

Hang Seng Investment Index Funds Series

Hang Seng TECH Index ETF (Unlisted Class)

January 2024

IMPORTANT RISK WARNINGS / FUND INFORMATION FOR HONG KONG INVESTORS

Hang Seng TECH Index ETF ("HSTECH ETF") offers both listed class of Units ("Listed Class Units") and unlisted classes of Units ("Unlisted Class Units"). Switching between Unlisted Class Units and Listed Class Units is not available.

(Capitalised terms used herein but not otherwise defined will have the same meanings as defined in the Hong Kong Offering Document of the Hang Seng Investment Index Funds Series (the "Series") and the relevant Appendix of HSTECH ETF)

Applicable to both Listed Class Units and Unlisted Class Units:

- The investment objective is to match, before fees and expenses, as closely as practicable the total return performance (net of withholding tax) of the Hang Seng TECH Index (the "Index").
- HSTECH ETF may invest in equity securities of companies which have high business exposure to technology related themes and may have a relatively short operating history. Valuations of companies with this theme may be subject to significant instability and fluctuations. In addition, the valuation of companies with this theme may be higher than those of more traditional industries, and HSTECH ETF may suffer a loss when there is a revaluation of these securities.
- HSTECH ETF is subject to risks associated with investing in the industrials, consumer discretionary, healthcare, financials and information technology sectors. An investment in HSTECH ETF may be more vulnerable to price fluctuations of securities of companies in these industries and other factors that particularly affect these industries as compared to an investment in a fund having a more diverse portfolio of investments.
- As HSTECH ETF's investments are concentrated in securities of companies having major business exposure to selected technology themes, and those companies are incorporated in, or with majority of revenue derived from, or with a principal place of business in, the Greater China region, HSTECH ETF is subject to sector and geographical concentration risks and its Net Asset Value is therefore likely to be more volatile than a broad-based fund.
- The Index was launched on 27 July 2020. As such, HSTECH ETF may be riskier than other index funds tracking more established indices with longer operating history.
- HSTECH ETF in general is subject to investment risk, equity market risk, tracking error risk, passive investment risk, risks relating to investments in companies with weighted voting rights, reliance on the same group risk and termination risk.
- Investors of Listed Class Units and Unlisted Class Units are subject to different pricing and dealing arrangements and may be at an advantage or disadvantage depending on market conditions. The Net Asset Value per Unit of each of the Listed Class Units and Unlisted Class Units may be different due to different fees and cost arrangement applicable to the units.
- Investments involve risks and investors may lose substantial part of their investment in HSTECH ETF.

Applicable to Listed Class Units:

- The Listed Class Units of HSTECH ETF is subject to trading risk and reliance on market maker risk.
- For the Listed Class Units of HSTECH ETF, the Manager may at its discretion (i) pay distribution out of the capital or (ii) pay distribution out of gross income while charging/ paying all or part of the Listed Class Units of HSTECH ETF's fees and expenses to/ out of the capital of the Listed Class Units of HSTECH ETF (resulting in an increase in distributable income for the payment of distribution by the Listed Class Units of HSTECH ETF), and thereby effectively pay distributions out of the capital of the Listed Class Units of HSTECH ETF. Payment of dividends out of capital and/or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit of the Listed Class Units of HSTECH ETF.

Applicable to Unlisted Class Units:

- The Unlisted Class Units of HSTECH ETF is subject to currency and exchange rate control risk.

Investors should not only base on this material alone to make investment decisions, but should read the HSTECH ETF's offering documents (including the full text of the risk factors stated therein) in detail. If investors have any doubt about the contents of this material, they should consult their investment adviser and obtain independent professional advice.

Investment Objective

Hang Seng TECH Index ETF is an index-tracking fund which aims to match, before fees and expenses, as closely as practicable the total return performance (net of withholding tax) of the Hang Seng TECH Index.

Cumulative Performance

	3M	6M	1Y ⁺	3Y	5Y	Since Launch
Unlisted Class - A HKD Accumulation Unit	-20.01%	-33.88%	-33.89%	N/A	N/A	-63.79%
Index	-19.90%	-33.80%	-33.42%	N/A	N/A	-63.12%

Calendar Year Performance

	YTD	2023	2022	2021 ▼	2020	2019
Unlisted Class - A HKD Accumulation Unit	-20.16%	-8.96%	-27.18%	-31.59%	N/A	N/A
Index	-20.15%	-8.26%	-26.67%	-31.34%	N/A	N/A

▼ Performance calculated from the Fund's Launch Date (i.e. 28 Jun 2021) to the end of that calendar year.

Fund Facts

Fund Manager	Hang Seng Investment Management Limited
Subscription Fee	Up to 5.0%
Management Fee	0.55% p.a.
Fund Size	HKD 2,716.05 million
Base Currency	HKD
For all fees and charges, please refer to the "CHARGES AND EXPENSES" section in the Offering Document for details.	

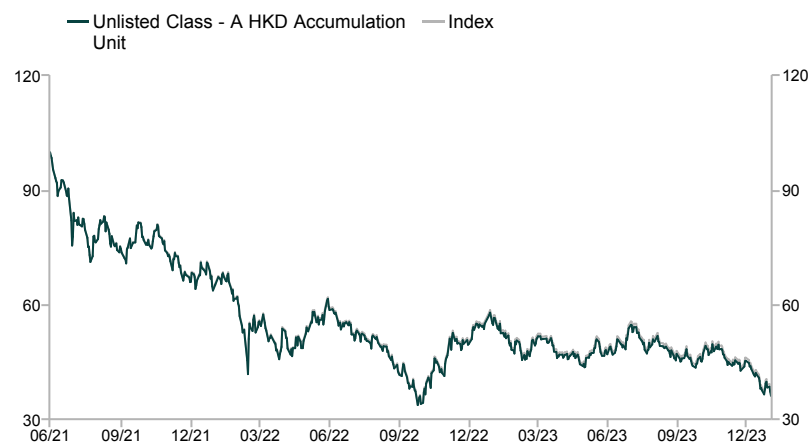
Top Holdings

Alibaba Group Holding - SW	9.95%
Tencent Holdings	9.01%
JD - SW	8.53%
Xiaomi - W	8.45%
Kuaishou - W	7.39%
Li Auto - W	7.14%
NetEase - S	6.85%
Meituan - W	6.46%
Baidu - SW	4.69%
Lenovo Group	4.21%

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Performance Chart



Fund: Unit Price-to-Unit Price return, total return with distribution (if any) reinvested. (Source: Unit Prices are provided by HSBC Institutional Trust Services (Asia) Limited. The Fund's performance information is provided by the Manager.) Performance data has been calculated in HKD including ongoing charges and excluding subscription fee and switching fee you might have to pay.

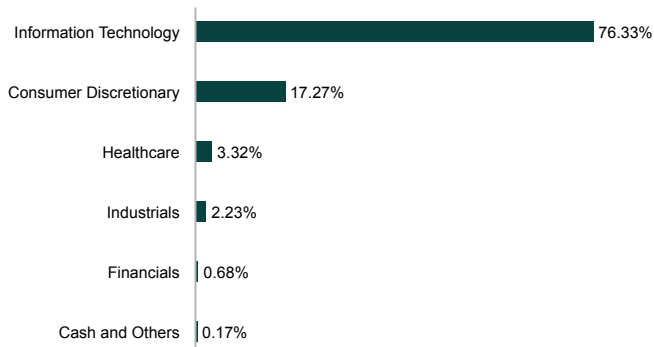
Index: Hang Seng TECH Index, total return with dividend reinvested, net of withholding tax. (Source: Hang Seng Indexes Company Limited.)

Past performance information is not indicative of future performance. Investors may not get back the full amount invested.

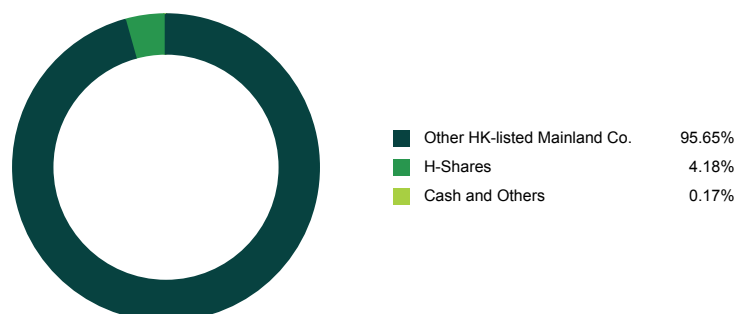
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Industrial Breakdown



Share Class Breakdown



Share Class Details

Share Class	Launch Date	Unit Price	52 Weeks High & Low	Dealing Frequency	ISIN	Bloomberg Code
Unlisted Class - A HKD Accumulation Unit	28 June 2021	HKD 4.1378 ⁽¹⁾	HKD 6.4704/ HKD 4.1378	One Dealing Session per Dealing Day ⁽²⁾	HK0000706116	HATIEAH HK
Unlisted Class - A USD Accumulation Unit	29 June 2021	USD 3.6284 ⁽¹⁾	USD 5.6576/ USD 3.6284	One Dealing Session per Dealing Day ⁽²⁾	HK0000706124	HATIEAU HK
Unlisted Class - D HKD Accumulation Unit	29 June 2021	HKD 0.3656 ⁽¹⁾	HKD 0.5716/ HKD 0.3656	One Dealing Session per Dealing Day ⁽²⁾	HK0000706132	HATIEDH HK

(1) The subscription fee has not been included.

(2) Please refer to the Hong Kong Offering Document for the definition of "Dealing Day".



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Investment Objective and Strategy

The Fund is an index-tracking fund which aims to match, before fees and expenses, as closely as practicable the total return performance (net of withholding tax) of the Hang Seng TECH Index (the "Index"). The Manager primarily adopts a full replication strategy. The Fund invests in substantially all the constituent stocks of the Index in substantially the same weightings (i.e. proportions) as these stocks have in the Index. In order to maximise portfolio management efficiency, minimise transaction costs and tracking error, exposure to the Index may also be obtained through representative sampling strategies or financial derivative instruments from which the return to the Fund substantially reflects the performance of the Index. The Manager may decide to utilise a full replication strategy or representative sampling strategy from time to time to achieve the Fund's investment objective. Although financial derivative instruments may be used, they will not be used extensively for investment purpose. Currently, the Manager has no intention to have any securities lending, repurchase or similar over-the-counter transactions entered into for the account of the Fund.

Volatility

	1Y	3Y
Standard Deviation	36.02	N/A
Sharpe Ratio	-1.08	N/A

Unlisted Class - A HKD Accumulation Unit
Source: Morningstar Asia Limited

Fund Literature



Download the offering documents here

(Source: Hang Seng Investment Management Limited / HSBC Institutional Trust Services (Asia) Limited/Morningstar Asia Limited. All information as at 31 Jan 2024.)

Please read the disclaimer in relation to the Index in the Fund's Offering Document. The Fund has been authorized by the Securities and Futures Commission in Hong Kong ("SFC"). (SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.) Certain information contained in this factsheet is obtained and prepared from sources which Hang Seng Investment Management Limited ("HSVM") reasonably believes to be reliable. For information sourced externally (as disclosed), HSVM has reasonable belief that such information is accurate and complete. This factsheet is for your information and reference only, and does not constitute any offer, solicitation or recommendation to buy or sell Units in the Fund. Investors should note that investment involves risks and not all investment risks are predictable. Prices of fund units may go up as well as down and past performance information presented is not indicative of future performance. Before making any investment decisions, investors should read the Offering Document of the Fund (including the full text of the risk factors stated therein (such as the arrangement in the event that the Fund is delisted)) in detail and obtain appropriate professional advice where necessary. This factsheet has not been reviewed by the SFC.