

Hang Seng Investment Series Hang Seng Asian Bond Fund

February 2024

IMPORTANT RISK WARNINGS / FUND INFORMATION FOR HONG KONG INVESTORS

(Capitalized terms used herein but not otherwise defined will have the same meanings as defined in the Explanatory Memorandum of Hang Seng Investment Series (the "Series") and the Term Sheet of the Fund)

- With effect from 7 Feb 2022, Hang Seng Global High Yield Bond Fund is renamed as Hang Seng Asian Bond Fund.
- Hang Seng Asian Bond Fund (the "Fund") invests at least 70% of its Net Asset Value in Asian debt securities predominantly denominated in USD.
- The Fund is subject to concentration risk. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- The Net Asset Value of the Fund may be affected unfavourably by fluctuations in the exchange rates between the currencies of the Fund's underlying investments and the Fund's base currency and by changes in exchange rate controls.
- The Fund is subject to the risks associated with investments in fixed income instruments (including those invested through other collective investment schemes ("underlying schemes")), including credit / counterparty risk, interest rate risk, volatility and liquidity risk, downgrading risk, sovereign debt risk, valuation risk and credit rating risk.
- The Fund may invest in debt securities rated below investment grade or unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.
- RMB hedged class(es) of Units are subject to RMB currency and conversion risks. RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non RMB-based investors are exposed to foreign exchange risks.
- Currency hedged class(es) of Units are subject to currency hedging risk. The costs of hedging transactions will be reflected in the Net Asset Value of the relevant hedged class(es) of Units and Unitholders of such class(es) will have to bear the associated hedging costs, which may be significant depending on prevailing market conditions. There is no assurance that hedging will be effective.
- Investing in an emerging market may involve increased risks and special considerations not typically associated with investment in more developed markets.
- For Income Units, the Manager may at its discretion pay dividend out of the capital of the Fund. Payment of dividends 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 investments. Any such distributions may result in an immediate reduction of the Net Asset Value per Unit. The distribution amount and Net Asset Value of the currency hedged unit classes may be adversely affected by the interest rate differentials, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than non-hedged classes.
- Investment involves risks and investors may lose all, or substantial part, of their investment in the Fund.

Investors should not only base on the contents of this material alone to make investment decisions, but should read the Fund's Term Sheet, Product Key Facts Statements and the Explanatory Memorandum of the Series (including the full text of the risk factors stated therein) (collectively "Offering Documents") in detail. If investors have any doubt about the contents of this material or about the Offering Documents, they should consult their investment adviser and obtain independent professional advice.

Investment Objective

The investment objective of the Fund is to maximize long term total return, in terms of both income and capital appreciation by investing at least 70% of its Net Asset Value in Asian debt securities predominantly denominated in USD.

Cumulative Performance

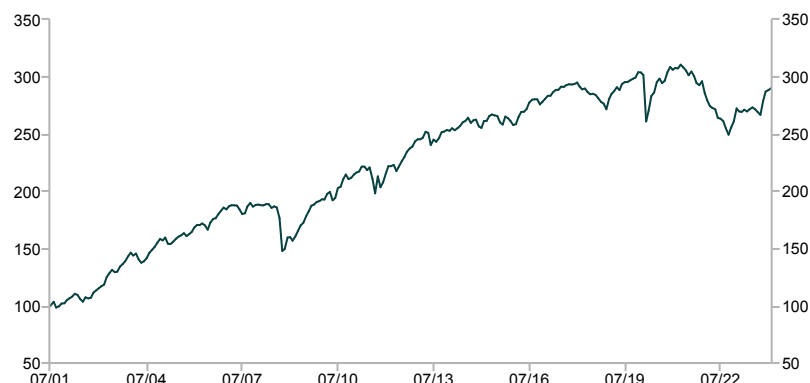
	3M	6M	1Y	3Y	5Y	Since Launch
Class A USD - Income Units	4.07%	6.77%	7.51%	-5.72%	1.76%	190.27%

Calendar Year Performance

	YTD	2023	2022	2021	2020	2019
Class A USD - Income Units	1.02%	9.95%	-11.81%	-4.03%	1.50%	11.88%

Performance Chart

— Class A USD - Income Units



Fund : Unit Price-to-Unit Price return, total return with dividend (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.) The performance information presented is calculated based on the assumption that there were no distributions to Unitholders, and is for reference only. To achieve comparability among funds' performance presentations in the market for investors, the Manager is to change the methodology used to calculate portfolio and composite returns with effective from 1 September 2022 onward. The key changes are (1) the total return with dividend reinvested at ex-dividend date instead of payment date (2) the annualized dividend yield is based on ex-dividend date instead of record date. Performance data published prior to 1 September 2022 is incomparable with the performance calculated by the new calculation methodology.

Performance data has been calculated in USD including ongoing charges and excluding subscription fee and switching fee you might have to pay.

The investment objective and strategy has been changed on 7 February 2022 to reflect the change of investment in Asian debt securities denominated in USD. Therefore, the performance up to the aforementioned date was achieved under circumstances that may no longer apply. Past performance information is not indicative of future performance. Investors may not get back the full amount of the capital invested.

For other share classes performance, please visit www.hangsenginvestment.com *

Fund Facts

Fund Manager	Hang Seng Investment Management Limited
Subscription Fee	Up to 4%
Management Fee	1.0% p.a
Fund Size	USD 45.61 million
Base Currency	USD

For all fees and charges, please refer to the "CHARGES AND EXPENSES" section in the Explanatory Memorandum for details.

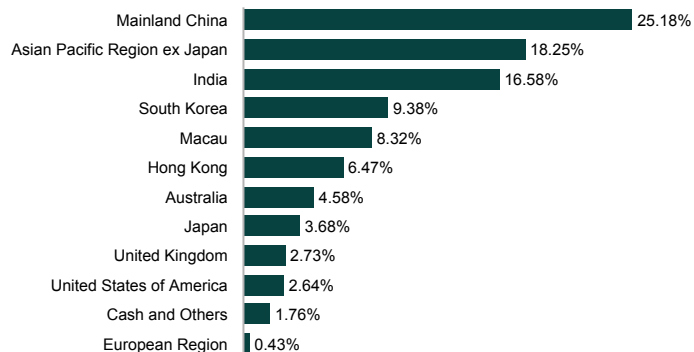
Top Holdings

Mega Advance Investments 6.375% 12 May 2041	3.05%
Freeport Indonesia 6.2% 14 Apr 2052	2.94%
Sinochem International 6.30% 12 Nov 2040	2.83%
HSBC Holdings VAR PERP	2.73%
NXP BV/NXP FDG/NXP USA 5% 15 Jan 2033	2.55%
Australia & New Zealand Banking Group Limited VAR PERP	2.42%
SK Hynix 6.5% 17 Jan 2033	2.33%
Indika Energy Capital 8.25% 22 Oct 2025	2.21%
Kyobo Life Insurance VAR PERP	2.18%
Greenko Solar Mauritius 5.55% 29 Jan 2025	2.17%

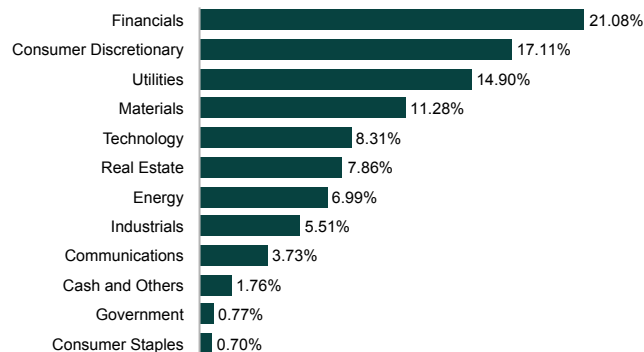
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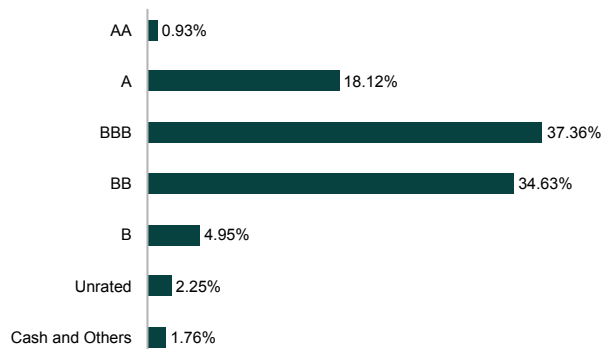
Geographical Breakdown



Industrial Breakdown



Credit Rating Breakdown



For debt securities which are rated and/or the issuer of which are rated by multiple internationally recognized credit rating agencies, if the credit ratings of the debt securities amongst credit rating agencies differ, the highest available rating assigned by an internationally recognized credit rating agency will be used for the purpose of determining the credit rating.

Share Class Details

Share Class	Launch Date	Unit Price	52 Weeks High & Low	Dealing Frequency	ISIN	Bloomberg Code
Class A USD - Income Units ⁽¹⁾	20 July 2001	USD 7.14 ⁽³⁾	USD 7.16/ USD 6.69	One Dealing Session per Dealing Day ⁽⁴⁾	HK0000284650	HSGBHYA HK
Class A USD - Accumulation Units ⁽²⁾	20 July 2001	USD 25.68 ⁽³⁾	USD 25.69/ USD 23.55	One Dealing Session per Dealing Day ⁽⁴⁾	HK0000284643	HASGHAC HK
Class A HKD - Income Units ⁽¹⁾	28 March 2022	HKD 9.38 ⁽³⁾	HKD 9.40/ HKD 8.78	One Dealing Session per Dealing Day ⁽⁴⁾	HK0000823564	HSABFHI HK
Class A RMB (Hedged) - Income Units ⁽¹⁾	28 March 2022	RMB 9.30 ⁽³⁾	RMB 9.33/ RMB 8.73	One Dealing Session per Dealing Day ⁽⁴⁾	HK0000823556	HASABAR HK
Class A AUD (Hedged) - Income Units ⁽¹⁾	28 March 2022	AUD 9.31 ⁽³⁾	AUD 9.34/ AUD 8.73	One Dealing Session per Dealing Day ⁽⁴⁾	HK0000839966	HASABCA HK
Class D HKD - Accumulation Units	27 March 2023	HKD 1.0723 ⁽³⁾	N/A	One Dealing Session per Dealing Day ⁽⁴⁾	HK0000823572	HASABDH HK

(1) The Manager currently intends to make distribution on a monthly basis.

(2) The Accumulation Units are no longer marketed to the public of Hong Kong starting from 19 January 2015.

(3) The subscription fee has not been included.

(4) A Dealing Day is any day which is a Business Day. Please refer to the Explanatory Memorandum of the Hang Seng Investment Series for the definition of "Business Day".

Hang Seng Asian Bond Fund

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Investment Objective and Strategy

The investment objective of the Fund is to maximize long term total return, in terms of both income and capital appreciation by investing at least 70% of its Net Asset Value in Asian debt securities predominantly denominated in USD. The Fund may invest primarily (i.e. at least 70% of its Net Asset Value) in a portfolio of debt securities denominated in USD that are issued or guaranteed by entities established or incorporated in Asia or have significant operations or assets in, or derive a significant portion of revenue or profits from Asia. The Fund will invest not more than 50% of its Net Asset Value in debt securities that are below investment grade or unrated. The Fund may invest less than 30% of its Net Asset Value in urban investment bonds. The Fund may invest less than 30% of its Net Asset Value in debt instruments with loss-absorption features. The Fund may invest less than 20% of its Net Asset Value in other collective investment schemes, out of which, the Fund may invest less than 10% of its Net Asset Value in collective investment schemes that are non-eligible schemes and not authorised by the SFC.

Distribution Information

	Intended Frequency	Record Date	Amount / Share	Annualized Dividend Yield
Class A USD - Income Units	Monthly (if any)	29 Feb 2024	USD 0.0425	7.42%
Class A HKD - Income Units	Monthly (if any)	29 Feb 2024	HKD 0.0558	7.42%
Class A RMB (Hedged) - Income Units	Monthly (if any)	29 Feb 2024	RMB 0.0467	6.22%
Class A AUD (Hedged) - Income Units	Monthly (if any)	29 Feb 2024	AUD 0.0505	6.74%

Income Units Dividend Policy: The Manager currently intends to make declaration of distribution on a monthly basis. The distribution will be made in the form of cash payment. The Manager may at its discretion pay dividend out of the capital of the Fund. Payment of dividends 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.

Effective from 1 September 2022, Annualized Dividend Yield = $\left(\frac{\text{The latest amount of dividend distributed} / \text{Unit price as at ex-dividend date}}{+1} \right)^{12-1}$. Any capital gain/loss in respect of the relevant Unit of the Fund is not included in the calculation of annualized dividend yield. Hence, annualized dividend yield does not represent the total return (if any) that may be achieved by unitholder. Annualized dividend yield is for your information and reference only and is not indicative of future dividend yield.

For full distribution history record, please refer to our website www.hangsenginvestment.com *.

Statistics Summary

Average Maturity	7.76 years
Average Credit Quality	BBB-
Effective Duration	4.32 years
Average yield to maturity	6.98%

Average yield to maturity is the weighted average yield to maturity of the investment portfolio of the Fund. It is not equivalent to the actual return on unitholders' investment in the Fund, and is for your information and reference only. The Fund may not hold the relevant investment until its maturity date.

Volatility

	1Y	3Y
Standard Deviation	5.58	6.30
Sharpe Ratio	0.36	-0.76

Class A USD - Income Units
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 29 Feb 2024.)

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 any investment fund. Investors should note that all investments involve risks and not all investment risks are predictable. Prices of fund units may go up or down and past performance information presented is not indicative of future performance. Before making any investment decision, investors should refer to the relevant fund's offering documents (including the full text of the risk factors stated therein) and obtain appropriate professional advice where necessary. This factsheet has not been reviewed by the SFC.