

Hang Seng Investment Series Hang Seng Index Fund

March 2024

IMPORTANT RISK WARNINGS / FUND INFORMATION FOR HONG KONG INVESTORS

- Hang Seng Index Fund (the "Fund") invests primarily in the constituent stocks of the Hang Seng Index (the "Index").
 - The Net Asset Value of the Fund may be affected unfavourably by fluctuations in the exchange rates between the class currencies and the Fund's base currency and by changes in exchange rate controls.
 - The Fund's investment in equity securities is subject to general market risks, whose value may fluctuate.
 - The Fund is subject to 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.
 - 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.
 - 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.
 - 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.
 - 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.
 - 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 Index (the "Index") through investing primarily in the constituent stocks of the Index.

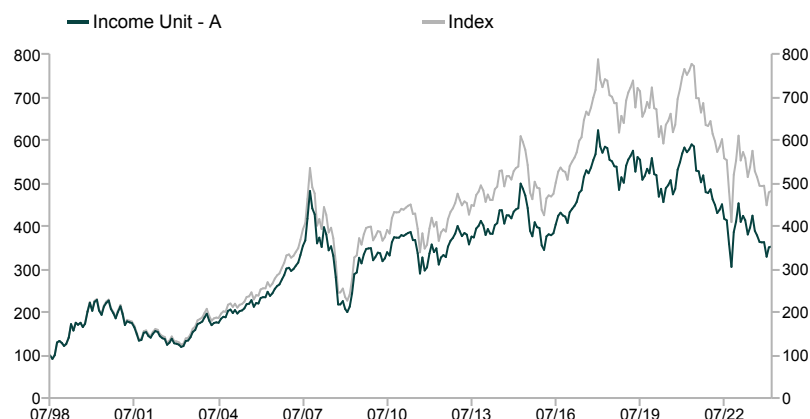
Cumulative Performance

	3M	6M	1Y	3Y	5Y	Since Launch
Income Unit - A	-2.82%	-6.87%	-16.85%	-38.34%	-37.40%	246.24%
Index	-2.53%	-6.33%	-15.82%	-35.93%	-33.31%	372.95%

Calendar Year Performance

	YTD	2023	2022	2021	2020	2019
Income Unit - A	-2.82%	-11.69%	-13.92%	-13.00%	-1.71%	11.37%
Index	-2.53%	-10.61%	-12.70%	-11.94%	-0.46%	12.87%

Performance Chart



Note: On or before 8 October 2004, the Fund solely invested in units of the Hang Seng Index Pooled Fund. 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.

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. 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 total return with dividend reinvested at ex-dividend date instead of payment date. Performance data published prior to 1 September 2022 is incomparable with the performance calculated by the new calculation methodology.

Index: Hang Seng 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. 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.*
Fund Size	HKD 2,527.17 million
Base Currency	HKD

* The maximum rate of the management fee of Accumulation Unit – A1 and of Accumulation Unit – D of the Fund are 0.55% p.a..
For all fees and charges, please refer to the "CHARGES AND EXPENSES" section in the Explanatory Memorandum for details.

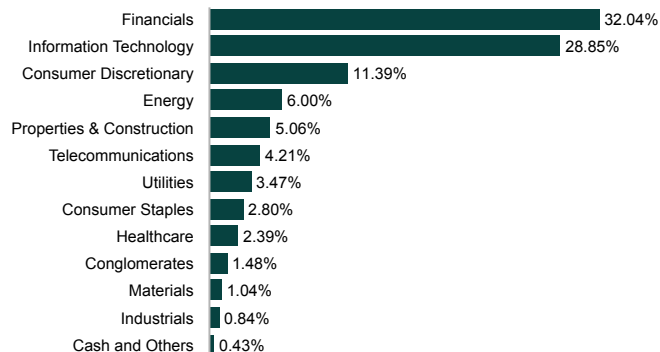
Top Holdings

Tencent Holdings	8.63%
HSBC Holdings PLC	8.29%
Alibaba Group Holding - SW	7.52%
AIA Group	5.65%
Meituan - W	5.42%
China Construction Bank	4.82%
China Mobile	3.88%
Industrial & Commercial Bank of China	2.90%
CNOOC	2.67%
Hong Kong Exchanges & Clearing	2.59%

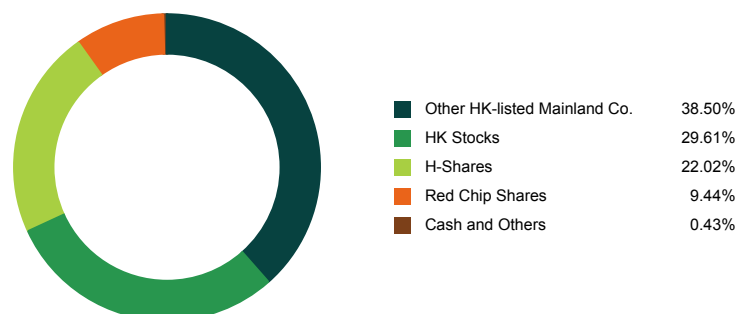
Hang Seng Index Fund

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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
Income Unit - A ⁽¹⁾	13 July 1998	HKD 19.32 ^{(2)(*)}	HKD 24.51/ HKD 17.44	Two Dealing Sessions per Dealing Day ⁽³⁾	HK0000261120	HANINDI HK
Accumulation Unit - A (AUD Hedged)	11 September 2015	AUD 8.19 ^{(2)(*)}	AUD 10.23/ AUD 7.41	One Dealing Session per Dealing Day ⁽³⁾	HK0000263068	HANIAAH HK
Accumulation Unit - A (RMB Hedged)	07 January 2016	RMB 10.14 ^{(2)(*)}	RMB 12.72/ RMB 9.19	One Dealing Session per Dealing Day ⁽³⁾	HK0000261153	HANIARH HK
Accumulation Unit - A1	14 August 2019	HKD 7.09 ^{(2)(*)}	HKD 8.68/ HKD 6.40	One Dealing Session per Dealing Day ⁽³⁾	HK0000486693	HANINA1 HK
Accumulation Unit - D	27 April 2020	HKD 0.7358 ^{(2)(*)}	HKD 0.9012/ HKD 0.6639	One Dealing Session per Dealing Day ⁽³⁾	HK0000582236	HANSIDH HK

[^] The Net Asset Value of the Income 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), Accumulation Unit – A1 and Accumulation Unit – D are calculated once in respect of each Dealing Day as at such time after 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 Manager currently intends to make declaration of distribution on an annual basis (i.e. December in each year). Unless a Unitholder requests otherwise, the distribution will be reinvested in the subscription of further Units.

(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 (net of withholding tax) of the Hang Seng Index (the "Index") through investing primarily in the constituent stocks of the Index. The Manager primarily adopts the full replication strategy by which the assets of the Fund comprise the constituent stocks with reference to their respective weightings in the Index or futures contracts on the Index. In order to maximise portfolio management efficiency, minimise transaction cost and tracking error, exposure to the Index may also be obtained through other index-tracking strategies or financial derivative instruments (such as futures contracts) from which the return to the Fund will substantially reflect the performance of the Index. The Fund's net derivative exposure may be up to 50% of its Net Asset Value.

Distribution Information

	Intended Frequency	Record Date	Amount / Share
Income Unit - A	Annually (if any)	18 Dec 2023	HKD 0.69

Income Units Dividend Policy: The Manager currently intends to make declaration of distribution on an annual basis (i.e. December in each year). Unless a Unitholder requests otherwise, the distribution will be reinvested in the subscription of further 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 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	19.09	25.94
Sharpe Ratio	-1.11	-0.58

Income 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 28 Mar 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.