恒生投資
HANG SENG INVESTMENT

PRODUCT KEY FACTS STATEMENT

Hang Seng HSCEI Covered Call Active ETF (Listed Class)

5 May 2026

Issuer: Hang Seng Investment Management Limited

- ***This is an active exchange traded fund ("ETF").***
- ***This statement provides you with key information about the listed class of units (the "Listed Class Units") in Hang Seng HSCEI Covered Call Active ETF (the "Fund").***
- ***This statement is a part of the Prospectus of the Fund.***
- ***Capitalised terms used herein but not otherwise defined will have the same meanings as defined in the Prospectus of the Fund.***
- ***You should not invest in the Fund based on this statement alone.***

Quick Facts

Stock Code:	03519 – Hong Kong dollars ("HKD") Counter
Trading Board Lot Size:	100 – HKD Counter
Manager:	Hang Seng Investment Management Limited
Trustee & Registrar:	HSBC Institutional Trust Services (Asia) Limited
Trading Currency:	HKD
Base Currency:	HKD
Distribution Policy:	Monthly (if any). Monthly cash dividends (if any) at the discretion of the Manager. The Manager may make declaration of dividend every month. There is no guarantee of regular distribution of dividends and, if dividend is paid, the amount being distributed. 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 Fund are charged to/paid out of the capital of the Fund, resulting in an increase in distributable income for the payment of dividends by the Fund and therefore, the Fund may effectively pay dividend out of capital. Payments 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 Fund's capital or effectively out of capital may result in an immediate reduction in the Net Asset Value ("**NAV**") per Unit. **Distributions will be in HKD only.**
Financial Year End:	31 December
Ongoing Charges Over a Year*:	1.10%
ETF Website:	www.hangsenginvestment.com▲

* This figure is an estimate only (as the Fund is newly set up) and represents the sum of the estimated ongoing expenses chargeable to the Units over a 12-month period expressed as a percentage of the estimated average NAV of the Units over the same period. The actual figures may be different from the estimate. Please refer to the "Fees and Expenses" section in the Prospectus for details. This figure may vary from year to year.

What is the Fund?

- The Fund is a fund constituted in the form of a unit trust and a sub-fund of the Hang Seng Investment Funds Series IV, a unit trust established as an umbrella fund under the laws of Hong Kong. The Listed Class Units of the Fund are listed on The Stock Exchange of Hong Kong Limited (the "**SEHK**"). These Listed Class Units are traded on the SEHK like listed stocks. The Fund is an actively-managed ETF falling under Chapter 8.10 of the Code on Unit Trusts and Mutual Funds (the "**Code**").

The Fund offers both Listed Class Units and unlisted classes of Units (the "Unlisted Class Units"). This statement contains information about the offering of the Listed Class Units, and unless otherwise specified references to "Units" in this statement shall refer to the "Listed Class Units". Investors should refer to a separate statement for the offering of Unlisted Class Units.

Objective and Investment Strategy

Objective

The investment objective of the Fund is to generate income and maintain prospects for capital appreciation while mitigating some downside risk through the use of covered call strategy. It should be noted that the use of covered call strategy also limits potential upside.

Investment Strategy

The Fund seeks to achieve its investment objective by primarily (i) investing in constituent equity securities in the Hang Seng China Enterprises Index (the "Reference Index" or the "HSCEI"); and (ii) selling (i.e. "writing") call options on the Reference Index to receive payments of money from the purchaser of call options (i.e. "premium"). The Fund will obtain exposure to the constituent equity securities in the Reference Index in substantially the same weightings as these securities have in the Reference Index through investing:

i. directly in constituent equity securities of the Reference Index (the "Reference Index Equities") of at least 50% but not exceeding 100% of its NAV; and/or

ii. in long positions of financial derivative instruments ("FDIs") (e.g., front-month[1] HSCEI futures contracts and/or mini-HSCEI futures contracts listed on the Hong Kong Futures Exchange ("HKFE") (collectively, the "Reference Index Futures") and/or equity swaps)[2] with notional value of up to 50% of its NAV. The Fund may also hold back-month Reference Index Futures and/or equity swaps when the Manager rolls the Reference Index Futures and/or equity swaps prior to expiration; and/or

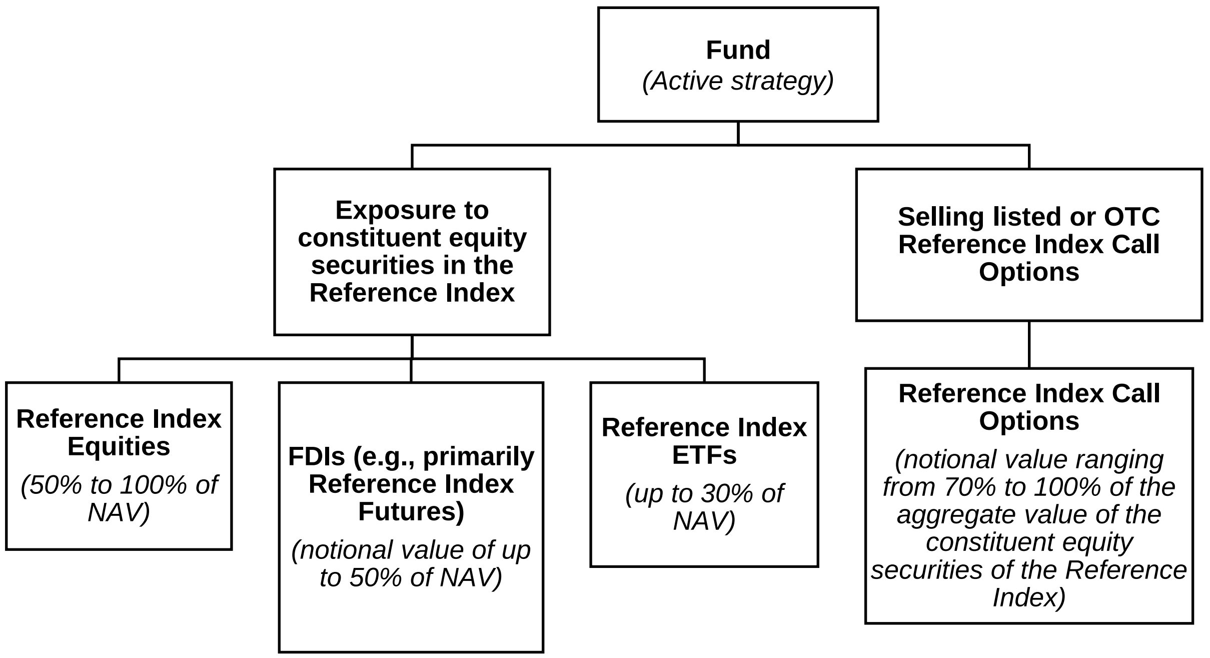
iii. up to 30% of its NAV in ETFs that track the performance of the Reference Index (the "Reference Index ETF"), which are either authorised by the SFC or eligible schemes under Chapter 7.11A of the Code.

The Fund will also adopt a covered call strategy (as further described below) which involves writing listed or over-the-counter ("OTC") call options (including ETF options) on the Reference Index (the "Reference Index Call Options") with notional value ranging from 70% to 100% of the aggregate value of the constituent equity securities of the Reference Index and the Reference Index ETF held by the Fund as well as the notional value of the long positions in FDIs held by the Fund (the "Covered Call Exposure"). The Reference Index Call Options are cash-settled and European-style options that are exercisable only at expiry.

The diagram below shows the main investment strategies of the Fund:

[1] "Front-month" FDIs or Reference Index Call Options are monthly contracts with the shortest time to maturity. "Back-month" FDIs or Reference Index Call Options are those with longer time to maturity.

[2] For investment in long positions of FDIs, under normal circumstances, the Fund will primarily invest in long positions of futures contracts.



Details of the option strategy

Creation/subscription of Units

When there will be an increase in the number of Units due to creation/subscription of Units, the Fund may have to write additional Reference Index Call Options in order to maintain the Covered Call Exposure. The Fund may seek to write additional Reference Index Call Options with the same specified exercise price (i.e., "strike price") and expiration date as the existing Reference Index Call Options that have been written. Depending on the latest level of the Reference Index, the additional Reference Index Call Options to be written can be in-the-money, at-the-money or out-of-the-money[3]. The Fund may also write additional Reference Index Call Options with strike price and expiration date different from the existing Reference Index Call Options that have been written.

Rolling of Reference Index Call Options

When existing Reference Index Call Options written by the Fund expire, the Fund seeks to write front-month Reference Index Call Options to maintain the Covered Call Exposure. Depending on the prevailing market conditions, such front-month Reference Index Call Options may be at-the-money and/or out-of-the-money. The Fund may also write back-month Reference Index Call Options.

The Manager may also "roll" the Reference Index Call Options prior to expiration (i.e., closing an existing Reference Index Call Option which is about to expire and write another Reference Index Call Option with a later expiration date). There is no guarantee that such rolling strategy will produce the desired results.

The Fund may also write weekly Reference Index Call Options (only out-of-the-money), which are weekly contracts expiring at the end of each week with the shortest time to maturity.

Key considerations for writing or rolling call options

In determining whether to write Reference Index Call Options with different features as noted above (i.e., additional Reference Index Call Options with strike price and expiration date different from the existing Reference Index Call Options that have been written; front-month at-the-money and/or out-of-the-money Reference Index Call Options when existing Reference Index Call Options written by the Fund expire; back-

[3] Moneyness is a term to describe whether an option is "in-the-money", "at-the-money" or "out-of-the-money". An "in-the-money" call option is a call option with a strike price that is below the current market price of the underlying asset (i.e., the latest level of the Reference Index in the case of the Fund). A call option is "at-the-money" if it has a strike price which is at or very near to the current market price of the underlying asset, and a call option is "out-of-the-money" if it has a strike price which exceeds the current market price of the underlying asset.

The moneyness of an option will affect the likelihood of the option being exercised. An "in-the-money" call option is likely to be exercised by the purchaser at expiry in order to make a profit from the favourable price difference between the strike price and the market price of the underlying asset, whereas the likelihood of exercise for an "at-the-money" call is relatively lower. An "out-of-the-money" call option has no intrinsic value and is not likely to be exercised at expiry.

month Reference Index Call Options; or weekly out-of-the-money Reference Index Call Options) and in determining whether to roll Reference Index Call Options prior to expiration, factors that are considered include, but are not limited to, the liquidity and bid-ask spread of the Reference Index Call Options, premium of the Reference Index Call Options as well as the potential risks of writing or rolling the Reference Index Call Options (taking into account, among other things, the market situation such as the recent market developments or short-term shocks that could impact the stock market and the volatility of the Reference Index), as well as whether such writing or rolling is in the best interest of the investors.

Restriction on strike price

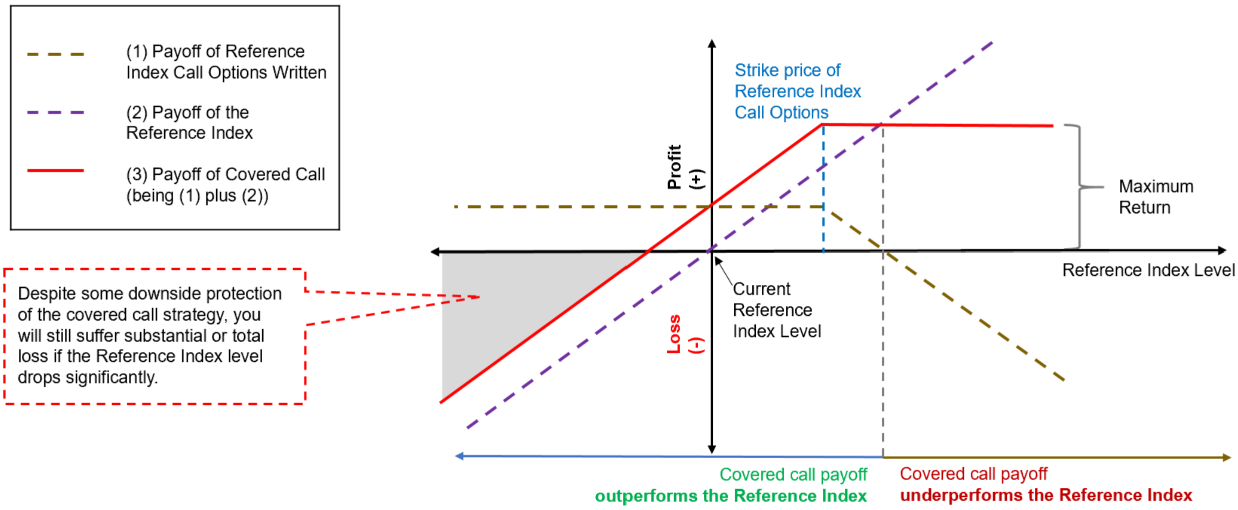
The strike price of the in-the-money Reference Index Call Options written by the Fund will be capped at 30% below the index level of the Reference Index when written, whereas the strike price of the out-of-the-money Reference Index Call Options written by the Fund will be capped at 30% above the index level of the Reference Index when written. The tenor of the Reference Index Call Options shall not exceed one year when they are written by the Fund.

Advantages and disadvantages of adopting a covered call strategy

The objective of adopting a covered call strategy is to generate income and reduce potential loss against the downward market. Each time the Fund writes a Reference Index Call Option, the Fund receives a premium. If the value of the securities relating to the Reference Index held by the Fund declines, the premium that the Fund received for writing the Reference Index Call Option may reduce such loss to some extent.

However, the downside of adopting a covered call strategy is that the Fund's opportunity to profit from an increase in the level of the Reference Index is limited to the strike price of the Reference Index Call Options written, plus the premium received. In return for the premium, the Fund gives the purchaser of the Reference Index Call Options the right to receive a cash payment equal to any positive difference between the level of the Reference Index and the strike price of the Reference Index Call Options at expiry (the "cash payment at expiry"). Insofar as the Fund's Covered Call Exposure is concerned, during the tenor of the Reference Index Call Options, the Fund may not be able to benefit from any potential increases in the value of the Reference Index above the strike price of the Reference Index Call Options (however, the Fund may still be benefited from potential increases in the value of the Reference Index above the strike price of the Reference Index Call Options for the Fund's exposure to the Reference Index that exceeds the notional value of the Reference Index Call Options written).

The payoff of a covered call strategy in comparison with the HSCEI is illustrated in the following diagram:



The covered call strategy outperforms the HSCEI when the current price of the HSCEI is less than the sum of the strike price and the call option premium and underperforms the HSCEI when the current price of the HSCEI is more than the sum of the strike price and the call option premium.

As the Fund seeks to write covered Reference Index Call Options to maintain the Covered Call Exposure, its ability to benefit from capital appreciation of the Reference Index is limited as a result. Please refer to the risk factor "Covered call option writing risk" below for further details.

For the avoidance of doubt, the Fund does not seek to track the Reference Index given its covered call strategy.

Margin requirements and other investments

In acquiring FDIs and selling the Reference Index Call Options, the Manager anticipates that not more than 25% of the NAV of the Fund will be used as margin from time to time. Under exceptional circumstances (for instance, when there is increased margin requirement by the HKFE, the SEHK and/or brokers in extreme market turbulence), the margin exposure may increase substantially beyond 25% of the NAV of the Fund.

Not more than 30% of the NAV of the Fund may be invested in cash (HKD or USD) and/or other HKD or USD denominated investment products, such as deposits with banks in Hong Kong and HKD or USD denominated short-term (i.e., maturity less than 3 years) investment-grade bonds and money market funds (which are authorised under Chapter 8.2 of the Code or eligible schemes under Chapter 7.11A of the Code) in accordance with the requirements of the Code.

The investment strategy of the Fund is subject to the investment and borrowing restrictions set out in Part 1 of the Prospectus.

Save as disclosed above, currently, the Manager has no intention to invest the Fund in any FDIs for hedging or non-hedging (i.e. investment) purposes.

The Fund can enter into securities lending transactions for a maximum level of up to 30% and expected level of up to 20% of its NAV. The Manager will be able to recall the securities lent out at any time. All securities lending transactions will only be carried out in the best interest of the Fund and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Manager at its absolute discretion. As part of its securities lending transactions, the Fund will receive collateral, the value of which, during the duration of the securities lending agreement, will be equivalent to at least 100% of the valuation of the securities lent, marked to market on a daily basis and safekept by the Trustee or an agent appointed by the Trustee. Non-cash collateral received may not be sold, reinvested or pledged. Any re-investment of cash collateral received shall be subject to the requirements as set out in the Code.

Currently, the Manager has no intention to have any sale and repurchase transactions and reverse repurchase transactions or similar OTC transactions entered into for the account of the Fund. In the future, where the Manager intends to have any sale and repurchase transactions and reverse repurchase transactions or similar OTC transactions entered into for the account of the Fund, subject to SFC's prior approval (if necessary), 1 month's prior notice will be given to the relevant Unitholders.

Please refer to the Fund's website at www.hangsenginvestment.com▲ (this website has not been reviewed by the SFC) for more information on the Fund's covered call strategy and the Reference Index Call Options written by the Fund.

Use of derivatives / Investment in derivatives

The Fund's net derivative exposure may be up to 50% of its NAV.

What are the key risks?

Investment involves risks. You may suffer substantial / total loss by investing in this Fund. Please refer to the "Risk Factors" section in the Prospectus of the Fund for details.

1. ***Investment risks***
   - ❖ The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal.
2. ***Active investment management risk***
   - ❖ The Manager employs an actively managed investment strategy for the Fund. In addition to seeking to obtain exposure to the constituent equity securities in the Reference Index in substantially the same weightings as these securities have in the Reference Index through investing directly in constituent equity securities of the Reference Index and Reference Index ETF and long positions of FDIs, the Fund also writes call options on the Reference Index.
   - ❖ For the avoidance of doubt, the Fund does not seek to track any index or benchmark (including the Reference Index), and there is no replication or representative sampling conducted by the Manager. The Fund may fail to meet its objective as a result of the Manager's selection of investments, and/or the implementation of processes which may cause the Fund to underperform as compared to direct investments in the constituent equity securities of the Reference Index.
3. ***Covered call option writing risk***
   - ❖ The Fund adopts a covered call strategy which involves writing call options (including ETF options) on the Reference Index. A covered call strategy offers some downside protection but limits potential upside. Notwithstanding the downside protection of a covered call strategy, you will still suffer

substantial or total loss if the Reference Index level drops significantly.

- ❖ The market value of a Reference Index Call Option may be affected by an array of factors including but not limited to supply and demand, interest rates, the current market price of the Reference Index in relation to the strike price of the Reference Index Call Options, the actual or perceived volatility of the Reference Index and the time remaining until the expiration date. The Fund's ability to utilise Reference Index Call Options successfully will depend on the ability of the Manager to correctly predict future price fluctuations, which cannot be assured and are subject to market behaviour or unexpected events.
- ❖ In writing the covered Reference Index Call Options, the Fund will receive a premium from purchasers and the premium income will vary depending on different factors. However, in the case of an increase in the market price of the constituent equity securities of the Reference Index, the Fund's opportunity to profit from such an increase is limited to the strike price of the Reference Index Call Options. In the event that the level of the Reference Index is on a continuous rise, the exercise of written Reference Index Call Options by purchasers could result in the Fund's existing long positions in Reference Index Equities, FDIs and/or Reference Index ETF being liquidated for settlement of cash payment at expiry of Reference Index Call Options, and subsequent long positions would need to be re-established at a higher market level, thereby limiting the quantity of Reference Index Equities, FDIs and/or Reference Index ETF in which the Fund will be able to invest and accordingly, the quantity of the Reference Index Call Options which may be written by the Fund will also decrease.
- ❖ On the other hand, the Fund will take an underlying long position in Reference Index Equities, FDIs and Reference Index ETF and, as the writer of the Reference Index Call Options which are covered by the underlying long positions, the Fund will continue to bear the risk of declines in the market value of the Reference Index. If a Reference Index Call Option expires and if there is a decline in the market value of the Reference Index during the option period, the premiums received by the Fund from writing the Reference Index Call Options may not be sufficient to offset the loss realised.
- ❖ In addition, the Fund's ability to sell the Reference Index Equities, FDIs and/or Reference Index ETF underlying the Reference Index Call Options will be limited in order to maintain the Covered Call Exposure unless the Fund cancels out its short positions in the written Reference Index Call Options by purchasing offsetting identical Reference Index Call Options prior to their expiry. There is no guarantee that such offsetting identical Reference Index Call Options will be available on terms favourable to the Fund or at all. Even if the Fund is able to cancel out its short positions in the written Reference Index Call Options in the manner as aforementioned, the Fund may still sustain a loss in selling the underlying Reference Index Equities, FDIs and/or Reference Index ETF in the event that the market value of the Reference Index declines.
- ❖ Also, the Fund may write Reference Index Call Options over an exchange or in the OTC market. The Reference Index Call Options in the OTC markets may not be as liquid as exchange-listed options. There may be a limited number of counterparties which are willing to enter into Reference Index Call Options as purchasers or the Fund may find the terms of such counterparties to be less favourable than the terms available for listed options. Moreover, the SEHK may suspend the trading of options in volatile markets. If trading is suspended, the Fund may not be able to write Reference Index Call Options at times that may be desirable or advantageous to do so.

4. Equity market risk

- ❖ The Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors (e.g., changes in investment sentiment, political and economic conditions and issuer-specific factors).

5. Futures contracts risk

- ❖ Market risk – The use of futures contracts involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities and other more traditional assets. Although the Reference Index Futures market is relatively developed,the Fund is subject to a potential risk that it may not be able to terminate or sell positions. A liquid secondary market may not always exist for the Fund's positions at times when the Fund wishes to terminate or sell such positions.
- ❖ Volatility risk – The price of Reference Index Futures can be highly volatile and is influenced by, among others, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and changing investor confidence in future fluctuations in the price of the Reference Index.
- ❖ Leverage risk – Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in Reference Index Futures may result in a proportionally high impact and

substantial losses to the Fund, having a material adverse effect on the NAV. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested by the Fund.

- ❖ Margin requirement risk – Investing in Reference Index Futures and writing Reference Index Call Options generally involve the posting of margin. Additional funds may need to be posted as margin to meet margin calls based upon daily marking to market of Reference Index Futures and Reference Index Call Options. Increases in the amount of margin or similar payments may result in the need for the Fund to liquidate its investments at unfavourable prices in order to meet margin calls. If the Fund is unable to meet its investment objective as a result of margin requirements imposed by the HKFE, the SEHK and/or the Fund's futures broker, the Fund may experience significant losses, which may exceed the amount of the Fund's initial investment, and the investors may suffer substantial or total loss of their own investments.

- ❖ Negative roll yields and "contango" market risk – Excluding other considerations, if the market for Reference Index Futures is in a "contango" market, i.e., the prices are higher in the distant delivery months than in the nearer delivery months, the sale of Reference Index Futures would take place at a price that is lower than the price of the contract which such Reference Index Futures will be rolled to. Accordingly, sale proceeds from selling existing Reference Index Futures when rolling will not be sufficient to purchase the same number of contracts with later expiration date which have a higher price, thereby creating a negative "roll yield".

  By contrast, if the market for these contracts is in "backwardation", i.e., the prices of Reference Index Futures with later expiration dates are lower than the prices of Reference Index Futures with earlier expiration dates, the sale of the current contracts would take place at a price that is higher than the price of the contracts with later expiration date, thereby creating a positive "roll yield".

  Contango or backwardation could last for an undetermined period of time. The presence of contango in the market for Reference Index Futures could result in negative "roll yields", which could adversely affect the NAV of the Fund. The impact of contango on the Fund's performance may be greater than it would have been if the Fund rolled Reference Index Futures more frequently. Investors should note that save for the transaction cost incurred, "rolling" in itself is not a loss or return-generating event. The roll yield is typically realised over time.

- ❖ Reference Index Futures position limit risk – The positions of futures contracts or stock options contracts held or controlled by the Manager, including positions held for the Manager's own account or for the funds under its management (such as the Fund) but controlled by the Manager, may not in aggregate exceed the relevant maximum under the Securities and Futures (Contracts Limits and Reportable Positions) Rules (the "Rules").

  Accordingly, if the position held or controlled by the Manager reaches the relevant position limit or if the NAV of the Fund grows significantly, the restrictions under the Rules may prevent creations of additional Units due to the inability of the Fund to acquire further Reference Index Futures. This may cause a divergence between the trading price of a Unit on the SEHK and the NAV per Unit. In the event that the relevant position limit is reached or is closed to being reached, the Manager will evaluate its existing positions and consider partially or fully closing out certain positions, or obtain exposure to the Reference Index through investment in Reference Index Equities or Reference Index ETF.

- ❖ Failure of clearing house risk – The Fund may have exposure to Reference Index Futures and Reference Index Call Options that are registered, cleared and guaranteed by the HKFE Clearing Corporation. In the event of the bankruptcy of the clearing house, the Fund could be exposed to a risk of loss with respect to its assets that are posted as margin. If such a bankruptcy were to occur, the Fund would be afforded the protections granted to participants to transactions cleared through a clearing house under applicable laws. Such provisions generally provide for a pro rata distribution to customers of customer property held by the bankrupt clearing house if the clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that these protections will be effective in allowing the Fund to recover all, or even any, of the amounts it has deposited as margin.

6. Concentration and Mainland market risk

- ❖ The Fund's investments are concentrated in securities listed on the SEHK of companies having major business exposure to Mainland. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Mainland market.

- ❖ The Fund's exposure to mainland China, an emerging market, may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

7. Risks associated with investment in FDIs

- ❖ Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and OTC transaction risk. The leverage element/component of a FDI can result in a loss significantly greater than the amount invested in the FDI by the Fund. Exposure to FDIs may lead to a high risk of significant loss by the Fund.

8. Risks of investing in other collective investment schemes

- ❖ The Fund may invest in other collective investment schemes and will be subject to the risks associated with the underlying funds. The Fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved which may have a negative impact to the NAV of the Fund.
- ❖ If the Fund invests in other active or passive investment products managed by the Manager or Connected Person of the Manager, all initial charges and redemption charges on these listed or unlisted funds must be waived, and the Manager must not obtain rebate of any fees or charges levied by these funds or any quantifiable monetary benefits in connection with investments in these funds. In case any conflicts of interest may still arise out of such investments, the Manager will use its best endeavours to resolve it fairly.

9. Risks relating to securities lending transactions

- ❖ Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.

10. Trading risks

- ❖ The trading price of the Listed Class Units on the SEHK is driven by market factors such as the demand and supply of the Listed Class Units. Therefore, the Listed Class Units may trade at a substantial premium or discount to the NAV of the Listed Class Units.
- ❖ As investors will pay certain charges (e.g., trading fees and brokerage fees) to buy or sell Listed Class Units on the SEHK, investors may pay more than the NAV per Unit when buying Listed Class Units on the SEHK, and may receive less than the NAV per Unit when selling Listed Class Units on the SEHK.

11. Trading hours differences risk

- ❖ The relevant futures exchanges (such as the HKFE) and the SEHK have different trading hours. As the relevant futures exchanges may be open when Listed Class Units of the Fund are not priced, the value of the relevant FDIs in the Fund’s portfolio may change on days when investors will not be able to purchase or sell the Fund’s Listed Class Units. As a result, the level of premium or discount of the Listed Class Unit price of the Fund to its NAV may be higher.

12. Reliance on Market Maker risks

- ❖ Although the Manager will use its best endeavours to put in place arrangements so that at least one market maker will maintain a market for the Listed Class Units and that at least one market maker gives not less than 3 months’ notice prior to terminating market making arrangement under the relevant market maker agreement, liquidity in the market for the Listed Class Units may be adversely affected if there is no or only one market maker for the Listed Class Units. There is also no guarantee that any market making activity will be effective.

13. Differences in dealing arrangements between Listed Class Units and Unlisted Class Units risk

- ❖ Investors of Listed Class Units and Unlisted Class Units are subject to different pricing and dealing arrangements. The NAV per Unit of each of the Listed Class Units and Unlisted Class Units may be different due to different fees and cost applicable to each class. The trading hours of SEHK applicable to the Listed Class Units in the secondary market and the dealing deadlines in respect of the Unlisted Class Units are different. The dealing deadline applicable to the Listed Class Units in the primary market and the dealing deadlines in respect of the Unlisted Class Units are also different.
- ❖ Listed Class Units are traded on the stock exchange in the secondary market on an intraday basis at the prevailing market price (which may diverge from the corresponding NAV), while Unlisted Class Units are sold through intermediaries based on the Dealing Day-end NAV and are dealt at a single

valuation point with no access to intraday liquidity in an open market. Depending on market conditions, investors of the Listed Class Units may be at an advantage or disadvantage compared to investors of the Unlisted Class Units.

- ❖ In a stressed market scenario, investors of the Unlisted Class Units could redeem their Units at NAV while investors of the Listed Class Units in the secondary market could only sell at the prevailing market price (which may diverge from the corresponding NAV) and may have to exit the Fund at a significant discount. On the other hand, investors of the Listed Class Units could sell their Units on the secondary market during the day thereby crystallising their positions while investors of the Unlisted Class Units could not do so in a timely manner until the end of the day.

14. Differences in fee and cost arrangements between Listed Class Units and Unlisted Class Units risk

- ❖ The levels and types of fees and costs applicable to each of the Listed Class Units and the Unlisted Class Units may differ. As such, the NAV per Unit of each of the Listed Class Units and Unlisted Class Units may also be different.
- ❖ For Listed Class Units, a Transaction Fee may be payable by the Participating Dealer in respect of Creation and Redemption Applications. In relation to cash Creation and Redemption Applications by Participating Dealers, the Manager reserves the right to require the relevant Participating Dealer to pay an additional sum on the creation amount or deduct from the redemption proceeds such sum representing the Duties and Charges for the purpose of compensating or reimbursing the Fund. Investors in the secondary market will not be subject to the foregoing, but may incur SEHK-related fees such as brokerage fees, transaction levy and trading fee.
- ❖ For Unlisted Class Units, Unitholders may be subject to a Preliminary Charge and/or a Redemption Charge in respect of subscription and redemption respectively. For subscription and redemption applications in cash, the Manager may, in good faith and in the best interest of Unitholders, make adjustments to the NAV per Unit in determining the Issue Price or redemption price per Unit (as the case may be) which it considers to be an appropriate allowance to reflect the Duties and Charges.

15. Termination risk

- ❖ The Fund may be terminated early under certain circumstances, for example, if the size of the Fund falls below RMB150 million (or its equivalent). Investors may not be able to recover their investments and may suffer a loss when the Fund is terminated.

16. Reliance on the same group risk

- ❖ Each of the Trustee (also acting as the Registrar) and the Manager (also acting as the Listing Agent) are subsidiaries of HSBC Holdings plc (the "**Group**"). One or more of the Participating Dealers and/or Market Makers may also from time to time be members of the Group. Whilst these are separate legal entities and operationally independent, in the event of a financial catastrophe or the insolvency of any member of the Group, there may be adverse implications for the business of the Group as a whole or other members of the Group which could affect the provision of services to the Fund. In such event the NAV and liquidity of the Fund may be adversely affected and its operation disrupted.
- ❖ The Trustee and the Manager are presently all members of the Group, and one or more of the Participating Dealers and/or Market Makers may from time to time be members of the Group. As such, although all transactions will be at arm's length, conflicts of interest in respect of the Fund may arise from time to time amongst any of them whilst they belong to the Group. The Manager and each of its Connected Persons will have regard to its obligations to the Fund and Unitholders, will vigorously manage any such conflict in the best interest of investors and will endeavour to ensure such conflicts are resolved fairly.

17. Distribution out of/effectively out of capital risk

- ❖ Payment of dividends out of capital and/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 such distributions may result in an immediate reduction of the NAV per Unit.

How has the Fund performed?

Since the Listed Class Units of the Fund are newly set up, there is insufficient data to provide a useful indication of past performance to investors.

Is there any guarantee?

The Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges incurred when trading the Fund on the SEHK

Fee	What you pay
Brokerage Fee	Market rates
SFC Transaction Levy	0.0027%[1]
Accounting and Financial Reporting Council ("AFRC") Transaction Levy	0.00015%[2]
SEHK Trading Fee	0.00565%[3]
Stamp Duty	Nil

[1] SFC Transaction Levy of 0.0027% of the trading price of the Listed Class Units is payable by each of the buyer and the seller.

[2] AFRC transaction levy of 0.00015% of the trading price of the Listed Class Units is payable by each of the buyer and the seller.

[3] SEHK Trading Fee of 0.00565% of the trading price of the Listed Class Units is payable by each of the buyer and the seller.

Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the NAV of the Fund which may affect the trading price.

Fee	Annual rate (as a % of the NAV of the Fund)
Management Fee^	Currently up to 0.70% per year in respect of the Listed Class only
Trustee Fee^	Currently 0.045% per year
Performance Fee	Nil
Administration Fee	Nil

^ Please note that the annual rate stated may be increased up to a permitted maximum rate as set out in the Prospectus of the Fund by giving one month's prior notice to relevant Unitholders. Please refer to the "Fees and Expenses" section of the Prospectus for further details of the fees and charges payable.

Other Fees

You may have to pay other fees when dealing in the Units of the Fund.

Additional Information

You can find the following information of the Fund, both in the English and Chinese languages, at the website of the Fund at www.hangsenginvestment.com▲:

(a) the Prospectus (including this Product Key Facts Statement) in respect of the Fund (as revised from time to time);

(b) the latest annual audited accounts and interim unaudited report;

(c) the last NAV and last NAV per Unit of the Fund in HKD (updated on a daily basis);

(d) the near real time indicative NAV per Unit (updated every 15 seconds during the SEHK trading hours throughout each Dealing Day) in HKD;

(e) the latest list of the participating dealers and market makers;

(f) the full portfolio information of the Fund (updated on a daily basis), including details of the Reference Index Call Options written by the Fund (in English only);

(g) any notices relating to material changes to the Fund which may have an impact on its investors, such as material alterations or additions to the Prospectus or the Fund's constitutive documents;

(h) any public announcements made by the Fund with regard to the Fund, notices of suspension and resumption of creation and redemption of the Listed Class Units, notices of suspension and resumption of subscription and redemption of the Unlisted Class Units, suspension of the calculation of the NAV, changes in fees and (in respect of the Listed Class Units only) suspension and resumption of trading;

(i) the ongoing charges figure and the past performance information of the Fund;

(j) compositions of dividends (i.e., the relative amounts paid out of (i) net distributable income and (ii) capital), if any, for the last 12 months;

(k) a "performance simulator" which simulates the performance of the Fund based on its holdings; and

(l) additional information on the Fund's covered call strategy.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

▲ This website has not been reviewed by the SFC.

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