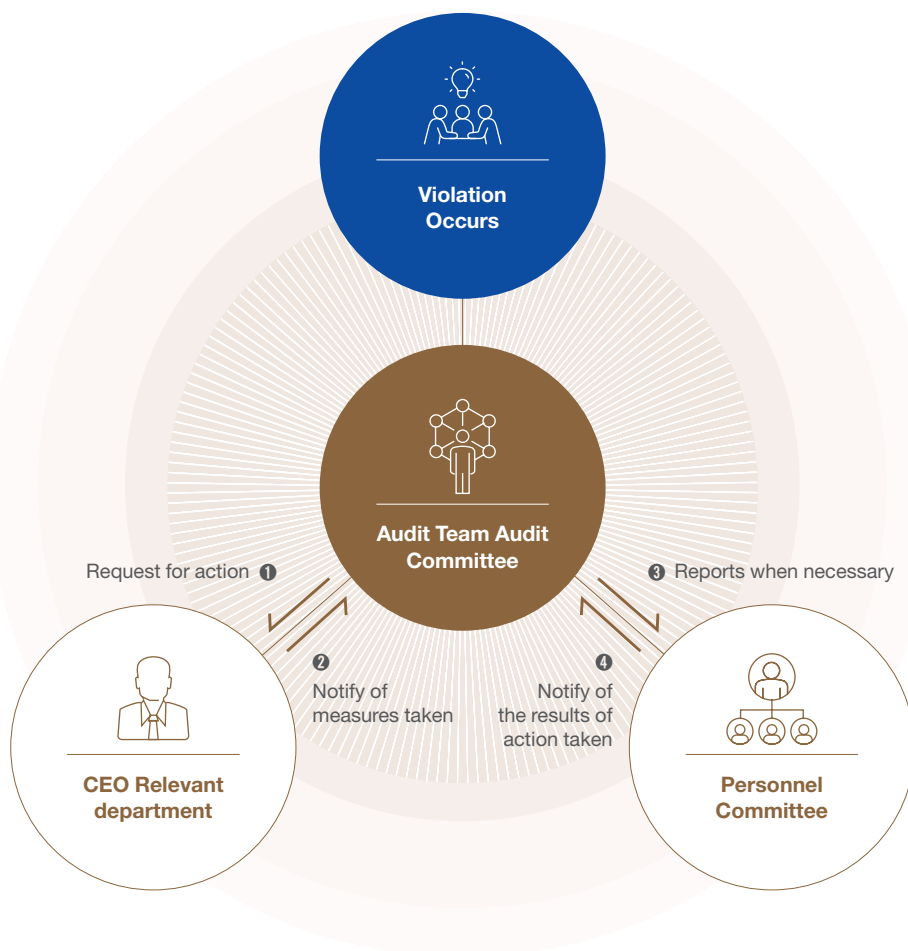
Reporting on Unethical Practices



Samsung Asset Management operates an online channel (audit.fund@samsung.com) dedicated to whistleblowing related to any unfair practices and/or corruption of employees. Contents of whistleblowing reports are processed and appropriate measures are then implemented after being verified by the Audit Team, while whistleblowers are informed of the findings in a timely manner. All reports must be made under real names to ensure their authenticity, but the contents will be kept strictly confidential to protect the identity of the whistleblowers.

If the inquiry discovers the existence of legal or ethical violation or reveals an area needing improvement, the Audit Committee will request a response from the CEO and responsible division and relay the case to the Personnel Committee if necessary.

Process for Handling Regulation Violations



Social Contribution

We fulfill our corporate social responsibilities with active involvement from our employees rather than through passive volunteer work.



Caring for the vulnerable

We have formed partnerships with community and welfare centers for underprivileged children, youth, and the disabled, continuing to provide donations and volunteer activities.

In particular, our relationship with the 'House of Isaac' has continued since 2000, and the 'Evergreen Welfare Center' since 2005. We continued to work together to support our vulnerable neighbors to the best of our abilities, providing physical therapy training for the disabled and holding holiday events.

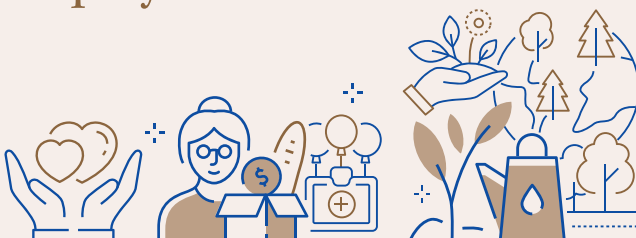


Promoting Employee club-led volunteer activities

We are actively engaged in diverse volunteer activities with employee participation, organized through company social clubs. Employees organize various clubs based on common interests such as culture, hiking, or baseball and each club is engaged in volunteer programs for those in need, in consultation with the company.

In addition, we work with outside NGOs to offer a wide range of volunteering opportunities to our employees, organizing events such as making handmade soaps and safety umbrellas for children.

Social contribution activities with active involvement from our employee



Children are our future

To fulfill its corporate social responsibility, Samsung Asset Management reflects its core value of 'talent first' and 'mutual prosperity' in its programs to provide the future generation of children with the necessary education to grow into healthy members of society. In partnership with the Kids & Future Foundation, an NGO supporting children's education, our 'children's investment, and economics class' program allows our employees to teach underprivileged children about basic economic knowledge, financial investing, and the concept of asset growth through fun games.

Samsung Asset Management and its employees will continue to serve as the foundation for these children to grow into financially and economically literate leaders of future society.



Living in harmony with rural communities

In partnership with the Shinpeyong agricultural cooperative in Chungcheongnam-do Province, our employees participate in rural activity and agricultural product sales to support farmers with extra working hands and contribute to revitalizing the rural economy.

More than once a year, we join hands with affiliated companies to open a farmer's market (including an online market) to promote products from our sister village and sell them to employees and the local community. During major holidays, we purchase farm products and kimchi made by the sister village and donate them to partner welfare centers. This not only helps the village earn extra income but also promotes the value of giving back.

FINANCIAL SECTION

58	Independent Auditor's Report
60	Consolidated Statements of Financial Position
61	Consolidated Statements of Comprehensive Income
62	Consolidated Statements of Changes in Equity
64	Consolidated Statements of Cash Flows
66	History

Independent Auditor's report

To the Board of Directors and Shareholders of Samsung Asset Management Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Samsung Asset Management Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 37 to the consolidated financial statements of the Group. As discussed in Note 37 to the consolidated financial statements, the world including South Korea is facing uncertainty for severe economic conditions and prolonged situation due to the spread of Coronavirus disease 2019 (COVID-19) since the beginning of 2020.

The Group actively monitors the uncertainty relating to the impact of pandemic of COVID-19 on the Group's operation and financial position.

However, the ultimate effect of the recession on the financial position of the Group cannot presently be determined and, accordingly, no adjustments related to such uncertainties have been reflected in the accompanying consolidated financial statements.

Other Matter

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Seoul, Korea
March 12, 2021

Samil PricewaterhouseCoopers

This report is effective as of March 12, 2021, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Consolidated Statements of Financial Position

December 31, 2020 and 2019

Samsung Asset Management Co., Ltd. and Subsidiaries

(in Korean won)

	2020		2019	
Assets				
Cash and cash equivalents	₩	92,109,925,967	₩	60,271,960,144
Financial assets at fair value through profit or loss		699,677,303,194		768,710,026,838
Financial assets at fair value through other comprehensive income		5,237,354,007		5,711,823,068
Financial assets at amortized cost		180,854,632,948		270,831,499,453
Property and equipment		2,511,689,215		2,043,527,842
Right-of-use assets		12,995,153,986		5,059,310,204
Intangible assets		22,795,737,570		18,859,699,277
Net defined benefit assets		711,205,166		183,329,515
Current tax assets		-		112,947,753
Deferred tax assets		2,176,837,578		3,176,968,708
Other assets		2,279,544,425		2,585,533,543
Total assets	₩	1,021,349,384,056	₩	1,137,546,626,345
Liabilities				
Financial liabilities at fair value through profit or loss	₩	153,614,486	₩	16,971,127
Deposit liabilities		19,677,141,119		117,742,405,604
Debts		223,100,000,000		189,700,000,000
Other financial liabilities		183,870,613,502		314,637,840,258
Provisions		543,271,780		543,170,304
Current tax liabilities		19,446,139,418		13,537,231,218
Deferred tax liabilities		18,954,494		-
Other liabilities		3,050,830,354		2,044,913,211
Total liabilities	₩	449,860,565,153	₩	638,222,531,722
Equity				
Equity attributable to owners of the Parent Company				
Share capital	₩	93,430,000,000	₩	93,430,000,000
Capital surplus		(384,524,208)		(384,524,208)
Accumulated other comprehensive income		(13,623,401,782)		(9,290,382,082)
Retained earnings		492,066,744,893		415,569,000,913
Non-controlling interest		-		-
Total equity		571,488,818,903		499,324,094,623
Total liabilities and equity	₩	1,021,349,384,056	₩	1,137,546,626,345

Consolidated Statements of Comprehensive Income

Years Ended December 31, 2020 and 2019

Samsung Asset Management Co., Ltd. and Subsidiaries

(in Korean won)

	2020	2019
Operating revenues		
Commission income	₩ 235,558,024,221	₩ 203,961,444,049
Gain on disposal and valuation of financial instruments	16,370,884,370	26,288,081,263
Interest income	19,842,176,554	10,358,711,561
Gain on foreign currency transactions/translations	6,608,225,568	6,781,423,366
Dividend income	2,703,107,008	2,522,272,220
Other revenue	279,437,524	38,590,093
	281,361,855,245	249,950,522,552
Operating expenses		
Commission expenses	(10,389,879,191)	(9,146,907,619)
Loss on disposal and valuation of financial instruments	(31,669,897,214)	(22,690,397,090)
Interest expenses	(2,669,760,242)	(8,136,014,564)
Loss on foreign currency transactions/translations	(6,012,749,297)	(3,440,932,696)
Selling expenses	(7,551,656,929)	(7,690,794,550)
Administrative expenses	(119,180,328,253)	(110,340,684,803)
Other expenses	(10,578,277)	(6,926,545)
	(177,484,849,403)	(161,452,657,867)
Operating profit	103,877,005,842	88,497,864,685
Non-operating income	827,980,176	86,115,145
Non-operating expenses	(289,988,514)	(1,615,118,707)
Profit before income tax	104,414,997,504	86,968,861,123
Income tax expense	(27,917,253,524)	(21,425,299,517)
Profit for the year	76,497,743,980	65,543,561,606
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss :		
Loss on valuation of financial assets at fair value through other comprehensive income	(364,024,260)	(1,627,745,490)
Remeasurements of net defined benefit liabilities	(345,884,256)	(943,789,199)
Income tax of items that will not be reclassified to profit or loss	172,604,960	616,261,717
Items that may be subsequently reclassified to profit or loss :		
Gain on valuation of financial assets at fair value through other comprehensive income	138,508,814	123,959,586
Exchange differences on translations of foreign operations	(3,889,375,804)	2,637,683,723
Income tax of items that may be subsequently reclassified to profit or loss	(44,849,154)	(40,138,114)
Other comprehensive income(loss) for the year, net of tax	(4,333,019,700)	766,232,223
Total comprehensive income for the year	₩ 72,164,724,280	₩ 66,309,793,829
Profit is attributable to:		
Owners of the Parent Company	76,497,743,980	65,543,561,606
Non-controlling interests	-	-
Total comprehensive income for the year is attributable to:		
Owners of the Parent Company	72,164,724,280	66,309,793,829
Non-controlling interests	-	-
Earnings per share attributable to the equity holders of the Parent Company		
Basic earnings per share	₩ 4,094	₩ 3,508

Consolidated Statement of Changes in Equity

Years Ended December 31, 2020 and 2019

Samsung Asset Management Co., Ltd. and Subsidiaries

Attributable to owners of the Parent Company				
	Share capital		Capital surplus	
Balance at January 1, 2019	₩	93,430,000,000	₩	(384,524,208)
Total comprehensive income(loss)				
Profit for the year		-		-
Other comprehensive income				
Remeasurements of net defined benefit liabilities		-		-
Loss on valuation of financial assets at fair value through other comprehensive income		-		-
Exchange differences on translations of foreign operations		-		-
Total comprehensive income(loss) for the year		-		-
Balance at December 31, 2019	₩	93,430,000,000	₩	(384,524,208)
Balance at January 1, 2020	₩	93,430,000,000	₩	(384,524,208)
Total comprehensive income(loss)				
Profit for the year		-		-
Other comprehensive income				
Remeasurements of net defined benefit liabilities		-		-
Loss on valuation of financial assets at fair value through other comprehensive income		-		-
Exchange differences on translations of foreign operations		-		-
Total comprehensive income(loss) for the year		-		-
Balance at December 31, 2020	₩	93,430,000,000	₩	(384,524,208)

(in Korean won)

Attributable to owners of the Parent Company						
	Accumulated other comprehensive income	Retained earnings	Owners of the Parent Company	Non-controlling interest		Total equity
	₩ (10,056,614,305)	₩ 350,025,439,307	₩ 433,014,300,794	₩ -		₩ 433,014,300,794
	-	65,543,561,606	65,543,561,606	-		65,543,561,606
	(721,441,891)	-	(721,441,891)	-		(721,441,891)
	(1,150,009,609)	-	(1,150,009,609)	-		(1,150,009,609)
	2,637,683,723	-	2,637,683,723	-		2,637,683,723
	766,232,223	65,543,561,606	66,309,793,829	-		66,309,793,829
	₩ (9,290,382,082)	₩ 415,569,000,913	₩ 499,324,094,623	₩ -		₩ 499,324,094,623
	₩ (9,290,382,082)	₩ 415,569,000,913	₩ 499,324,094,623	₩ -		₩ 499,324,094,623
	-	76,497,743,980	76,497,743,980	-		76,497,743,980
	(261,373,167)	-	(261,373,167)	-		(261,373,167)
	(182,270,729)	-	(182,270,729)	-		(182,270,729)
	(3,889,375,804)	-	(3,889,375,804)	-		(3,889,375,804)
	(4,333,019,700)	76,497,743,980	72,164,724,280	-		72,164,724,280
	₩ (13,623,401,782)	₩ 492,066,744,893	₩ 571,488,818,903	₩ -		₩ 571,488,818,903

Consolidated Statements of Cash Flows

Years Ended December 31, 2020 and 2019

Samsung Asset Management Co., Ltd. and Subsidiaries

(in Korean won)

	2020	2019
Cash flows from operating activities		
Cash generated from operations		
Profit for the year	₩ 76,497,743,980	₩ 65,543,561,606
Loss on valuation of financial assets at fair value through profit or loss	8,511,948,411	856,338,616
Loss on valuation of derivative financial instruments	1,876,646,925	4,920,201
Expected credit loss	13,831,995	–
Interest expenses	2,669,760,242	8,136,014,564
Loss on foreign currency translation	2,333,154,758	421,811,455
Post-employment benefits	2,013,997,074	1,764,260,051
Depreciation	1,548,860,060	1,567,421,526
Depreciation of right-of-use assets	7,697,709,783	6,939,244,117
Amortization	2,671,892,911	2,743,115,846
Impairment loss on intangible assets	–	1,103,929,810
Income tax expenses	27,917,253,524	21,425,299,517
Increase in provision for restoration	10,578,277	6,926,545
Gain on valuation of financial assets at fair value through profit or loss	(4,876,654,938)	(7,305,330,690)
Gain on valuation of derivative financial instruments	(677,311,101)	(1,304,516,311)
Interest income	(19,842,176,554)	(10,358,711,561)
Gain on foreign currency translation	(1,316,048,181)	(1,913,710,732)
Dividends income	(2,703,107,008)	(2,522,272,220)
Gain on disposal of property and equipment	(1,445,000)	(21,077,633)
Gain on disposal of intangible assets	(65,501)	(51,900,000)
Reversal of impairment loss on intangible assets	(811,920,632)	–
Changes in working capital	70,021,757,580	(73,806,611,308)
Decrease (increase) in financial assets at fair value through profit or loss	81,722,767,181	(61,778,471,831)
Decrease (increase) in financial assets at amortized cost	75,871,494,855	(12,016,051,417)
Decrease (increase) in other assets	343,587,003	(121,478,290)
Increase (decrease) in financial liabilities at fair value through profit or loss	(16,971,127)	21,560,940
Increase (decrease) in deposits liabilities	(98,065,264,485)	9,925,807,207
Increase (decrease) in other financial liabilities	12,047,983,991	(6,651,117,637)
Increase in other liabilities	1,005,917,143	592,085,207
Severance payments	(2,887,756,981)	(3,778,945,487)
	173,556,406,605	13,228,713,399

	2020	2019
Interest received	13,750,682,561	9,305,940,480
Interest paid	(2,272,118,237)	(1,583,250,476)
Dividends received	1,018,605,073	1,088,402,297
Income taxes paid	(20,726,729,417)	(22,472,435,753)
Net cash inflow(outflow) from operating activities	165,326,846,585	(432,630,053)
Cash flows from investing activities		
Repayments of time/installment deposits	52,387,078,326	43,500,000,000
Repayments of loans	1,315,977,149	1,221,483,052
Repayments of guarantee deposits provided	113,947,703	708,807,753
Repayments of financial assets at amortized cost (debt instruments)	2,362,585,244	1,748,475,000
Proceeds from disposal of property and equipment	1,445,000	28,206,570
Proceeds from disposal of intangible assets	3,965,501	1,174,000,000
Payments for time/installment deposits	(52,000,000,000)	(47,021,741,157)
Payments for loans	(2,100,000,000)	(2,100,000,012)
Payments for guarantee deposits provided	(1,067,642,518)	(71,704,040)
Payments for financial assets at amortized cost (debt instruments)	(1,845,542,737)	-
Payments for property and equipment	(1,718,613,087)	(959,403,521)
Payments for intangible assets	(5,861,158,350)	(10,535,394,797)
Changes in scope of consolidation	(39,716,997,888)	(31,127,140,223)
Net cash outflow from investing activities	(48,124,955,657)	(43,434,411,375)
Cash flows from financing activities		
Increase in debts	840,600,000,000	205,700,000,000
Decrease in debts	(807,200,000,000)	(16,000,000,000)
Lease payments	(7,669,150,796)	(6,902,377,043)
Decrease in other financial liabilities	(109,369,376,380)	(124,559,820,864)
Net cash inflow(outflow) from financing activities	(83,638,527,176)	58,237,802,093
Net increase in cash and cash equivalents	33,563,363,752	14,370,760,665
Cash and cash equivalents at the beginning of the year	60,271,960,144	45,925,007,810
Effects of exchange rate changes on cash and cash equivalents	(1,725,397,929)	(23,808,331)
Cash and cash equivalents at the end of the year	₩ 92,109,925,967	₩ 60,271,960,144

History

1998-1999

- 1998. 09 Samsung Life Trust Management established (Paid-in capital of KRW 30 billion).
- 1999. 12 Old Samsung Life Trust Management merger (Paid-in capital KRW 63.2 billion, KRW 18.9 trillion in trust).

2000-2010

- 2000. 03 Recapitalization of KRW 30 billion (paid-in capital KRW 93.2 billion).
Changed the name from Samsung Life Trust Management to Samsung Trust Management.
- 2001. 11 Pension fund investment pool weekly management firms designated.
- 2002. 10 KODEX 200 ETF listed on the Korean Stock Exchange.
- 2004. 12 Managed asset surpasses KRW 60 trillion.
- 2005. 04 ABF fund set up (designated as the management firm in Korea for Asia Bond Fund).
 - 11 Reselected as the Pension fund investment pool weekly management firm.
- 2006. 01 Enacted the Samsung Trust Management brand slogan (Stay Ahead).
- 2007. 11 Establishment of Hong Kong local corporation.
KODEX 200 ETF listed in the Japan Tokyo Stock Exchange.
- 2008. 04 Established Singapore local corporation.
- 2009. 09 KODEX Inverse ETF listed in the Korean Stock Exchange. Designated by Nomura Asset Management as consigned Korean fund management firm.
 - 11 Reselected as the Pension fund investment pool weekly management firm.
- 2010. 02 KODEX leverage ETF listed in Korean Stock Exchange.
 - 04 Changed the name from Samsung Trust Management to Samsung Asset Management.
 - 11 Designated by Japan Niko Fund as consigned Korean fund management firm.
 - 12 Designated by Korean Investment Corporation (KIC) as asset management firm.

2011-2018

- 2011. 05 Nominate by Asia Investor magazine as Korea's best management firm.
- 2012. 04 Listed on KODEX MSCI Korea ETF for the first time in Korea.
- 2013. 08 KODEX Samsung Group stock listed in the Japan Tokyo Stock Exchange.
 - 10 Reselected as the Pension fund investment pool weekly management firm.
 - 12 Achieved KRW 127.4 trillion in managed assets at the end of December.
- 2014. 03 Designated as the foreign stock consigned management firm for National Pension.
 - 10 Research Center established in Shanghai, China.

- 2015. 02 Acquisition of a local corporation in New York.
Hong Kong's first gift ETF "KODEX HSI Futures ETF / KODEX HSI Futures RMB FX ETF" listed in the Hong Kong Stock Exchange.
 - 04 Signed a strategic alliance with Indian Reliance Capital.
 - 07 Designated by the Ministry of Labor for industrial funds weekly management firm.
 - 10 Signed a strategic alliance with US Capital Group.
 - 11 Signed a strategic alliance with Chinese Fund for entry into the Chinese ETF market.
 - 12 Management asset reached KRW 200 trillion.
Acquisition of London subsidiary in Samsung Life Insurance.
- 2016. 04 Launched Samsung Korean Target Date Fund with the US Capital Group.
Signed a strategic alliance with the European EDR (Edmond de Rothschild) Group.
First to list crude oil futures in the ETF at the Hong Kong stock market.
 - 06 First to list 4 leverage inverse ETF sets at the Hong Kong stock market.
 - 08 Moved company location (Seoul Jung-gu Taepyeong-ro → Seocho-gu Seocho-daero Samsung Electronics Seocho Building).
 - 10 Consulting company established in Beijing, China.
- 2017. 01 Divided up subsidiary companies (Samsung Active Asset Management, Samsung Hedge Asset Management).
 - 04 Created global infrastructure fund with IFM Investor Australia.
 - 05 Samsung Korean RIF is launched with US Capital Group.
 - 07 Opened industry-first FA, PB exclusive platform Launched. Samsung ASEAN Fund management strategy for local customers in Europe.
 - 10 Marked 15th anniversary of KODEX ETF.
 - 12 Offer consulting service on management of ETF products for CCBP.
- 2018. 01 Total AUM exceeded KRW 230 trillion.
KODEX net assets exceeded KRW 20 trillion.
 - 05 Samsung Asset Management's third MSCI ETF listed on Shanghai Stock Exchange.
 - 10 Samsung Korea TDF AUM exceeded KRW 500 billion.

2019-2020

- 2019. 03 Re-designated by Ministry of Employment and Labor to manage Industrial Accident Compensation Insurance (IACI) Fund.
 - 09 Selected to manage PIS Fund by KIND (Korea Overseas Infrastructure & Urban Development Corp.).
 - 12 Samsung Korean TDF net assets exceeded KRW 1 trillion.
Named outsourced CIO of Seoul National University Development Fund's financial assets.
- 2020. 06 Fund net assets exceeded KRW 100 trillion.
 - 09 First to list an actively managed equity ETF in the Korea Stock Exchange.
 - 10 Total AUM exceeded KRW 280 trillion.
 - 12 Named outsourced CIO of Ewha Womans University Fund's financial assets.



**SAMSUNG
ASSET MANAGEMENT**

