

Hang Seng Investment Series

Hang Seng China Enterprises Index Fund

February 2024

IMPORTANT RISK WARNINGS / FUND INFORMATION FOR HONG KONG INVESTORS

- With effect from 5 March 2018, Hang Seng China H-Share Index Fund is renamed as Hang Seng China Enterprises Index Fund.
 - Hang Seng China Enterprises Index Fund (the "Fund") is a feeder fund and an index fund. It invests solely in the Hang Seng China Enterprises Index ETF (the "Underlying Fund").
 - The Underlying Fund is listed and traded on The Stock Exchange of Hong Kong Limited. Investors should note the differences between the Fund and the Underlying Fund, including the differences in respect of fees and charges, trading channel, dealing frequency and dealing price determination and decide whether they wish to invest in the Fund or invest in the Underlying Fund directly.
 - Risks relating to the Fund Structure/Underlying Fund: As the Fund invests solely in the Underlying Fund, the Fund is exposed to such risks to which the Underlying Fund is subject.
 - Passive investment risk and tracking error risk. There can be no assurance of exact or identical replication at any time of the performance of the Index.
 - Concentration risk. The value of the Underlying Fund may be more volatile than that of a fund having a more diverse portfolio of investments, and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting mainland China/Hong Kong.
 - There may be additional fees involved when investing into the Underlying Fund, such as fees and expenses charged by the service providers of the Underlying Fund.
 - Investing in an emerging market (such as mainland China) may involve increased risks and special considerations not typically associated with investment in more developed markets.
 - 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.
 - The Fund is subject to the risk associated with dealing sessions. The Fund may need to make investments more frequently, may have to bear relatively higher transactions costs for investments and the Fund's performance may be adversely affected.
 - Although all transactions will be at arm's length, conflicts of interest in respect of the Fund may arise from time to time amongst the Trustee, the Manager (also acting as the manager of the Underlying Fund), the Index Provider and the trustee of the Underlying Fund which are all members of the same financial group.
 - For Income Units, 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 Income Units are no longer marketed to the public of Hong Kong starting from 19 January 2015.)
 - Investment involves risks and investors may lose substantial part of their investment in the Fund.
- Investors should not only base on this material alone to make investment decisions, but should read the Fund's offering documents (including the full text of the risk factors stated therein) in detail.

Investment Objective

The investment objective of the Fund is to match as closely as practicable, before fees and expenses, the total return performance (net of withholding tax) of the Hang Seng China Enterprises Index.

Cumulative Performance

| | 3M | 6M | 1Y | 3Y | 5Y | Since Launch |
|-----------------------|--------|---------|---------|---------|---------|--------------|
| Accumulation Unit - A | -3.33% | -10.15% | -11.69% | -45.98% | -43.62% | 158.40% |
| Index | -2.95% | -9.66% | -10.75% | -44.70% | -41.31% | 243.36% |

Calendar Year Performance

| | YTD | 2023 | 2022 | 2021 | 2020 | 2019 |
|-----------------------|--------|---------|---------|---------|--------|--------|
| Accumulation Unit - A | -1.79% | -12.04% | -16.03% | -21.83% | -1.45% | 13.42% |
| Index | -1.57% | -10.99% | -15.87% | -21.41% | -0.33% | 14.13% |

Performance Chart



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.)

Index: Hang Seng China Enterprises Index, total return with dividend reinvested, net of PRC withholding tax. Source: Hang Seng Indexes Company Limited.

The performance figures show by how much the Class of Units increased or decreased in value during the period being shown. Performance data has been calculated in base currency including ongoing charges and excluding subscription fee and switching fee you might have to pay. Whilst the investment objective of the Fund is to match as closely as practicable the performance of the Index, there can be no assurance that the performance of the Fund will be identical to the performance of the Index. Factors that may affect the performance of the Fund relative to the Index include but are not limited to fees, costs and expenses borne by the Fund as well as time difference associated with portfolio re-balancing, etc.

For other share classes performance, please visit www.hangsenginvestment.com *. Past performance information is not indicative of future performance. Investors may not get back the full amount invested.

Fund Facts

| | |
|------------------|---|
| Fund Manager | Hang Seng Investment Management Limited |
| Subscription Fee | Up to 3% |
| Management Fee | Up to 1% p.a. (currently 0.55% p.a.) |
| Fund Size | HKD 295.14 million |
| Base Currency | HKD |

* The figures shown are the aggregate management fees payable to the Manager of the Fund and to the manager of the Underlying Fund. The management fee of the Fund has been waived with effect from 18 November 2013. The current management fee of the Underlying Fund is charged at the rate of 0.55% p.a.

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

Top Holdings

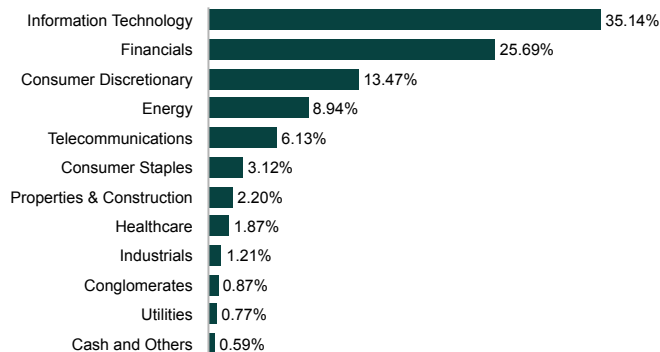
| | |
|---------------------------------------|-------|
| Alibaba Group Holding - SW | 8.20% |
| China Construction Bank | 8.00% |
| Tencent Holdings | 7.25% |
| Meituan - W | 6.48% |
| China Mobile | 6.13% |
| Industrial & Commercial Bank of China | 4.52% |
| Bank of China | 3.90% |
| CNOOC | 3.80% |
| Li Auto - W | 3.70% |
| Ping An Insurance Group | 3.57% |

As the Fund will invest solely in units of the Underlying Fund, asset allocation and top holdings shown above refer to the Underlying Fund as of 29 Feb 2024.

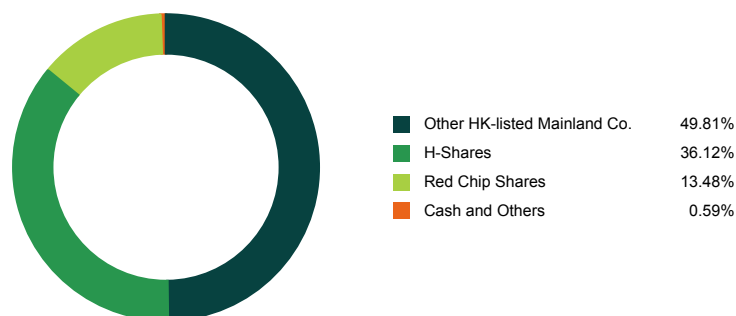
Hang Seng China Enterprises Index Fund

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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 |
|------------------------------------|-------------------|------------------------------|---------------------------|---|--------------|----------------|
| Accumulation Unit - A | 31 July 2003 | HKD 25.84 ^{(2)(*)} | HKD 31.32/ HKD 22.79 | Two Dealing Sessions per Dealing Day ⁽³⁾ | HK0000261104 | HANCHHA HK |
| Accumulation Unit - A (AUD Hedged) | 11 September 2015 | AUD 6.39 ^{(2)(*)} | AUD 7.89/ AUD 5.64 | One Dealing Session per Dealing Day ⁽³⁾ | HK0000263050 | HANCAAH HK |
| Accumulation Unit - A (RMB Hedged) | 04 January 2016 | RMB 7.82 ^{(2)(*)} | RMB 9.68/ RMB 6.91 | One Dealing Session per Dealing Day ⁽³⁾ | HK0000261138 | HANCARH HK |
| Accumulation Unit - A1 | 14 August 2019 | HKD 6.34 ^{(2)(*)} | HKD 7.68/ HKD 5.59 | One Dealing Session per Dealing Day ⁽³⁾ | HK0000486701 | HSCEIA1 HK |
| Income Unit - A ⁽¹⁾ | 31 July 2003 | HKD 18.99 ^{(2)(*)} | HKD 23.52/ HKD 16.75 | Two Dealing Sessions per Dealing Day ⁽³⁾ | HK0000261112 | HANCHAI HK |
| Accumulation Unit - D | 04 May 2020 | HKD 0.6535 ^{(2)(*)} | HKD 0.7920/ HKD 0.5762 | One Dealing Session per Dealing Day ⁽³⁾ | HK0000582244 | HSCEIDH HK |

[^] The Net Asset Value of the Income Unit – A and Accumulation Unit – A are calculated twice in respect of each Dealing Day as at such time after each of the Morning Cut-off Time and the Afternoon Cut-off Time respectively. Latest available unit price at the end of month is displayed here. The Net Asset Value of the Accumulation Unit – A (AUD Hedged), Accumulation Unit – A (RMB Hedged) and Accumulation Unit – A1 are calculated once in respect of each Dealing Day as at such time after each of the Afternoon Cut-off Time. Units subscribed for in the morning are not available for redemption in the afternoon of the same dealing day. There is only one cut-off time for any fund switching application: it is the afternoon cut-off time.

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

(2) The subscription fee has not been included.

(3) 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".

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February 2024

Investment Objective and Strategy

The investment objective of the Fund is to match as closely as practicable, before fees and expenses, the total return performance (net of withholding tax) of the Hang Seng China Enterprises Index. The Fund is a feeder fund and an index fund that seeks to achieve its investment objective through investing solely in another index-tracking fund authorised by the SFC with a substantially similar investment objective as that of the Fund and managed by the Manager of the Fund (the "Underlying Fund"). Currently, the Manager has selected the Hang Seng China Enterprises Index ETF as the Underlying Fund, the net derivative exposure of which is up to 50% of its net asset value.

Distribution Information

| | Intended Frequency | Record Date | Amount / Share |
|-----------------|--------------------|-------------|----------------|
| Income Unit - A | Annually (if any) | 12 Oct 2023 | HKD 0.45 |

Income Units Dividend Policy: The Manager currently intends to make declaration of distribution on an annual 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.

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

Volatility

| | 1Y | 3Y |
|--------------------|-------|-------|
| Standard Deviation | 23.44 | 28.75 |
| Sharpe Ratio | -0.61 | -0.65 |

Accumulation Unit - A
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.)

Please read the disclaimer in relation to the Index in the Fund's Term Sheet. 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.