

# HANG SENG CHINA ENTERPRISES INDEX ETF

(SEHK STOCK CODE : 2828 – HKD Counter /82828 – RMB Counter)

www.hangsenginvestment.com

## IMPORTANT RISK WARNINGS / FUND INFORMATION FOR HONG KONG INVESTORS

- With effect from 5 March 2018, Hang Seng H-Share Index ETF is renamed as Hang Seng China Enterprises Index ETF.
  - Hang Seng China Enterprises Index ETF (the "HSCEI ETF") is an index-tracking fund which aims to match, before expenses, as closely as practicable the performance of the Hang Seng China Enterprises Index (the "Index"). The HSCEI ETF invests primarily in the constituent stocks of the Index.
  - The HSCEI ETF is different from a typical unit trust as it is listed on The Stock Exchange of Hong Kong Limited, and like other listed stocks, carry similar risks such as liquidity risk and risk of trading suspension. The market price per Unit could be significantly higher or lower than its Net Asset Value per Unit due to market demand and supply, liquidity and scale of trading spread in the secondary market and will fluctuate during the trading day.
  - The HSCEI ETF is subject to tracking error risk, passive investment risk, risk of concentration of investments in a single market/several constituent stocks of the Index and risks associated with investments in mainland China (an emerging market).
  - The HSCEI ETF is also subject to dual counter risk, RMB currency and conversion risks, reliance on market maker risk and reliance on the same group risk.
  - The Manager may, at its discretion, pay dividend out of capital. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the HSCEI ETF are charged to/paid out of the capital of the HSCEI ETF, resulting in an increase in distributable income for the payment of dividends by the HSCEI ETF and therefore, the HSCEI ETF may effectively pay dividend out of capital. Payment of dividends out of capital or effectively 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 distributions involving payment of dividends out of the capital of the HSCEI ETF or effectively out of the capital of the HSCEI ETF may result in an immediate reduction of the Net Asset Value per Unit of the HSCEI ETF.
  - Investment involves risks and investors may lose substantial part of their investment in the HSCEI ETF.
- Investors should not only base on this factsheet alone to make investment decisions, but should read the HSCEI ETF's offering documents (including the full text of the risk factors stated therein) in detail.

## INVESTMENT OBJECTIVE

HSCEI ETF is an index-tracking fund that seeks to provide investment returns for investors that match, before expenses, the performance of the Index as closely as practicable.

## FACTS

|  |   |
|--|---|
| Exchange Listing                                   | The Stock Exchange of Hong Kong – Main Board                                    |
| Establishment Date                                 | 19 November 2003  |
| Stock Code   | 2828 – HKD Counter<br>82828 – RMB Counter                                       |
| Tracked Index                                      | Hang Seng China Enterprises Index   |
| Trading Board Lot Size                             | 200 Units – HKD Counter<br>200 Units – RMB Counter                              |
| Trading Currency                                   | HKD – HKD Counter<br>RMB – RMB Counter  |
| Base Currency                                      | HKD   |
| Short Sell   | Allowed (uptick rule exempted)  |
| Dividend Payout Frequency                          | Semi-annually (if any) <sup>(1)</sup>   |
| Web Site   | www.hangsenginvestment.com  |
| Manager  | Hang Seng Investment Management Limited   |
| Trustee  | HSBC Provident Fund Trustee (Hong Kong) Limited                                 |
| In-kind/Cash Creation or Redemption <sup>(2)</sup> | Minimum 100,000 Units (or multiples thereof) through Participating Dealers Only |

(1) With effect from 29 May 2017, the Manager intends to make declaration of distribution in June and September (instead of June and November) of each year.

(2) With effect from 1 Dec 2017, Participating Dealers may, in addition to in-kind creations or in-kind redemptions, apply for cash creations or cash redemptions.

## KEY FIGURES

|                                 |  |
|---------------------------------|--|
| Market Closing Price            | HKD 107.50 per Unit – HKD Counter<br>RMB 95.65 per Unit – RMB Counter  |
| Net Asset Value (NAV)           | HKD 107.65 per Unit  |
| Total Asset Value               | HKD 31,006.94 Million  |
| Issued Units                    | 288,022,970  |
| Average Daily Turnover (Nov 18) | HKD 511.50 Million – HKD Counter<br>RMB 0.44 Million – RMB Counter   |
| Number of Stocks held           | 50   |
| Current Management Fee          | 0.55% p.a.   |
| Current Trustee Fee             | 0.050% per annum on the first HKD15 billion of the Net Asset Value;<br>0.045% per annum on the next HKD15 billion of the Net Asset Value;<br>0.030% per annum on the next HKD15 billion of the Net Asset Value; and<br>0.025% per annum on the Net Asset Value in excess of HKD45 billion. |

## TOP HOLDINGS

|   |        |
|---|--------|
| Ping An Insurance                       | 10.05% |
| Industrial and Commercial Bank of China | 9.79%  |
| China Construction Bank                 | 9.76%  |
| Bank of China                           | 7.10%  |
| China Mobile                            | 5.90%  |
| Tencent Holdings                        | 5.64%  |
| China Petroleum & Chemical              | 4.43%  |
| China Merchants Bank                    | 3.30%  |
| China Life Insurance                    | 3.27%  |
| PetroChina                              | 3.03%  |

Please read the disclaimer in relation to the Index in the HSCEI ETF's Hong Kong Offering Document. The HSCEI ETF has been authorized by the Securities and Futures Commission in Hong Kong ("SFC"). (SFC authorisation is not a recommendation or endorsement of the HSCEI ETF nor does it guarantee the commercial merits of the HSCEI ETF or its performance. It does not mean the HSCEI ETF 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 ("HSIM") reasonably believes to be reliable. For information sourced externally (as disclosed), HSIM 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 Units in the HSCEI ETF. Investors should note that investment involves risks and not all investment risks are predictable. Prices of fund units may go up as well as down and past performance information presented is not indicative of future performance. Before making any investment decisions, investors should read the Hong Kong Offering Document of the HSCEI ETF (including the full text of the risk factors stated therein (such as the arrangement in the event that the HSCEI ETF is delisted)) in detail and obtain appropriate professional advice where necessary. This factsheet has not been reviewed by the SFC.

## PERFORMANCE

### Performance in Price Return<sup>\*</sup>

|                                   | 3 Mths | 6 Mths  | 1 Yr   | 3 Yrs   | 5 Yrs  | L-T-D   |
|-----------------------------------|--------|---------|--------|---------|--------|---------|
| HSCEI ETF - HKD Counter           | -3.88% | -11.43% | -7.24% | 7.62%   | -7.44% | 194.12% |
| Hang Seng China Enterprises Index | -2.33% | -11.33% | -7.44% | 8.49%   | -7.16% | 190.21% |
|                                   | Y-T-D  | 2017    | 2016   | 2015    | 2014   | 2013    |
| HSCEI ETF - HKD Counter           | -9.03% | 24.90%  | -2.71% | -19.35% | 11.07% | -5.04%  |
| Hang Seng China Enterprises Index | -9.29% | 24.64%  | -2.75% | -19.39% | 10.80% | -5.42%  |

### Performance in Total Return<sup>#</sup>

|                                   | 3 Mths | 6 Mths | 1 Yr   | 3 Yrs   | 5 Yrs  | L-T-D   |
|-----------------------------------|--------|--------|--------|---------|--------|---------|
| HSCEI ETF - HKD Counter           | -2.16% | -8.97% | -4.66% | 18.29%  | 7.28%  | 302.54% |
| Hang Seng China Enterprises Index | -1.97% | -8.64% | -3.97% | 21.17%  | 10.68% | 348.83% |
|                                   | Y-T-D  | 2017   | 2016   | 2015    | 2014   | 2013    |
| HSCEI ETF - HKD Counter           | -6.51% | 27.96% | 0.22%  | -17.00% | 13.99% | -2.67%  |
| Hang Seng China Enterprises Index | -5.89% | 29.12% | 1.06%  | -17.14% | 15.06% | -1.86%  |

\* HSCEI ETF: Unit price-to-Unit price return, with no dividend reinvested. (Source: Unit Prices are provided by HSBC Provident Fund Trustee (Hong Kong) Limited. The performance information of the HSCEI ETF is provided by the Manager.) The performance information presented is for reference only.

Index: Price return with no dividend reinvested. Source: Hang Seng Indexes Company Limited.

# HSCEI ETF: Unit price-to-Unit price return, total return with dividend (if any) reinvested. (Source: Unit Prices are provided by HSBC Provident Fund Trustee (Hong Kong) Limited. The performance information of the HSCEI ETF is provided by the Manager.) Please note that the Units of the HSCEI ETF currently available are income units only. The performance information presented is calculated based on the assumption that there were no distributions to Unitholders, and is for reference only.

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

## DIVIDEND HISTORY<sup>(1)</sup>

| Start Date to 24 Jun 2016<br>(total 25 distributions) |             | HKD 24.80 aggregated dividend per unit |
|---|-------------|--|
| Ex. Dividend Date                                     | 13 Dec 2016 | HKD0.90 per unit                       |
|   | 19 Jun 2017 | HKD1.10 per unit                       |
|   | 20 Sep 2017 | HKD1.60 per unit                       |
|   | 26 Jun 2018 | HKD1.10 per unit                       |
|   | 19 Sep 2018 | HKD2.00 per unit                       |

(Source: HSBC Provident Fund Trustee (Hong Kong) Limited. All information as at 30 November 2018)

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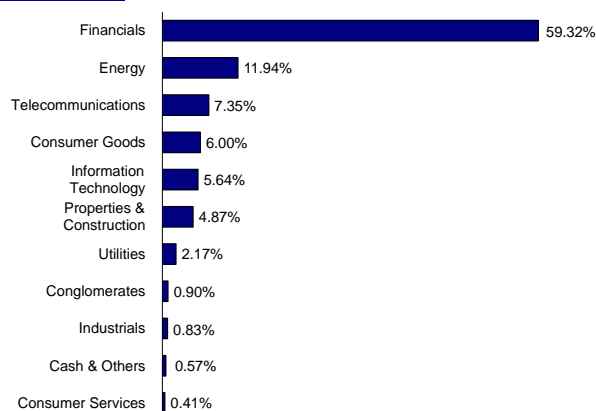
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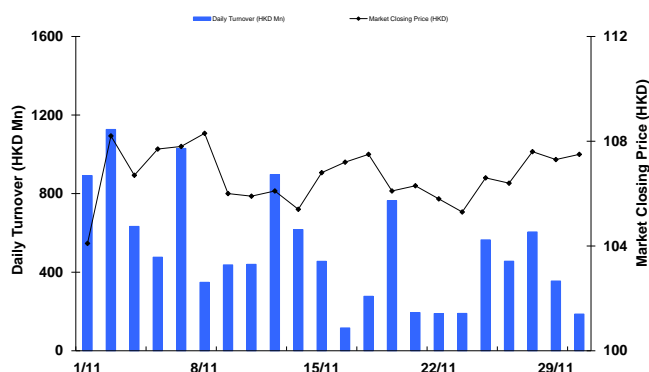
## ASSET ALLOCATION



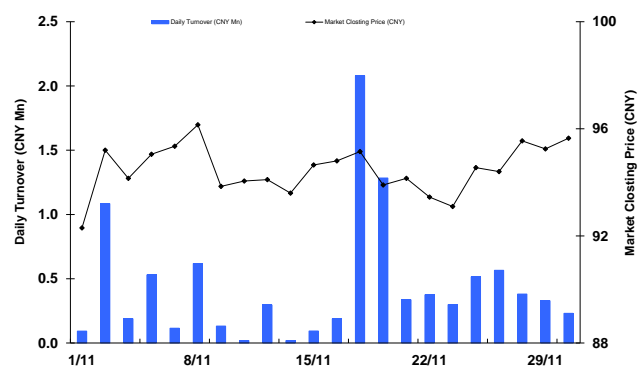
(Source: HSBC Provident Fund Trustee (Hong Kong) Limited. All information as at 30 November 2018)

## DAILY TURNOVER & MARKET CLOSING PRICE

### HKD Counter



### RMB Counter



## LIST OF PARTICIPATING DEALERS \*

|  |   |
|--|---|
| ABN AMRO Clearing Hong Kong Limited              | Hang Seng Securities Limited                |
| BNP Paribas Securities Services                  | HSBC Broking Securities (Hong Kong) Limited |
| BOCI Securities Limited                          | J.P. Morgan Broking (Hong Kong) Limited     |
| China Merchants Securities (HK) Co., Ltd.        | Macquarie Bank Limited                      |
| Credit Suisse Securities (Hong Kong) Limited     | Merrill Lynch Far East Limited              |
| Daiwa Capital Markets Hong Kong Limited          | Morgan Stanley Hong Kong Securities Limited |
| DBS Vickers (Hong Kong) Limited                  | Nomura International (Hong Kong) Limited    |
| Deutsche Securities Asia Limited                 | Phillip Securities (Hong Kong) Limited      |
| Goldman Sachs (Asia) Securities Limited          | SG Securities (HK) Limited                  |
| Haitong International Securities Company Limited | UBS Securities Hong Kong Limited            |

+ Please visit [www.hangsenginvestment.com](http://www.hangsenginvestment.com) for the latest list.

## LIST OF MARKET MAKERS \*

### HKD Counter

|  |  |
|--|--|
| Bluefin HK Ltd.                              | IMC Asia Pacific Ltd.                    |
| BNP Paribas Securities (Asia) Ltd.           | Interactive Brokers Hong Kong Limited    |
| Citadel Securities (Hong Kong) Limited       | LT Securities Limited                    |
| CLSA Limited                                 | Merrill Lynch Far East Ltd.              |
| Commerz Securities Hong Kong Ltd             | Morgan Stanley Hong Kong Securities Ltd. |
| Deutsche Securities Asia Ltd.                | Optiver Trading Hong Kong Ltd.           |
| Eclipse Options (HK) Limited                 | Phillip Securities (HK) Ltd.             |
| Flow Traders Hong Kong Limited               | SG Securities (HK) Ltd.                  |
| Goldman Sachs (Asia) Securities Limited      | T G Securities Limited                   |
| Guotai Junan Securities (Hong Kong) Ltd      | Tibra Trading Hong Kong Ltd.             |
| Haitong International Securities Company Ltd | UBS Securities Hong Kong Ltd.            |
| Head & Shoulders Securities Limited          | Yue Kun Research Limited                 |

### RMB Counter

|                                    |                                |
|------------------------------------|--------------------------------|
| BNP Paribas Securities (Asia) Ltd. | Flow Traders Hong Kong Limited |
| Commerz Securities Hong Kong Ltd   | Merrill Lynch Far East Ltd.    |

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