



Hang Seng Investment Series Hang Seng Hong Kong Bond Fund

March 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)

- Hang Seng Hong Kong Bond Fund (the "Fund") invests at least 70% of its Net Asset Value in a range of Hong Kong dollar-denominated debt securities issued by entities within or outside Hong Kong, together with other debt securities issued by Hong Kong entities.
- 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 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.
- Risks associated with investing in fixed income instruments may be especially pronounced for fixed income instruments of emerging markets. Investing in emerging markets may involve increased risks and special considerations not typically associated with investment in more developed markets.
- 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, and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting Hong Kong.
- 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.
- 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 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 Statement 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 maximise total returns while maintaining steady current income through investing at least 70% of its Net Asset Value in a range of Hong Kong dollar-denominated debt securities issued by entities within or outside Hong Kong, together with other debt securities issued by Hong Kong entities.

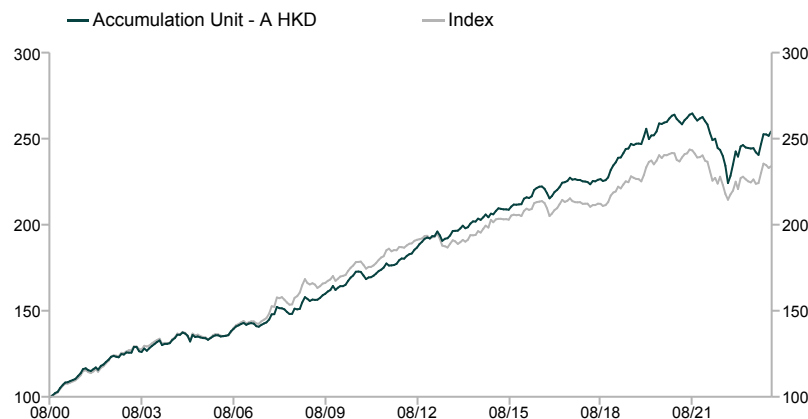
Cumulative Performance

	3M	6M	1Y	3Y	5Y	Since Launch
Accumulation Unit - A HKD	0.63%	5.00%	3.55%	-2.19%	6.41%	154.10%
Index	-0.62%	4.57%	3.05%	-1.19%	5.35%	135.60%

Calendar Year Performance

	YTD	2023	2022	2021	2020	2019
Accumulation Unit - A HKD	0.63%	7.49%	-10.51%	-0.30%	6.69%	6.52%
Index	-0.62%	7.12%	-8.52%	-0.57%	7.33%	3.78%

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.)

Index: HSBC ALBI Hong Kong/Markit iBoxx ALBI Hong Kong, total return with coupon 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. In relation to the comparative index (for reference only): (1) for the period from 3 August 2000 to 30 April 2016, it is the HSBC ALBI Hong Kong; and (2) from 1 May 2016 onwards, it is the Markit iBoxx ALBI Hong Kong.

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 4%
Management Fee	Up to 1% p.a.
Fund Size	HKD 662.75 million
Base Currency	HKD

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

Top Holdings

New Development Bank BRICS 4.1% 22 May 2026	4.49%
Korea Expressway Corp 5.11% 8 Nov 2030	3.12%
Royal Bank of Canada 5.17% 9 Mar 2028	3.07%
Toyota Motor Finance 4.48% 15 Dec 2026	3.03%
SGSP Australia Assets 4.52% 9 Jun 2030	3.02%
Volkswagen International Finance 4.58% 30 May 2026	3.00%
HK Government Bond 3.74% 12 Jan 2038	2.89%
AIA Group Ltd 2.7% PERP	1.77%
HLP Finance 2.05% 02 Feb 2026	1.72%
Hong Kong Mortgage Corp 4.2% 28 Feb 2034	1.52%

Morningstar Rating™ - Overall Rating

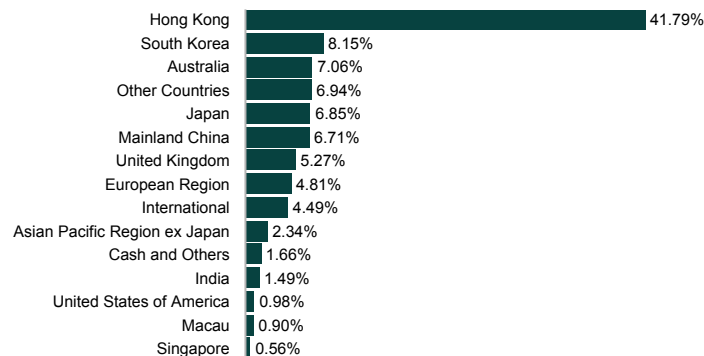


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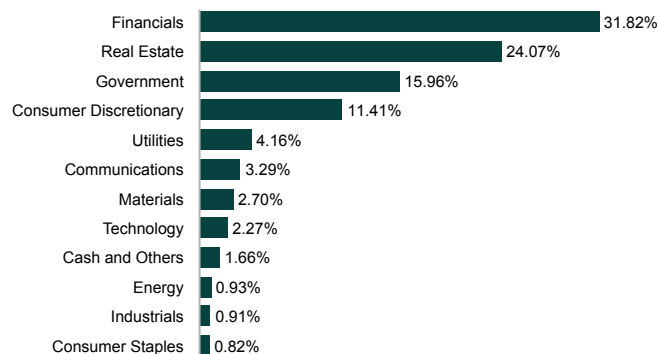
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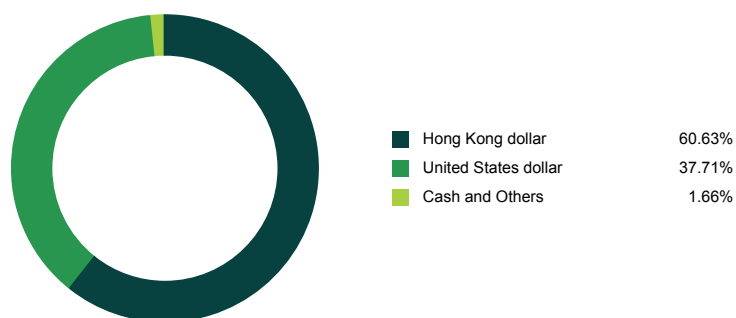
Geographical Breakdown



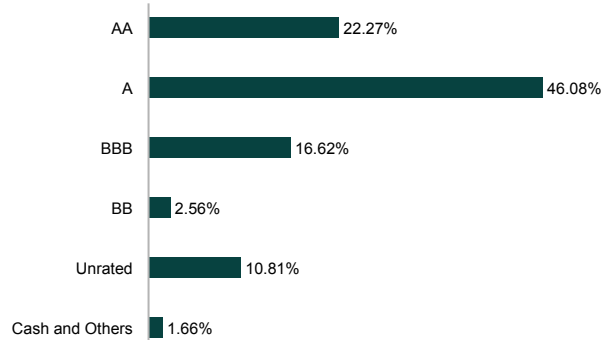
Industrial Breakdown



Currency 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
Accumulation Unit - A HKD	03 August 2000	HKD 25.41 ⁽²⁾	HKD 25.41/ HKD 23.95	One Dealing Session per Dealing Day ⁽³⁾	HK0000284676	HAGHKBD HK
Income Unit - A HKD ⁽¹⁾	09 September 2002	HKD 15.62 ⁽²⁾	HKD 15.94/ HKD 15.03	One Dealing Session per Dealing Day ⁽³⁾	HK0000284684	HAGHKAI HK
Income Unit - A USD ⁽¹⁾	29 March 2021	USD 8.68 ⁽²⁾	USD 8.83/ USD 8.34	One Dealing Session per Dealing Day ⁽³⁾	HK0000716651	HAHKBAU HK
Accumulation Unit - D	04 May 2020	HKD 1.0133 ⁽²⁾	HKD 1.0133/ HKD 0.9539	One Dealing Session per Dealing Day ⁽³⁾	HK0000582293	HSKBDH HK
Income Unit - A RMB (Hedged) ⁽¹⁾	27 September 2021	RMB 8.70 ⁽²⁾	RMB 8.92/ RMB 8.40	One Dealing Session per Dealing Day ⁽³⁾	HK0000756285	HAHKBAR HK
Income Unit - A AUD (Hedged) ⁽¹⁾	10 May 2022	AUD 9.41 ⁽²⁾	AUD 9.62/ AUD 9.05	One Dealing Session per Dealing Day ⁽³⁾	HK0000847985	HAHKBAH HK

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

(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 maximise total returns while maintaining steady current income through investing at least 70% of its Net Asset Value in a range of Hong Kong dollar-denominated debt securities issued by entities within or outside Hong Kong, together with other debt securities issued by Hong Kong entities. The Fund may invest less than 30% of its Net Asset Value in debt securities issued or guaranteed by the government of the People's Republic of China, any of its provinces, any related quasi-governmental organisation or any government-owned organisation which are issued and distributed outside of mainland China. There are no restrictions on the minimum credit ratings of the debt securities the Fund may invest in. The Fund may invest less than 30% of its Net Asset Value in debt instruments with loss-absorption features.

Distribution Information

	Intended Frequency	Record Date	Amount / Share	Annualized Dividend Yield
Income Unit - A HKD	Monthly (if any)	28 Mar 2024	HKD 0.071	5.64%
Income Unit - A RMB (Hedged)	Monthly (if any)	28 Mar 2024	RMB 0.028	3.96%
Income Unit - A USD	Monthly (if any)	28 Mar 2024	USD 0.039	5.58%
Income Unit - A AUD (Hedged)	Monthly (if any)	28 Mar 2024	AUD 0.04	5.27%

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.

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 change is the annualized dividend yield is based on ex-dividend date instead of record date. 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	6.42 years
Average Credit Quality	A
Effective Duration	4.38 years
Average yield to maturity	5.30%

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	3.91	5.46
Sharpe Ratio	-0.27	-0.54

Accumulation Unit - A HKD

Source: Morningstar Asia Limited

Fund Literature



Download the offering documents here

Awards



Refinitiv Lipper Fund Awards Hong Kong 2020
Best Fund Over 3 Years - Bond Global LC
Best Fund Over 5 Years - Bond Global LC

Note:

- Refinitiv Lipper Fund Awards 2020 are issued by Lipper of Refinitiv, reflecting performance of the past three and five years period as of 31.12.2019, © 2020 Refinitiv. All rights reserved.

(Source: Hang Seng Investment Management Limited / HSBC Institutional Trust Services (Asia) Limited/Morningstar Asia Limited. All information as at 28 Mar 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.