



## Hang Seng Investment Index Funds Series II HSI ESG Enhanced Select Index ETF

June 2022

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

- The investment objective of HSI ESG Enhanced Select Index ETF ("HSI ESG ETF") is to match, as closely as practicable, before fees and expenses, the HKD denominated total return performance (net of withholding tax) of the HSI ESG Enhanced Select Index (the "Index") through investing primarily in the constituent securities of the Index.
  - As "HSI ESG ETF" invests in a new index having only been launched on 29 November 2021. As such, HSI ESG ETF may be riskier than other index funds tracking more established indices with longer operating history.
  - As the use of ESG criteria in the construction of the Index may affect the HSI ESG ETF's investment performance and, as such, the HSI ESG ETF may perform differently compared to similar funds that do not use such criteria, i.e. HSI ESG ETF may be concentrated in companies with a greater ESG focus and therefore may be more volatile than that of a fund with having a more diverse portfolio of investments. Moreover, there can be no assurance that the Index Provider's assessment based upon data from data providers will reflect actual circumstances or that the stocks selected will fulfill ESG criteria. Since currently there is a lack of standardised taxonomy in relation to ESG investing strategies, the standard of disclosure adopted by funds in relation to the relevant ESG factors or principles may vary.
  - "HSI ESG ETF" is also subject to investment risk, equity market risk, concentration and mainland market risks, risks associated with investments in companies with weighted voting rights, risks associated with investment in financial derivative instruments, PRC tax risk, trading risks, passive investment risks, reliance on market maker risks, tracking error risks, termination risks and reliance on the same group risk.
  - The Manager may at its discretion pay dividend out of capital or effectively out of the capital<sup>^</sup> of HSI ESG ETF. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any such capital gains attributable to that original investment. Any such distributions may result in an immediate reduction in the Net Asset Value per Unit.
  - Investments involve risks and investors may lose substantial part of their investment in "HSI ESG ETF".
- <sup>^</sup> The Manager may at its discretion pay distribution out of gross income while charging/paying all or part of HSI ESG ETF's fees and expenses to/out of the capital of HSI ESG ETF (resulting in an increase in distributable income for the payment of distribution by HSI ESG ETF), and thereby effectively pay distributions out of the capital of HSI ESG ETF.
- Investors should not only base on this material alone to make investment decisions, but should read the HSI ESG ETF's offering documents (including the full text of the risk factors stated therein) in detail. ESG Information: Additional information relating to (i) how the ESG focus is measured and monitored throughout the lifecycle of HSI ESG ETF and the related control mechanisms; (ii) the methodologies adopted to measure the ESG focus and the Index's attainment of the ESG focus; (iii) the due diligence carried out in respect of the ESG-related attributes of HSI ESG ETF's underlying assets; and (iv) the sources and processing of ESG data can be accessed via data provider's website at <https://www.sustainalytics.com> (this website has not been reviewed by the SFC) and Index provider's website at <https://www.hsi.com.hk> (this website has not been reviewed by the SFC). The proxy voting guidelines of the Manager can be accessed via the website <https://www.hangsenginvestment.com/en-hk/individual-investor/resources/> (this website has not been reviewed by the SFC).

### Investment Objective

The investment objective of the Fund is to match as closely as practicable, before fees and expenses, the HKD denominated total return performance (net of withholding tax) of the HSI ESG Enhanced Select Index (the "Index") through investing primarily in the constituent securities of the Index.

Past performance of the Fund may be presented only when it has an investment track record of not less than 6 months.

### Key Facts

Exchange Listing	The Stock Exchange of Hong Kong – Main Board
Launch Date	22 February 2022
Listing Date	24 February 2022
Tracked Index	HSI ESG Enhanced Select Index
Base Currency	HKD
Fund Manager	Hang Seng Investment Management Limited
Trustee Name	Cititrust Limited
In-kind/Cash Creation or Redemption	Minimum 300,000 Units (or multiples thereof) through Participating Dealers Only
Net Asset Value (NAV)	HKD 13.7434 per unit
Total Asset Value	HKD 94.83 million
Issued Units	6,900,000
Number of Stocks held	60
Management Fee	0.08% p.a.
Trustee Fee	0.03% p.a.

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

### Top Holdings

Hong Kong Exchanges & Clearing	8.39%
AIA Group Ltd	8.04%
HSBC Holdings PLC	7.63%
Tencent Holdings Ltd	7.36%
Ping An Insurance Group	5.18%
Link REIT	4.17%
Wuxi Biologics Cayman Inc	3.98%
Alibaba Group Holding Ltd	3.68%
Li Ning Co Ltd	3.41%
Meituan	3.38%





# HSI ESG Enhanced Select Index ETF

## June 2022

### List Of Participating Dealers+

BNP Paribas Securities Services  
China Merchants Securities (HK) Co., Ltd.  
Haitong International Securities Company Limited  
Mirae Asset Securities (HK) Limited  
The Hongkong and Shanghai Banking Corporation Limited

\* Please visit [www.hangseginvestment.com](http://www.hangseginvestment.com)\* for the latest list.

### List Of Market Makers+

#### HKD Counter

BNP Paribas Securities (Asia) Limited  
Flow Traders Hong Kong Limited  
Jane Street Asia Trading Limited  
Optiver Trading Hong Kong Ltd  
Vivienne Court Trading Pty. Ltd.

\* Please visit [www.hangseginvestment.com](http://www.hangseginvestment.com)\* for the latest list.

### Distribution Information

	Intended Frequency	Record Date	Amount / Share
HKD Counter	Quarterly (if any)	24 Jun 2022	HKD 0.15

Distribution Policy: Quarterly cash distributions (if any) at the discretion of the Manager, which are expected to be in respect of each calendar quarter of each calendar year respectively. The Manager currently intends to make declaration of distributions in March, June, September and December of each year. Each Unitholder will receive distributions in HKD only. There is no guarantee of regular distributions and if distributions are paid the amount being distributed. The Manager may at its discretion pay distribution out of capital or effectively out of the capital<sup>^</sup> of the Fund. Payment of distributions out of capital amounts to a return or withdrawal of part of an investor's original investment or from any such capital gains attributable to that original investment. Any such distributions may result in an immediate reduction in the Net Asset Value ("NAV") per Unit.

<sup>^</sup>The Manager may at its discretion pay distribution out of gross income while charging/paying all or part of the Fund's fees and expenses to/out of the capital of the Fund (resulting in an increase in distributable income for the payment of distribution by the Fund), and thereby effectively pay distributions out of the capital of the Fund.

For full distribution history record, please refer to our website [www.hangseginvestment.com](http://www.hangseginvestment.com) \*.

### Volatility

	1Y	3Y
Standard Deviation	N/A	N/A
Sharpe Ratio	N/A	N/A

HKD Counter  
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 30 Jun 2022.)

Please read the disclaimer in relation to the Index in the Fund's Offering Document. 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 Units in the Fund. 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 Offering Document of the Fund (including the full text of the risk factors stated therein (such as the arrangement in the event that the Fund is delisted)) in detail and obtain appropriate professional advice where necessary. This factsheet has not been reviewed by the SFC.