



Hang Seng Mainland Investment Series Hang Seng RMB Bond Fund

October 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 Mainland Investment Series (the "Series") and the Term Sheet of the Fund)

- Hang Seng RMB Bond Fund (the "Fund") invests at least 70% of its Net Asset Value in Renminbi ("RMB") denominated debt securities ("RMB Debt Securities") which are issued or distributed outside mainland China (the "Mainland") by any entity.
- The Fund is subject to the risks associated with investments in fixed income instruments, including credit / counterparty risk, interest rate risk, downgrading risk, volatility and liquidity risk, sovereign debt risk, valuation risk and credit rating risk.
- 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 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 is currently not freely convertible and is subject to exchange controls and restrictions. Non RMB-based investors are exposed to foreign exchange risks.
- The "Dim Sum" bond market is still a relatively small market which is more susceptible to volatility and illiquidity.
- Limited Pool of Investments - The quantity of RMB Debt Securities issued outside the Mainland that are available to the Fund is currently limited. If the Manager considers there are insufficient RMB Debt Securities in the market, a substantial portion of the Fund's assets may be invested in RMB denominated deposits and/or certificates of deposit issued by substantial financial institutions. That may adversely affect the Fund's return and performance.
- The Fund's investments are concentrated in RMB Debt Securities issued outside the Mainland. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- Convertible bonds will be exposed to equity movement and greater volatility than straight bond investments.
- 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 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 maximise total returns while maintaining steady current income in Renminbi ("RMB") terms through investing primarily in RMB denominated debt securities ("RMB Debt Securities") which are issued or distributed outside mainland China. The RMB Debt Securities may include government bonds, commercial papers, convertible bonds and short-term bills. The Fund will not invest in any debt securities or other securities issued in mainland China.

Fund Facts

Fund Manager	Hang Seng Investment Management Limited
Subscription Fee	Up to 2%
Management Fee	Up to 0.75% p.a.
Fund Size	RMB 138.85 million
Base Currency	RMB

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

Top Holdings

Sun Hung Kai Properties	3.2%	14 Aug 2027	7.26%
Prologis LP	3.5%	6 Feb 2027	7.26%
MTR Corporation	3.25%	6 Oct 2025	7.25%
Wharf REIC Finance	3.7%	16 Jul 2025	6.53%
Alibaba Group Holding	4.5%	28 Nov 2034	5.89%
HSBC Holdings plc	3.4%	29 Jun 2027	5.83%
Swire Properties	3.4%	18 Jan 2026	5.81%
Airport Authority Hong Kong	2.93%	5 Jun 2034	4.77%
AIA Group	5.375%	5 Apr 2034	4.67%
JPMorgan Chase	4.1%	25 Aug 2025	4.63%



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Cumulative Performance

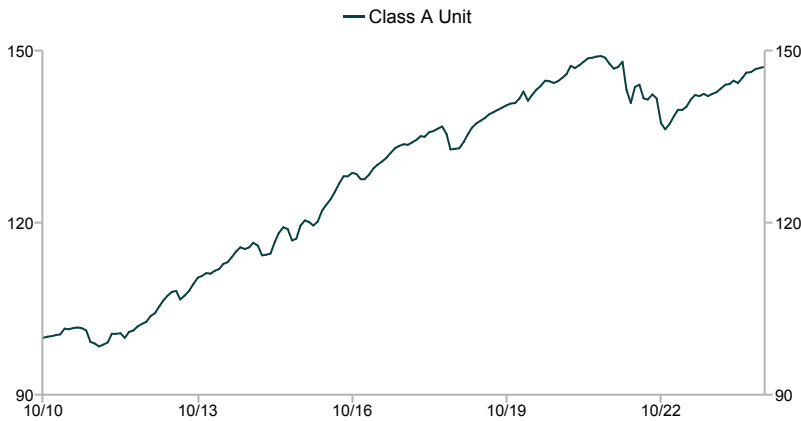
	3M	6M	1Y	3Y	5Y	Since Launch ⁺
Class A Unit	0.63%	1.96%	3.27%	-0.44%	4.77%	47.29%
Index	1.30%	2.57%	4.94%	10.42%	17.94%	N/A

⁺ The start date of the Index (i.e. 31 December 2010) is later than the Fund's start date (i.e. 29 October 2010). Hence, the L-T-D (i.e. covering the same period as the Fund) performance of the Index cannot be provided.

Calendar Year Performance

	YTD	2023	2022	2021	2020	2019
Class A Unit	2.68%	4.45%	-6.77%	0.85%	3.59%	5.07%
Index	4.16%	3.75%	1.76%	3.03%	3.57%	5.86%

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.) Please note that the Fund Units currently available are income units only. The Manager currently intends to make declaration of distribution on a monthly basis (there is a change of distribution frequency of the Fund from semi-annually to monthly with effect from 29 July 2016). 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.

Index: HSBC ALBI China Offshore/Markit iBoxx ALBI China Offshore, 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 31 December 2010 to 30 April 2016, it is the HSBC ALBI China Offshore; and (2) from 1 May 2016 onwards, it is the Markit iBoxx ALBI China Offshore.

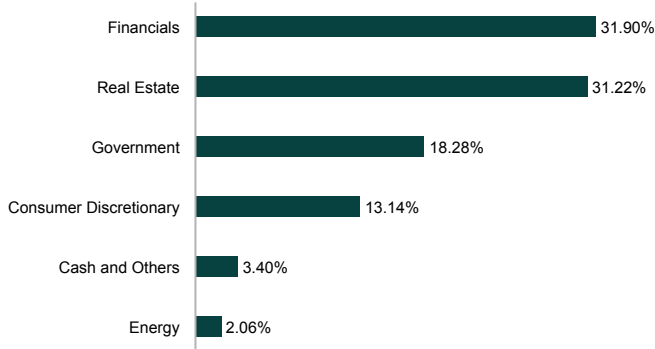
Past performance information is not indicative of future performance. Investors may not get back the full amount invested.



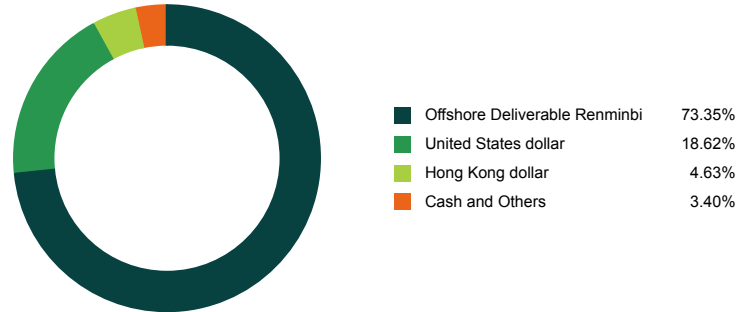
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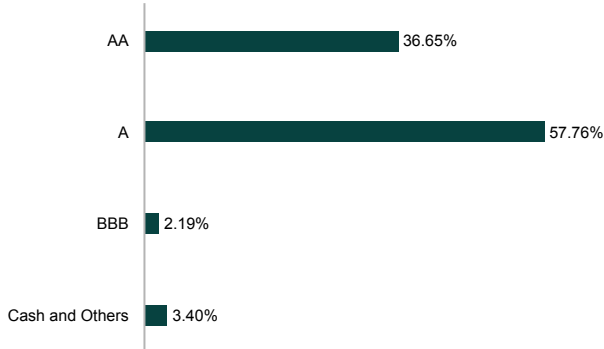
Industrial Breakdown



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
Class A Unit ⁽¹⁾	29 October 2010	RMB 9.02 ⁽²⁾	RMB 9.06/ RMB 8.97	One Dealing Session per Dealing Day ⁽³⁾	HK0000284866	HSRMBBI 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 Mainland Investment Series for the definition of "Business Day".



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Investment Objective and Strategy

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Distribution Information

	Intended Frequency	Record Date	Amount / Share	Annualized Dividend Yield
Class A Unit	Monthly (if any)	31 Oct 2024	RMB 0.0222	3.00%

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	4.01 years
Average Credit Quality	A+
Effective Duration	3.33 years
Average yield to maturity	3.13%

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	0.91	3.54
Sharpe Ratio	2.34	-0.33

Class A Unit

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 31 Oct 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.