

Hang Seng Investment Series Hang Seng China Index Fund

February 2024

IMPORTANT RISK WARNINGS / FUND INFORMATION FOR HONG KONG INVESTORS

- Hang Seng China Index Fund (the "Fund") is a feeder fund and an index fund. It invests solely in the Hang Seng FTSE China 50 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.
 - 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.
 - 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) 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 31 December 2014.)
 - 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 of the FTSE China 50 Index.

Cumulative Performance

	3M	6M	1Y	3Y	5Y	Since Launch
Accumulation Unit - A	-3.61%	-11.60%	-13.51%	-47.81%	-40.21%	228.40%
Index	-3.22%	-10.94%	-11.91%	-45.53%	-35.53%	354.36%

Calendar Year Performance

	YTD	2023	2022	2021	2020	2019
Accumulation Unit - A	-0.85%	-14.11%	-20.15%	-20.38%	8.91%	12.69%
Index	-0.56%	-12.62%	-19.23%	-19.38%	10.98%	14.34%

Performance Chart



Note: On or before 10 May 2005, the Fund invested primarily in the constituent stocks of the Hang Seng Mainland 25. From 11 May 2005 to 31 May 2005 (both dates inclusive), the Fund invested primarily in the constituent stocks of the Index. On or after 1 June 2005, the Fund invests solely in the Underlying Fund. The fund performance figures on or before 10 May 2005 and from 11 May 2005 to 31 May 2005 (both dates inclusive) therefore referred to the performance of investing in the constituent stocks of Hang Seng Mainland 25 and the Index respectively. 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.) Index: FTSE China 50 Index, total return with dividend reinvested. Source: Bloomberg.

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 0.55% p.a.*
Fund Size	HKD 33.53 million
Base Currency	HKD

* The figures shown are the maximum rates of aggregate management fees payable to the Manager of the Fund and to the manager of the Underlying Fund. The management fee of the Fund is currently waived. The current management fee of the Underlying Fund is 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

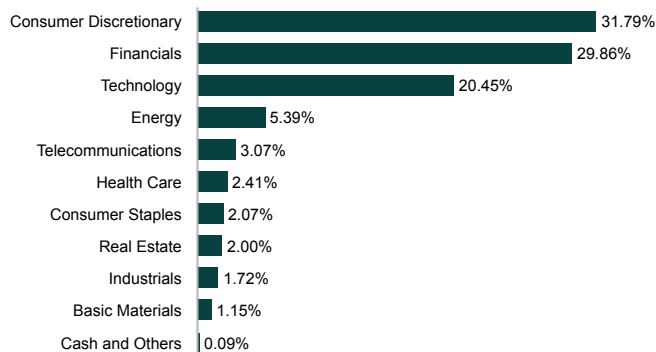
Alibaba Group Holding - SW	9.11%
Tencent Holdings	8.01%
China Construction Bank	7.59%
Meituan - W	7.12%
NetEase - S	5.29%
Industrial & Commercial Bank of China	4.90%
Bank of China	4.04%
Ping An Insurance Group	3.49%
Baidu - SW	3.48%
JD - SW	3.29%

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.

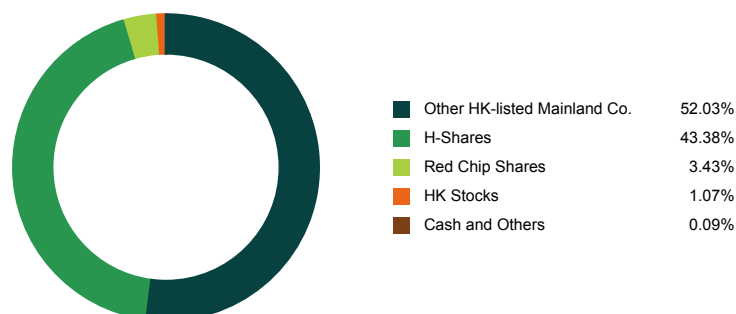
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Industrial Breakdown



Share Class Breakdown



Share Class Details

Share Class	Launch Date	Unit Price	52 Weeks High & Low	Dealing Frequency	ISIN	Bloomberg Code
Accumulation Unit - A	29 January 2003	HKD 32.84 ⁽²⁾	HKD 40.65/ HKD 28.88	One Dealing Session per Dealing Day ⁽³⁾	HK0000284528	HANCHIA HK
Income Unit - A ⁽¹⁾	29 January 2003	HKD 24.32 ⁽²⁾	HKD 30.55/ HKD 21.39	One Dealing Session per Dealing Day ⁽³⁾	HK0000284536	HSCHIDX HK

(1) The Income Units are no longer marketed to the public of Hong Kong starting from 31 December 2014.

(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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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 of the FTSE China 50 Index (the "Index"). The Fund is a feeder fund and an index fund that seeks to achieve its investment objective by 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 (the "Underlying Fund"). Currently, the Manager has selected the Hang Seng FTSE China 50 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 0.4

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	23.96	30.59
Sharpe Ratio	-0.68	-0.63

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.)

The Fund is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), the London Stock Exchange Plc (the "Exchange") or The Financial Times Limited ("FT") (together the "Licensor Parties") and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of FTSE China 50 Index (the "Index") (upon which the Fund is based), (ii) the figure at which the Index is said to stand at any particular time on any particular day or otherwise, or (iii) the fitness or suitability of the Index for the particular purpose to which it is being put in connection with the Fund. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the Index to Hang Seng Investment Management Limited ("HSVM") or to its customers or clients. The Index is calculated by FTSE or its agent. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein. 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 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.