

## Hang Seng Investment Series

# Hang Seng Ping An Asian Income Fund

December 2022

### IMPORTANT RISK WARNINGS / FUND INFORMATION FOR INVESTORS

(Capitalised terms used herein but not otherwise defined will have the same meanings as defined in the Explanatory Memorandum of the Hang Seng Investment Series (the "Series") and the Term Sheet of the Fund)

- Hang Seng Ping An Asian Income Fund ("the Fund") invests primarily in a balanced portfolio consisting of equity and debt securities issued in the debt and securities markets in the Asia Pacific region (excluding Japan).
- Hang Seng Investment Management, as the Manager, has delegated its investment management duties in relation to debt securities to the Sub-investment Manager, and will rely on the Sub-investment Manager's expertise and systems for the Fund's investments in debt securities only. Any disruption in the communication with or assistance from the Sub-investment Manager or a loss of service of the Sub-investment Manager or any of its key personnel may adversely affect the operations of the Fund.
- The asset allocation of the Fund is determined by the Manager and depends on the views of the Manager and the Sub-investment Manager on fundamental economic and market conditions and investment trends across the globe, the dynamic asset allocation may not achieve the desired results under all circumstances and market conditions. The investments of the Fund may be periodically rebalanced and therefore the Fund may incur greater transaction costs than a fund with static allocation strategy.
- The Fund is also subject to investment risks, equity market risks, risks associated with investing in fixed income instruments, general risks of investments associated with an emerging market, concentration risk and currency and exchange rate control risk.
- The Fund invests in the China market and is subject to the relevant risks, including general risks of investments associated with investments in the PRC and RMB currency and conversion risks.
- 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.
- The Manager may at its discretion (i) pay distribution out of the capital or (ii) 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. Payment of distributions 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. The distribution amount and Net Asset Value of the currency hedged unit classes may be adversely affected by the interest rate differentials, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than non-hedged classes.
- Investments involve 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 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 doubts 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 Fund aims to provide income and long term capital growth through investing primarily in a balanced portfolio consisting of equity and debt securities issued in the debt and securities markets in the Asia Pacific region (excluding Japan).

### Cumulative Performance

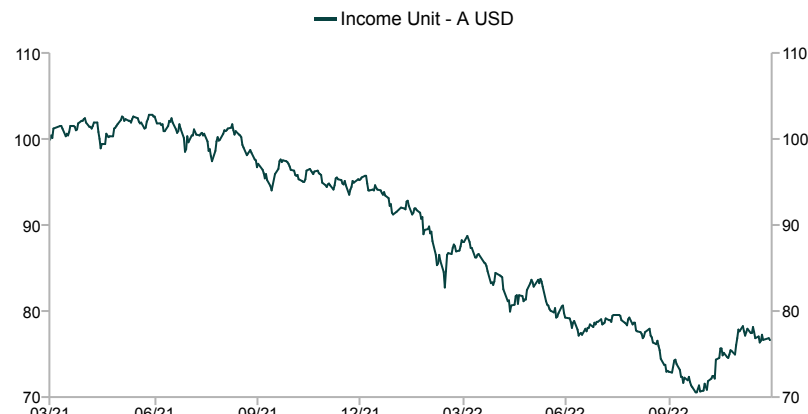
	3M	6M	1Y	3Y	5Y	Since Launch
Income Unit - A USD	5.05%	-3.28%	-19.78%	N/A	N/A	-23.28%

### Calendar Year Performance

	YTD	2021 ▼	2020	2019	2018	2017
Income Unit - A USD	-19.78%	-4.36%	N/A	N/A	N/A	N/A

▼ Performance calculated from the Fund's Launch Date (i.e. 29 Mar 2021) to the end of that calendar year.

### Performance Chart



Fund: Unit Price-to-Unit Price return, total return with dividend (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.) 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. Performance data has been calculated in USD 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](http://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
Sub Manager	Ping An of China Asset Management (Hong Kong) Company Limited (external delegation)
Subscription Fee	Up to 3.0%
Management Fee	1.5% p.a.*
Fund Size	USD 35.71 million
Base Currency	USD

\* The figures shown are management fees for Class A Units and Class D Units. Management fee for Class P Units is 1.0% p.a..

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

### Top 5 Equities

Taiwan Semiconductor Manufacturing	4.05%
Samsung Electronics Co Ltd	3.33%
Tencent Holdings Ltd	3.14%
Alibaba Group Holding Ltd	2.13%
BHP Group Ltd	2.11%

### Top 5 Fixed Income

Santos Finance Ltd 5.25% 13 Mar 2029	1.82%
Geely Automobile Var Perp	1.66%
GLP China Holdings 4.974% 26 Feb 2024	1.48%
Prosus NV 5.5% 21 Jul 2025	1.38%
SinoChem Offshore Capital VAR PERP	1.37%

# Hang Seng Ping An Asian Income Fund

December 2022

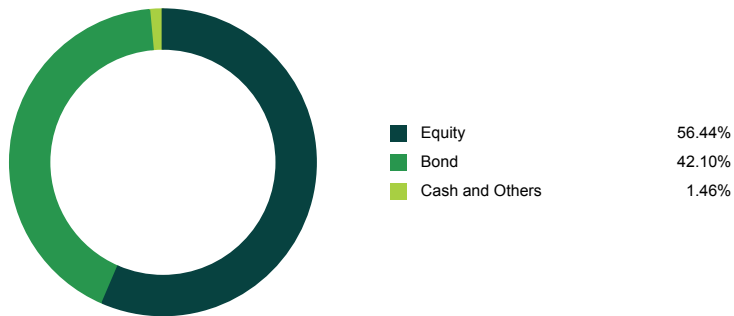
## Geographical Breakdown

	Equities (%)	Fixed Income (%)	Total (%)
Mainland China	18.89	21.51	40.40
India	6.77	3.00	9.77
Australia	6.65	1.82	8.47
Taiwan	7.44	0.00	7.44
South Korea	6.33	1.09	7.42
Hong Kong	3.44	3.61	7.05
Asian Pacific Region ex Japan	1.10	4.03	5.13
Singapore	2.16	1.59	3.75
Others Countries	0.25	2.50	2.75
United States of America	2.05	0.60	2.65
Thailand	0.98	0.70	1.68
Cash and Others	0.20	1.26	1.46
Macau	0.00	1.22	1.22
Malaysia	0.38	0.43	0.81
<b>Total (%)</b>	<b>56.64</b>	<b>43.36</b>	<b>100.00</b>

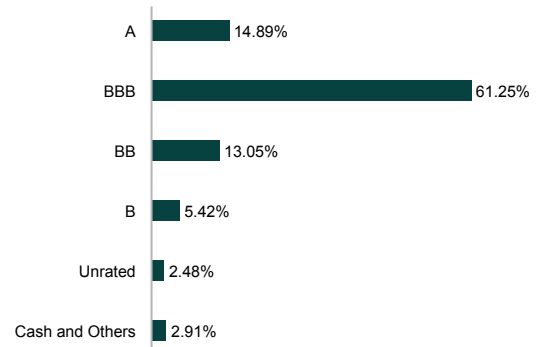
## Industrial Breakdown

	Equities (%)	Fixed Income (%)	Total (%)
Consumer Discretionary	10.26	12.22	22.48
Information Technology	13.21	1.35	14.56
Financials	10.53	2.56	13.09
Communication Services	5.44	2.52	7.96
Materials	5.45	2.23	7.68
Industrials	2.03	5.63	7.66
Energy	1.39	4.35	5.74
Real Estate	1.82	3.02	4.84
Utilities	0.00	4.25	4.25
Government	0.00	3.97	3.97
Health Care	3.22	0.00	3.22
Consumer Staples	3.09	0.00	3.09
Cash and Others	0.20	1.26	1.46
<b>Total (%)</b>	<b>56.64</b>	<b>43.36</b>	<b>100.00</b>

## Asset Allocation 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
Income Unit - A USD <sup>(1)</sup>	29 March 2021	USD 7.13 <sup>(2)</sup>	USD 9.29/ USD 6.61	One Dealing Session per Dealing Day <sup>(3)</sup>	HK0000658481	HSPASAU HK
Income Unit - A HKD <sup>(1)</sup>	29 March 2021	HKD 7.15 <sup>(2)</sup>	HKD 9.31/ HKD 6.67	One Dealing Session per Dealing Day <sup>(3)</sup>	HK0000658499	HSPASAH HK
Accumulation Unit - D HKD	29 March 2021	HKD 0.7702 <sup>(2)</sup>	HKD 0.9615/ HKD 0.7125	One Dealing Session per Dealing Day <sup>(3)</sup>	HK0000658523	HSANADH HK
Income Unit - P USD <sup>(1)</sup>	22 June 2021	USD 7.15 <sup>(2)</sup>	USD 9.28/ USD 6.62	One Dealing Session per Dealing Day <sup>(3)</sup>	HK0000658507	HSPASPU HK
Income Unit - A RMB (Hedged) <sup>(1)</sup>	27 September 2021	RMB 7.39 <sup>(2)</sup>	RMB 9.69/ RMB 6.88	One Dealing Session per Dealing Day <sup>(3)</sup>	HK0000756244	HAAAIAAR HK
Income Unit - A AUD (Hedged) <sup>(1)</sup>	10 May 2022	AUD 9.17 <sup>(2)</sup>	N/A	One Dealing Session per Dealing Day <sup>(3)</sup>	HK0000847993	HAAAIAAH HK

(1) The Manager currently intends to make declaration of distribution on a monthly basis. Dividend payout ratio is not guaranteed, dividend can be paid out of the capital. Details please refer to Important Risk Warnings / Fund Information for Investors above.

(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".



# Hang Seng Ping An Asian Income Fund

December 2022

## Investment Objective and Strategy

The Fund aims to provide income and long term capital growth through investing primarily (i.e. at least 70% of the Fund's Net Asset Value) in a balanced portfolio consisting of (i) equity and debt securities issued in the debt and securities markets in the Asia Pacific region (excluding Japan), and/or (ii) other collective investment schemes (including exchange-traded funds) which have similar investment objectives and/or strategies as the Fund. The Fund will be actively managed and will invest in the emerging market countries as well as developed countries. The Fund may invest up to 20% of its Net Asset Value in listed Real Estate Investment Trusts. The Fund may invest up to 30% of its Net Asset Value in China A-shares and onshore Chinese debt securities. The Fund may invest in China A-shares listed on the Shanghai or Shenzhen Stock Exchanges via the Stock Connect. The Fund may invest in onshore debt securities (via the China Interbank Bond Market and/or Bond Connect) and offshore debt securities issued by entities domiciled in Mainland China or with a significant portion of their business activities conducted in Mainland China. The Fund will invest not more than 50% of its Net Asset Value in debt securities that are below investment grade or unrated. The Fund may invest not more than 30% of its Net Asset Value in debt instruments with loss-absorption features. The Fund may invest up to 30% of its Net Asset Value in other collective investment schemes (including exchange-traded funds), which have similar investment objectives and/or strategies as the Fund. The Fund may invest in financial derivative instruments for hedging and investment purposes.

## Distribution Information

	Intended Frequency	Record Date	Amount / Share	Annualized Dividend Yield
Income Unit - A HKD	Monthly (if any)	30 Dec 2022	HKD 0.0293	5.01%
Income Unit - A RMB (Hedged)	Monthly (if any)	30 Dec 2022	RMB 0.016	2.62%
Income Unit - A USD	Monthly (if any)	30 Dec 2022	USD 0.0293	5.03%
Income Unit - P USD	Monthly (if any)	30 Dec 2022	USD 0.0293	5.02%
Income Unit - A AUD (Hedged)	Monthly (if any)	30 Dec 2022	AUD 0.0298	3.96%

Income Units Distribution 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 in the currency of the respective class of Units of the Fund. The Manager may at its discretion pay distribution out of the capital or effectively out of the capital# of the Fund. Payment of distribution 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.

# 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.

Effective from 1 September 2022, Annualized Dividend Yield =  $\left(\frac{\text{The latest amount of dividend distributed / Unit price as at ex-dividend date}}{+1}\right)^{12-1}$ . 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](http://www.hangsenginvestment.com) \*.

## Statistics Summary

Average Maturity	6.89 years
Average Credit Quality	BBB-
Effective Duration	4.47 years
Average yield to maturity	7.26%

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	13.59	N/A
Sharpe Ratio	-1.72	N/A

Income Unit - A USD  
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 Dec 2022.)

The Fund has been authorized by the Securities and Futures Commission in Hong Kong ("SFC"). (SFC authorization 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.