恒生投資
HANG SENG INVESTMENT

PRODUCT KEY FACTS STATEMENT

Hang Seng AI Advancement ETF (Listed Class)

21 September 2026

Issuer: Hang Seng Investment Management Limited

- ***This is a passive exchange traded fund ("ETF").***
- ***This statement provides you with key information about the listed class of units (the "Listed Class Units") in Hang Seng AI Advancement 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:	03438 – Hong Kong dollars ("**HKD**") Counter
Trading Board Lot Size:	50 Units – HKD Counter
Manager:	Hang Seng Investment Management Limited
Trustee & Registrar:	HSBC Institutional Trust Services (Asia) Limited
Underlying Index:	Hang Seng Artificial Intelligence Theme Index ("**Index**") (net total return version)
Trading Currency:	HKD
Base Currency:	HKD
Distribution Policy:	No distribution will be made.
Financial Year End:	31 December
Ongoing Charges Over a Year*:	0.75%
Estimated Annual Tracking Difference**:	-0.90%
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.

** This is estimated annual tracking difference. Investors should refer to the Fund's website for more up-to-date information on actual tracking difference.

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 passively-managed index-tracking ETF falling under Chapter 8.6 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 Fund is an index-tracking fund which aims to match as closely as practicable, before fees and expenses, the HKD denominated total return performance (net of withholding tax) of the Index.

Investment Strategy

In seeking to achieve the Fund's investment objective, the Manager will primarily adopt a full replication strategy by which the assets of the Fund will comprise the constituent securities with reference to their respective weightings in the Index.

In order to maximise portfolio management efficiency, minimise transaction costs and tracking error, exposure to the Index may also be obtained through representative sampling strategies which include:

(i) direct holding of a representative sample of securities; and/or
(ii) financial derivative instruments ("FDIs") (such as futures); and/or
(iii) other collective investment schemes (including ETFs[1]),

from which the return to the Fund substantially reflects the performance of the Index. As part of the foregoing, the Fund may or may not have exposure to all of the securities in the Index, and may have exposure to securities which are not included in the Index.

When representative sampling strategies are used, the weighting of a particular constituent security in the Fund may deviate from its weighting in the Index and such deviation is subject to a maximum limit of up to 4% of the NAV of the Fund in respect of any constituent security.

Such strategies and FDIs are chosen based on their correlation with the Index and cost efficiency in order to reflect the characteristics of the Index.

The Manager may adopt the full replication strategy or any of the above representative sampling strategies without notice.

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 over-the-counter ("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.

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

Index

The Index aims to reflect the performance of Hong Kong-listed companies enabling the advancement of artificial intelligence (AI), with particular emphasis on key capabilities such as computing power, algorithms, model development, cloud infrastructure and robotics.

The eligible universe comprises all companies listed on the Main Board of the SEHK. To qualify, candidates must meet a minimum six-month average daily turnover threshold of HKD 20 million, being classified under eligible subsectors[2] and being within the top 60% in terms of year-on-year revenue growth among eligible securities (the threshold is lowered to top 70% for existing Index constituents). The 40 largest eligible candidates will be selected by their 12-month average daily market capitalisation for final index inclusion. The Index constituents are reviewed and reconstituted quarterly in March, June, September and December.

The Index is denominated in HKD. The Index was launched on 25 September 2023 and the Index had a base value of 3,000 on 31 December 2019. The Index is weighed by freefloat adjusted market cap, with a 12% cap on individual constituent weightings. The aggregate weighting of non-Stock Connect eligible constituents is capped at 35%.

As of 7 September 2026, the Index comprised 40 constituents with freefloat-adjusted index market capitalisation (after capping) of HKD618 billion.

Although the index provider, Hang Seng Indexes Company Limited ("**Index Provider**") and the Manager are Connected Persons, the Index Provider is operationally independent of the Manager.

The Index is calculated and published through the Index Provider on its website (https://www.hsi.com.hk). Information concerning the Index (including its constituents, factsheet, methodology and rules, index levels, index performance, etc.) is available on the Index Provider's website (https://www.hsi.com.hk/eng/indexes/all-indexes/hsait). These websites have not been reviewed by the SFC. The real-time Index values (updated every two seconds) are available at Bloomberg and Refinitiv.

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'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. Equity market risk

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

3. Concentration and Mainland-related Securities risk

- ❖ The Fund's investments are concentrated in Hong Kong listed securities, some of which may have substantial business operations in Mainland China. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the specific industry sectors in the Hong Kong and/or Mainland China market.
- ❖ Investing in the above securities is subject to the risks of investing in emerging markets generally. This may involve increased risks and special considerations not typically associated with investment in companies based 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.

4. Technology and AI themes concentration risk

- ❖ *Sector concentration risk*: The constituents of the Index, and accordingly the Fund's investments, may be concentrated in companies in technology and AI sector themes. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant sector.
- ❖ *Technology and AI theme risk*: The technology theme of the Index, hence the underlying securities, centred on AI software, AI hardware, and AI-driven applications, presents risks such as high computational demands, potential biases in AI outputs, and cybersecurity vulnerabilities, as well as regulatory challenges such as compliance with evolving laws and intellectual property disputes. Many of the companies with a high business exposure to a technology or AI theme have a relatively short operating history. Companies in the technology or AI sector also face intense competition, and there may also be substantial government intervention, which may have an adverse effect on profit margins. Rapid changes could render obsolete the products and services offered by these

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[1] Investments in ETFs by the Fund are considered and treated as collective investment schemes for the purposes of and subject to the requirements in Chapters 7.11, 7.11A and 7.11B of the Code.

[2] Eligible subsectors are Electrical & Electronic Components, Digital Solution Services, Internet Services and Infrastructure, Application Software, Semiconductors, Semiconductor Equipment & Materials, Industrial Components & Equipment*, Heavy Industrial Machinery*, Pharmaceuticals*, Biotechnology*, Pharma & Biotech Contract Services*, Medical Devices & Supplies*, Medical & Aesthetic Services*, Robotic Systems & Solutions. Companies from subsectors denoted "*" are eligible for the Index only if their business activities are related to robotics and the related technologies. Please refer to the Prospectus for further details.

companies.

- *Price volatility risk*: Technology or AI companies are often characterised by relatively higher volatility in price performance when compared to other economic sectors. Stock prices of AI companies, especially companies which have a relatively small market capitalisation and limited operating history, tend to be more volatile than securities of companies that do not rely heavily on technology.
- *Overvaluation risk*: Technology and AI themed companies may be subject to potential overvaluation risk and such exceptionally high valuation may not be sustainable. Excessive investor enthusiasm and speculation in AI-related companies could lead to inflated valuations that may subsequently correct sharply. Stock price may be more susceptible to manipulation in respect of technology and AI companies with a limited number of shares in public circulation, such as smaller or newly listed companies.
- *Intellectual property and cyber security risk*: Companies with a high business exposure to a technology or AI theme may be subject to the risks of loss or impairment of intellectual property rights or licences. In addition, these companies face cyber security risks, which can result in undesirable legal, financial, operational and reputational consequences.
- *Market and regulatory risks*: Technology and AI themed companies may be subject to market and regulatory risks. These risks include, but are not limited to, small or limited markets for such securities, changes in business cycles, world economic growth, technological progress, rapid obsolescence, and government regulation. Increasing global regulatory scrutiny in relation to the collection, storage and usage of data may impede the development of new AI products, hamper the commercial rollout of such products and affect market demand. A downturn in the business for companies in the technology or AI sector theme may have adverse effects on the Fund.

5. Risk associated with small-capitalisation / mid-capitalisation companies

- The Fund may invest in stocks of small-capitalisation / mid-capitalisation companies. The stock of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

6. Risk associated with investments in companies with weighted voting rights

- The Fund may invest in, or the constituents of the Index may include, companies (such as innovative companies) which have a weighted voting rights structure. This leads to issues relating to shareholder rights and corporate governance as well as investor protection, which may have a negative impact on the Fund where the Fund invests in the ordinary shares of such companies.

7. Passive investment risks

- The Fund is passively-managed and the Manager will not have the discretion to adapt to market changes due to the inherent investment nature of the Fund. Falls in the Index are expected to result in corresponding falls in the value of the Fund.

8. 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.

9. Tracking error risks

- The Fund may be subject to tracking error risk, which is the risk that its performance may not track that of the Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Index.

10. 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.

11. ***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.

12. ***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.

13. ***Risks of investing in other collective investment schemes***

   ❖ The underlying collective investment schemes in which the Fund may invest may not be regulated by the SFC. There may be additional costs involved when investing into these underlying collective investment schemes. There is also no guarantee that the underlying collective investment schemes will always have sufficient liquidity to meet the Fund's redemption requests as and when made.

14. ***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.

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***

   ❖ Both the Manager and the Index Provider are presently subsidiaries of Hang Seng Bank Limited. The functions which the Index Provider and the Manager will perform in connection with the Fund may give rise to potential conflicts of interest. Please refer to the Prospectus for further details.

- Apart from the above, 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, the Manager and the Index Provider 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. In particular, the Manager and the Trustee may be in dispute with the present Index Provider if it terminates the licence to use the Index. 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. 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.

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 0.55% per year in respect of the Listed Class only
Trustee Fee^	Currently up to 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 holdings of the Fund (updated on a daily basis);

(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, including information with regard to the Fund and the Index, 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) the annual tracking difference and tracking error of the Fund.

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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