

HANG SENG H-SHARE INDEX ETF

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

February 2018

HANG SENG H-SHARE ETF
2828
www.hangsenginvestment.com

IMPORTANT RISK WARNINGS / FUND INFORMATION FOR HONG KONG INVESTORS

- Hang Seng H-Share Index ETF (the “H-Share 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 “H-Share Index”). The H-Share ETF invests primarily in the constituent stocks of the H-Share Index.
- The H-Share 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 H-Share ETF is subject to tracking error risks, risks associated with passive investments, risks of concentration of investments in a single market/several constituent stocks of the H-Share Index and risks associated with investments in mainland China (an emerging market).
- The H-Share ETF is also subject to dual counter risks, RMB trading and settlement risks, RMB currency and foreign exchange risks and reliance on market maker risks.
- 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 H-Share ETF are charged/paid out of the capital of the H-Share ETF, resulting in an increase in distributable income for the payment of dividends by the H-Share ETF and therefore, the H-Share 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 H-Share ETF or effectively out of the capital of the H-Share ETF may result in an immediate reduction of the Net Asset Value per Unit of the H-Share ETF.
- Investment involves risks and investors may lose substantial part of their investment in the H-Share ETF.
- Investors should not only base on this factsheet alone to make investment decisions, but should read the H-Share ETF's offering documents (including the full text of the risk factors stated therein) in detail.

INVESTMENT OBJECTIVE

H-Share ETF is an index-tracking fund that seeks to provide investment returns for investors that match the performance of the H-Share 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 82828 – RMB Counter
Tracked Index	Hang Seng China Enterprises Index
Trading Board Lot Size	200 Units – HKD Counter 200 Units – RMB Counter
Trading Currency	HKD – HKD Counter RMB – RMB Counter
Base Currency	HKD
Short Sell	Allowed (uptick rule exempted)
Dividend Payout Frequency	Semi-annually (if any) ⁽¹⁾
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 ⁽²⁾	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 137.10 per Unit – HKD Counter RMB 110.30 per Unit – RMB Counter
Net Asset Value (NAV)	HKD 136.95 per Unit
Total Asset Value	HKD 42,056.16 Million
Issued Units	307,084,019
Average Daily Turnover (Jan 18)	HKD 1,634.08 Million – HKD Counter RMB 0.55 Million – RMB Counter
Number of Stocks held	40
Current Management Fee	0.55% p.a.
Current Trustee Fee	0.050% per annum on the first HKD15 billion of the Net Asset Value; 0.045% per annum on the next HKD15 billion of the Net Asset Value; 0.030% per annum on the next HKD15 billion of the Net Asset Value; and 0.025% per annum on the Net Asset Value in excess of HKD45 billion.

TOP HOLDINGS

China Construction Bank	11.26%
Bank of China	10.57%
Industrial and Commercial Bank of China	10.36%
Ping An Insurance	9.78%
China Life Insurance	5.56%
China Petroleum & Chemical	4.87%
China Merchants Bank	4.23%
Agricultural Bank of China	3.75%
PetroChina	3.70%
China Pacific Insurance	2.65%

Please read the disclaimer in relation to the H-Share Index in the H-Share ETF's Hong Kong Offering Document. The H-Share ETF has been authorized by the Securities and Futures Commission in Hong Kong (“SFC”). (SFC authorisation is not a recommendation or endorsement of the H-Share ETF nor does it guarantee the commercial merits of the H-Share ETF or its performance. It does not mean the H-Share 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 H-Share 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 H-Share ETF (including the full text of the risk factors stated therein (such as the arrangement in the event that the H-Share 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 ^{*}

	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	L-T-D
H-Share ETF - HKD Counter	17.61%	23.29%	38.59%	16.00%	12.84%	274.18%
Hang Seng China Enterprises Index	17.85%	25.25%	38.33%	15.71%	11.80%	270.53%
	Y-T-D	2017	2016	2015	2014	2013
H-Share ETF - HKD Counter	15.73%	24.90%	-2.71%	-19.35%	11.07%	-5.04%
Hang Seng China Enterprises Index	15.82%	24.64%	-2.75%	-19.39%	10.80%	-5.42%

Performance in Total Return [#]

	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	L-T-D
H-Share ETF - HKD Counter	17.61%	25.08%	41.98%	26.02%	28.97%	398.28%
Hang Seng China Enterprises Index	17.85%	25.58%	43.30%	28.05%	33.30%	452.37%
	Y-T-D	2017	2016	2015	2014	2013
H-Share ETF - HKD Counter	15.73%	27.96%	0.22%	-17.00%	13.99%	-2.67%
Hang Seng China Enterprises Index	15.82%	29.12%	1.06%	-17.14%	15.06%	-1.86%

^{*} H-Share 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 H-Share 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.

[#] H-Share 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 H-Share ETF is provided by the Manager.) Please note that the Units of the H-Share 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 ⁽¹⁾

Start Date to 26 Jun 2015 (total 23 distributions)		HKD 21.70 aggregated dividend per unit
Ex. Dividend Date	10 Dec 2015	HKD1.30 per unit
	24 Jun 2016	HKD1.80 per unit
	13 Dec 2016	HKD0.90 per unit
	19 Jun 2017	HKD1.10 per unit
	20 Sep 2017	HKD1.60 per unit

(Source: HSBC Provident Fund Trustee (Hong Kong) Limited. All information as at 31 Jan 2018)

Issued by Hang Seng Investment Management Limited, a wholly-owned subsidiary of Hang Seng Bank



恒生投資
HANG SENG INVESTMENT

HANG SENG H-SHARE INDEX ETF

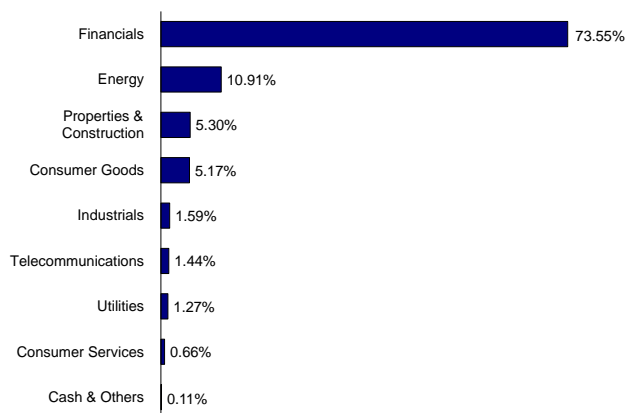
(SEHK STOCK CODE : 2828 – HKD Counter / 82828 – RMB Counter)

February 2018

HANG SENG H-SHARE INDEX ETF
2828

www.hangsenginvestment.com

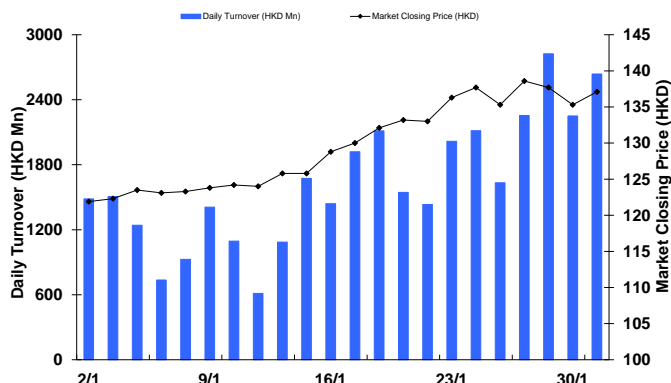
ASSET ALLOCATION



(Source: HSBC Provident Fund Trustee (Hong Kong) Limited. All information as at 31 Jan 2018)

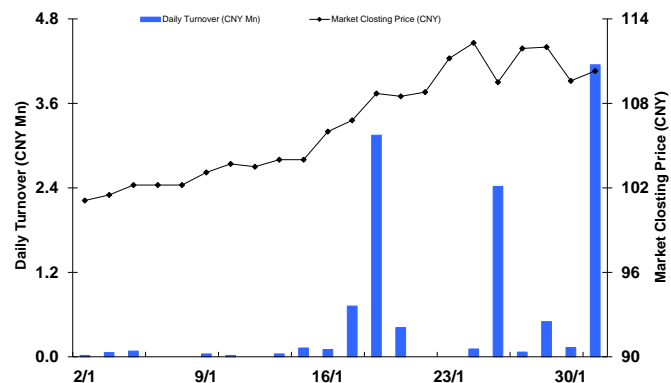
DAILY TURNOVER & MARKET CLOSING PRICE

HKD Counter



Source : HKEx

RMB Counter



Source : HKEx

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	Macquarie Bank Limited
China Merchants Securities (HK) Co., Ltd.	Merrill Lynch Far East Limited
Credit Suisse Securities (Hong Kong) Limited	Morgan Stanley Hong Kong Securities Limited
Daiwa Capital Markets Hong Kong Limited	Nomura International (Hong Kong) Limited
DBS Vickers (Hong Kong) Limited	Phillip Securities (Hong Kong) Limited
Deutsche Securities Asia Limited	SG Securities (HK) Limited
Goldman Sachs (Asia) Securities Limited	UBS Securities Hong Kong Limited
Haitong International Securities Company Limited	Yue Kun Research Limited

+ Please visit www.hangsenginvestment.com for the latest list.

LIST OF MARKET MAKERS *

HKD Counter

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

RMB Counter

BNP Paribas Securities (Asia) Limited
Commerz Securities Hong Kong Ltd.
China Merchants Securities (HK) Co., Ltd.
Haitong International Securities Company Limited
Merrill Lynch Far East Limited

+ Please visit www.hangsenginvestment.com for the latest list.

Please read the disclaimer in relation to the H-Share Index in the H-Share ETF's Hong Kong Offering Document. The H-Share ETF has been authorized by the Securities and Futures Commission in Hong Kong ("SFC"). (SFC authorisation is not a recommendation or endorsement of the H-Share ETF nor does it guarantee the commercial merits of the H-Share ETF or its performance. It does not mean the H-Share 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 H-Share 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 H-Share ETF (including the full text of the risk factors stated therein (such as the arrangement in the event that the H-Share ETF is delisted)) in detail and obtain appropriate professional advice where necessary. This factsheet has not been reviewed by the SFC.

Issued by Hang Seng Investment Management Limited, a wholly-owned subsidiary of Hang Seng Bank



恒生投資
HANG SENG INVESTMENT