



**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 JPMorgan US Equity Premium Income 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

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| Stock Code:                   | 03476 – HKD Counter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Trading Board Lot Size:       | 500 Units – HKD Counter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Manager:                      | Hang Seng Investment Management Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Trustee & Registrar:          | HSBC Institutional Trust Services (Asia) Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Trading Currency:             | Hong Kong Dollars (“ <b>HKD</b> ”)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Base Currency:                | US Dollars (“ <b>USD</b> ”)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Distribution Policy:          | <p>Monthly (if any).</p> <p>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.</p> <p>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 (“<b>NAV</b>”) per Unit. <b>Distributions will be in USD only.</b></p> |
| Financial Year End:           | 31 December                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Ongoing Charges Over a Year*: | 0.85%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| ETF Website:                  | <a href="http://www.hangsenginvestment.com">www.hangsenginvestment.com</a> <sup>▲</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

\* 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 a feeder fund and an actively-managed ETF falling under Chapters 7 and 8.10 of the Code on Unit Trusts and Mutual Funds (the “Code”).

- ❖ The Fund is a feeder fund investing at least 90% of its NAV into JPMorgan ETFs (Ireland) ICAV - US Equity Premium Income Active UCITS ETF (the “Master ETF”) which is currently traded on the London Stock Exchange, Deutsche Borse, Six Swiss Exchange and Borsa Italiana.<sup>1</sup>

**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.**

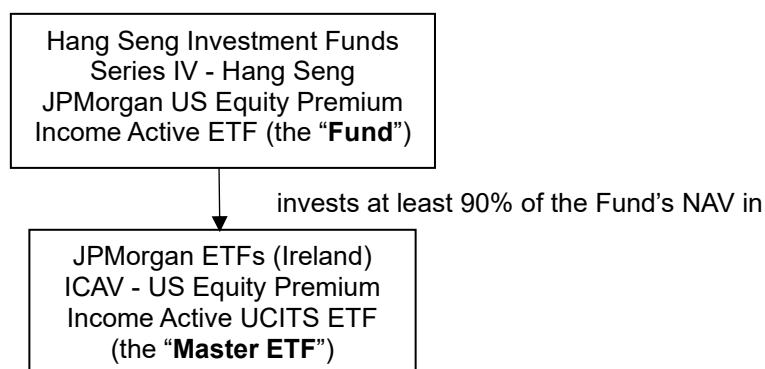
## Objective and Investment Strategy

### Objective

The investment objective of the Fund is to provide income and long-term capital growth.

### Investment Strategy

The Fund is a feeder fund that seeks to achieve its investment objective by investing substantially (at least 90% of its NAV) into the Master ETF. The Master ETF is not authorised by the SFC and will not be directly offered to the public in Hong Kong. The Fund will invest in the Master ETF via the primary market and/or the secondary market through exchange(s) on which the Master ETF is listed.<sup>1</sup> Please find below the illustrative diagram showing the Fund / Master ETF structure:



The Fund may also invest up to 10% of its NAV in (i) other securities (which may include securities, ETFs and other SFC-authorised collective investment schemes) and/or (ii) cash and cash equivalents (including money market funds which are authorised under Chapter 8.2 of the Code) and/or (iii) financial derivative instruments (“FDIs”) (including futures and options and forward foreign exchange contracts), for investment, market access/exposure replication (e.g. to maximise portfolio management efficiency and to minimise transaction costs), cash management purposes and/or hedging purposes. Investments in ETFs (other than the Master ETF) by the Fund are considered and treated as listed securities for the purposes of and subject to the requirements in Chapters 7.1, 7.1A and 7.2 of the Code.

Although FDIs may be used (as aforesaid), they will not be used extensively for investment purpose.

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,

<sup>1</sup> Please refer to the website of the Master ETF Manager (as defined below) at <https://am.jpmorgan.com/lu/en/asset-management/per/products/jpm-us-equity-premium-income-active-ucits-etf-usd-dist-ie000u5mjoz6#/overview> for the latest list of exchanges on which the Master ETF is listed. The aforesaid website has not been reviewed by the SFC.

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.

### **The Master ETF**

The Master ETF is an actively-managed sub-fund of JPMorgan ETFs (Ireland) ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland ("CBI") pursuant to the UCITS Regulations<sup>2</sup>.

The management company of the Master ETF is JPMorgan Asset Management (Europe) S.à r.l. ("**Master ETF Manager**"), who has appointed J.P. Morgan Investment Management Inc. as the investment manager of the Master ETF (the "**Master ETF Investment Manager**").

The Master ETF was established on 29 October 2024. The list of exchanges on which the Master ETF is currently listed is as follows:<sup>1</sup>

| <i>Exchange</i>       | <i>Trading currency</i> | <i>Listing date</i> |
|-----------------------|-------------------------|---------------------|
| London Stock Exchange | USD                     | 6 November 2024     |
|                       | GBX                     | 6 November 2024     |
| Deutsche Borse        | EUR                     | 6 November 2024     |
| Six Swiss Exchange    | USD                     | 6 November 2024     |
| Borsa Italiana        | EUR                     | 28 January 2025     |

The benchmark of the Master ETF is S&P 500 (Total Return Net) ("**Benchmark**"), which consists of large capitalisation stocks issued by companies in the USA ("**Benchmark Securities**"). The Benchmark comprises 500 of the top companies in leading industries of the US economy.

The investment objective of the Master ETF is to provide income and long-term capital growth. The Master ETF aims to (i) invest in a portfolio of equity securities comprising primarily of companies that are domiciled in, or carrying out the main part of their economic activity in the USA, and (ii) sell equity call options and/or equity index call options, to generate an income through the associated dividends and options premiums.

#### **(i) Equity Portfolio**

The Master ETF aims to invest at least 67% of its assets (excluding assets held for ancillary liquidity purposes) in a portfolio of equity securities comprising primarily of companies that are domiciled in, or carrying out the main part of their economic activity in the USA. The Master ETF may also invest in equity securities issued by companies from any other country.

The Master ETF will primarily invest in equity securities issued by large capitalisation companies across any industrial sector, which may include common stocks, preferred stocks and depository receipts. The Master ETF will invest primarily in securities listed or traded on recognised markets in the USA<sup>3</sup>. The Master ETF may also invest in units of real estate investment trusts ("**REITs**").

The Benchmark has been included as a point of reference against which the performance of the Master ETF may be measured and as it reflects the main investment universe and strategy for the Master ETF. For the avoidance of doubt, the Master ETF will not seek to track the performance of or replicate the Benchmark. The Master ETF also seeks a lower volatility than the Benchmark.

#### **(ii) Equity Call Options / Equity Index Call Options**

The Master ETF Investment Manager seeks additional income through employing a FDI overlay strategy which will be implemented by systematically selling equity call options and/or equity index call options which will typically have exposure to indices comprised of Benchmark Securities.

The Master ETF will typically invest in assets denominated in USD. For any non-USD denominated assets, the currency exposure may be hedged back to USD.

<sup>2</sup> The European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 352 of 2011), as amended, and all relevant rules and regulations.

<sup>3</sup> Recognised markets in the USA include Nasdaq, Portal Market, the OTC market in the US government securities conducted by primary dealers selected by the Federal Reserve Bank of New York, New York Stock Exchange, New York Stock Exchange Arca, the OTC Bulletin Board operated by NASD and COMEX. The latest list of recognised markets in the USA is available from the prospectus of the Master ETF.

In normal circumstances the Master ETF may hold up to 10% of its net asset value in ancillary liquid assets (deposits, certificates of deposit, commercial paper, fixed rate bonds issued by governments which are rated investment grade and money market funds) in accordance with the UCITS Regulations.

The Master ETF will not invest more than 10% of its net asset value in other regulated, open-ended collective investment schemes, including ETFs and money market funds.

### **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. Please refer to the "Risk Factors" section in the Prospectus of the Fund for details.**

#### **1. Investment Risks**

- ❖ The Fund and the Master ETF'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. Risks related to master/feeder fund structure**

- ❖ The Fund invests substantially in the Master ETF managed by the Master ETF Manager. The Manager has no ability to control the manner in which the Master ETF Manager and/or Master ETF Investment Manager will make investments in accordance with the Master ETF's investment objective and strategy (which may change from time to time).
- ❖ The Fund's performance and its ability to meet its investment objective are largely dependent on the Master ETF. There can be no assurance that the Master ETF's investment objectives and strategies will be successfully achieved or that the Fund or the Master ETF will yield attractive returns. Past performance of the Master ETF is not necessarily a guide to future performance of the Master ETF or the Fund.
- ❖ Investment in the Master ETF via the primary market may not always be available or efficient, as it is subject to, among other things, minimum basket size, transaction costs, and basket composition requirements for creations and redemptions. On the other hand, units of the Master ETF in the secondary market may be suspended from trading or may not always be sufficiently liquid. Any event affecting the Fund's ability to deal in units of the Master ETF will have an adverse impact on the Fund's ability to invest in the Master ETF in order to achieve the Fund's investment objective.
- ❖ There is no guarantee that the Master ETF will always have sufficient liquidity and the Fund may not be able to realise or liquidate its investment in the Master ETF at such time as it wants to. There is no assurance that the liquidity of the Master ETF will always be sufficient to meet realisation requests.
- ❖ By investing in the Master ETF, the Fund will bear a proportion of the fees and charges of the Master ETF. Such fees and charges of the Master ETF will be deducted from the net asset value of the Master ETF and reflected in the net asset value per unit of the Master ETF. For the avoidance of doubt, as Unitholders do not have any direct interest in the units of the Master ETF, Unitholders will not be able to exercise any voting rights in respect of the Master ETF.
- ❖ The Fund's performance may deviate from the performance of the Master ETF due to the Fund's ancillary investments in instruments other than units of the Master ETF as well as the Fund's own fees and expenses and distribution policy. While the Fund seeks to minimise the foregoing deviation, there is no guarantee that the Fund will succeed by the use of ancillary investments (i.e. investments other than units of the Master ETF) due to various factors, including timing differences and delays in adjusting the Fund's investments.
- ❖ The regulatory framework regarding ETFs in Hong Kong, such as the Fund, to invest as a feeder fund into a master ETF that is not authorised by the SFC, is constantly evolving. There may be future policy changes for the ETF market in Hong Kong which may affect the demand for Units in the Fund and the competitiveness of the Fund in the market.
- ❖ The Master ETF is not authorised by the SFC and is structured as an Irish collective asset-management vehicle (which is different to the structure of the Fund). The Master ETF is regulated by the CBI and is subject to the applicable Irish laws and regulations. Future changes in the applicable Irish laws and regulations may have an impact on the Master ETF. The management and

operation of the Master ETF is also dependent on the Master ETF Manager, Master ETF Investment Manager and its service providers.

### **3. Risks associated with investment in FDIs**

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

### **4. 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.
- ❖ The above trading risks are also applicable to the Master ETF.

### **5. Trading Differences Risk**

- ❖ As the relevant exchanges on which the Master ETF is listed may be open when Units in the Fund are not priced, the value of the securities in the Fund's portfolio may change on days when investors will not be able to purchase or sell the Fund's Units. Differences in trading hours between the relevant exchanges and the SEHK may also increase the level of premium or discount of the Unit price to the Fund's NAV.
- ❖ The above trading differences risk is also applicable to the Master ETF.

### **6. 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.

### **7. 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.

### **8. 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.

#### **9. Currency Risk**

- ❖ The currency of the Fund's base currency, NAV and underlying assets is different from the trading currency of the Listed Class Units of the Fund. Accordingly secondary market investors may be subject to additional costs or losses associated with foreign currency fluctuations between such currencies and changes in exchange rate controls (if any) when trading Listed Class Units in the secondary market.

#### **10. Termination Risks**

- ❖ 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.
- ❖ In the event of the termination of the Master ETF, or if the Master ETF no longer complies with the SFC's requirements imposed on the Master ETF, the Manager will consider alternative ways to achieve the investment objective of the Fund (subject to SFC's prior approval, if required), including but not limited to replacing the Master ETF with an alternative ETF which the Manager considers as equivalent to the Master ETF. If the Manager is unable to implement such changes, the Fund may be terminated early.

#### **11. Reliance on the Same Group Risk**

- ❖ Each of the Trustee (also acting as the Registrar) and the Manager 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.

#### **12. 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.

#### **13. Dividend risk**

- ❖ Dividend or distribution payment rates in respect of the Fund will depend on factors beyond the control of the Manager or Trustee including, general economic conditions, and the financial position and dividend or distribution policies of the relevant underlying entities, including the Master ETF.

There can be no assurance that such entities, including the Master ETF, will declare or pay dividends or distributions.

- ❖ There can be no assurance that the distribution yield of the Fund is the same as that of the Master ETF.

#### **14. Risk relating to securities lending transactions**

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

### **Risks associated with the Master ETF's investments**

**As the Fund will invest substantially into the Master ETF as a feeder fund, the risks associated with the Master ETF's investments below will be relevant to the Fund.**

#### **15. Equity Market Risk**

- ❖ The Master ETF'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).

#### **16. Active Investment Management Risk**

- ❖ The Master ETF employs an actively managed investment strategy. For the avoidance of doubt, the Master ETF will not seek to track the performance of or replicate the Benchmark.
- ❖ The Master ETF may fail to meet its objective as a result of the implementation of investment process which may cause the Master ETF to underperform as compared to direct investments in the constituent equity securities of the Benchmark.

#### **17. Concentration Risk**

- ❖ The Master ETF's investments are concentrated in a specific geographical region (i.e. the USA). The value of the Master ETF may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Master ETF may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the US market.

#### **18. Risks associated with call options strategy**

- ❖ While the Master ETF uses an FDI overlay strategy which is intended to provide income, there is no guarantee that such strategy will achieve this. The Master ETF may forego some capital appreciation potential, while retaining the risk of loss should the price of the underlying investment declines.
- ❖ Although the income generated from the option premiums may reduce the Master ETF's volatility and help offset part of the losses from the equity portfolio, losses from the sale of equity call options and/or equity index call options may offset the Master ETF's profits from increases in the value of the equity portfolio.
- ❖ Selling call options will create exposure for the Master ETF, as it may have to deliver the underlying securities or their value and, should the market move unfavourably, this may result in a substantial loss. The maximum loss for the writer of a call option is potentially unlimited if the writer does not hold the underlying securities, although the underlying securities are not delivered if the option is exercised, as the contract is cash settled. The Master ETF's financial liability is therefore linked to the value of the underlying securities.
- ❖ Investors should also take note of the "Risks associated with investment in FDIs" set out above.

### **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% <sup>1</sup>  |
| Accounting and Financial Reporting Council ("AFRC") Transaction Levy | 0.00015% <sup>2</sup> |
| SEHK Trading Fee                                                     | 0.00565% <sup>3</sup> |
| Stamp Duty                                                           | Nil                   |

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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 and the NAV of the Master ETF (as the case may be) which may affect the trading price.

| Fee                | Annual rate (as a % of the NAV of the Fund)                                  | Annual rate (as a % of the NAV of the Master ETF) | Aggregate fees (as a % of the NAV of the Fund)                  |
|--------------------|------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------|
| Management Fee     | Up to 0.35% in respect of the Listed Class only <sup>^</sup>                 | 0.35%                                             | Up to 0.70% in respect of the Listed Class only                 |
| Trustee Fee        | 0.0425% per annum, subject to a minimum monthly fee of USD1,000 <sup>^</sup> | Not applicable                                    | 0.0425% per annum, subject to a minimum monthly fee of USD1,000 |
| Performance Fee    | Nil                                                                          | Nil                                               | Nil                                                             |
| Administration Fee | Nil                                                                          | Nil                                               | Nil                                                             |

<sup>^</sup> 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](http://www.hangsenginvestment.com)<sup>^</sup>:

- the Prospectus (including this Product Key Facts Statement) in respect of the Fund (as revised from time to time);
- the latest annual audited accounts and interim unaudited report;
- the last NAV (in USD only) and last NAV per Unit (in USD and in HKD) of the Fund (updated on a daily basis);
- the near real time indicative NAV per Unit (updated every 15 seconds during the SEHK trading hours throughout each dealing day) in HKD;
- the latest list of the participating dealers and market makers;
- the full holdings of the Fund (updated on a daily basis);
- 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;
- any public announcements made by the Fund, including information with regard to the Fund and the Master ETF, 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; and
- (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.

The near real time indicative NAV per Unit in HKD, under (d) above, is indicative and is for reference only. This is updated during SEHK trading hours. The near real time indicative NAV per Unit in HKD is calculated using the indicative NAV per Unit in USD multiplied by a real time HKD:USD foreign exchange rate provided by ICE Data Indices when the SEHK is opened for trading. Since the indicative NAV per Unit in USD will not be updated when the relevant exchanges on which the Master ETF is listed are closed, the change to the indicative NAV per Unit in HKD (if any) during such period is solely due to the change in the foreign exchange rate. The last NAV per Unit in HKD, under (c) above, is indicative, is for reference only and is calculated using the last NAV per Unit in USD multiplied by an assumed foreign exchange rate using the Tokyo Composite at 3:00 p.m. Tokyo time (2:00 p.m. Hong Kong time) mid rate quoted by Bloomberg as of the same Dealing Day (i.e. any day on which (i) the SEHK is open for normal trading for a full trading day; and (ii) the relevant exchanges on which the Master ETF is listed are open for normal trading). When the relevant exchanges on which the Master ETF is listed are closed, the official last NAV per Unit in USD and the indicative last NAV per Unit in HKD will not be updated. Please refer to the Prospectus for details.

### **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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