



Issuer: Hang Seng Investment Management Limited

- ***This statement provides you with key information about Hang Seng Global Conservative Fund (the “Fund”).***
- ***This statement is a part of the offering document and must be read in conjunction with the Explanatory Memorandum for Hang Seng Investment Series (the “Explanatory Memorandum”) and the Term Sheet of the Fund.***
- ***You should not invest in the Fund based on this statement alone.***

Quick Facts

Manager:	Hang Seng Investment Management Limited
Trustee & Registrar:	HSBC Institutional Trust Services (Asia) Limited
Base Currency:	USD
Dealing Frequency:	Daily*
Dividend Policy:	No distribution, any income received by the Fund will be accumulated and reflected in the Unit price.
Minimum Subscription Amount (lump sum):	As determined by the Authorised Distributor(s) of the Fund
Ongoing charges over a year**	2.16%
Financial year end of the Fund:	31 December

* Generally, Dealing Day is any day (except Saturday) on which banks in Hong Kong are open for normal banking business. Please refer to the Explanatory Memorandum for the full definition of “Dealing Day”.

** The ongoing charges figure is based on ongoing expenses for the year ended 31 December 2021 expressed as a percentage of the Fund’s average Net Asset Value for the same period. It includes the fees of the Manager and the Trustee and the ongoing charges of the underlying funds in which the Fund invests. Please refer to the “CHARGES AND EXPENSES” section in the Explanatory Memorandum and the Term Sheet of the Fund respectively for details. This figure may vary from year to year.

What is the Fund?

- ❖ The Fund is a fund in the Hang Seng Investment Series, which is a unit trust established as an umbrella fund and is currently domiciled in The Hong Kong Special Administrative Region (“Hong Kong”).

Objective and Investment Strategy

The investment objective of the Fund is to achieve stable capital growth with low volatility by investing in a diversified portfolio of collective investment schemes that normally invest in money market instruments, global equities and bonds (the “Underlying Funds”).

The Fund will invest all of its assets in the Underlying Funds. The underlying asset classes of the Underlying Funds include money market instruments, equities and bonds. The Fund invests with no prescribed regional, country, industry sector, credit rating or market capitalisation limits for investment by the Underlying Funds.

The Fund may invest in, but not limited to, Underlying Funds that are exchange traded funds and unlisted funds. The Underlying Funds will not invest primarily in other collective investment schemes.

The Fund will only invest in Underlying Funds that are authorised by the SFC or in eligible schemes (as defined by the SFC in the Code) domiciled in Luxembourg, Ireland, United Kingdom (whether authorised by the SFC or not), except that not more than 10% of the Fund's Net Asset Value may be invested in non-eligible schemes not authorised by the SFC.

The Underlying Funds are not expected to use financial derivative instruments primarily/extensively for investment purposes.

The asset allocation of the Underlying Funds depends on the Underlying Fund managers' views of fundamental economic and market conditions and investment trends across the globe, taking into consideration factors such as liquidity, costs, timing of execution, relative attractiveness of individual securities and issuers available in the market.

The Fund may hold cash for ancillary purposes.

Use of derivatives / investment in derivatives

The Fund will not use financial derivative instruments for any purposes.

What are the key risks?

Investment involves risks. Please refer to the "Risk Factors" section in the Explanatory Memorandum and the Term Sheet of the Fund respectively for details.

Investment Risk

- ❖ 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.

Risks associated with Investing in Collective Investment Schemes

- ❖ The Fund is a fund of funds and is 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 Net Asset Value of the Fund.
- ❖ The Underlying Funds in which the Fund may invest may not be regulated by the SFC. There may be additional costs involved when investing into these Underlying Funds. There is also no guarantee that the Underlying Funds will always have sufficient liquidity to meet the Fund's redemption requests as and when made.

Currency and exchange rate control Risk

- ❖ Where the underlying investments of the Fund are denominated in currencies other than the base currency of the Fund, the Net Asset Value of the Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the Fund's base currency and by changes in exchange rate controls.

Risks for Funds investing in Fixed Income Instruments

For an Underlying Fund which invests in fixed income instruments, it is exposed to following risks:

- ❖ Credit / Counterparty Risk: The Underlying Fund is exposed to the credit/default risk of issuers of the fixed income instruments that the Underlying Fund invests in.
- ❖ Interest Rate Risk: The Underlying Fund is subject to interest rate risk. In general, the prices of fixed income instruments rise when interest rates fall, whilst their prices fall when interest rates rise.
- ❖ Downgrading Risk: The credit rating of a fixed income instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Underlying Fund may be adversely affected. The manager of the Underlying Fund may or may not be able to dispose of the fixed income instruments that are being downgraded.
- ❖ Sovereign Debt Risk: The Underlying Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign

issuers may not be able or willing to repay the principal and/or interest when due or may request the Underlying Fund to participate in restructuring such debts. The Underlying Fund may suffer significant losses when there is a default of sovereign debt issuers.

- ❖ **Valuation Risk:** Valuation of the Underlying Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Underlying Fund.
- ❖ **Credit Rating Risk:** Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

Risks for Funds investing in Equities

- ❖ For an Underlying Fund which invests in equity securities, it 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.

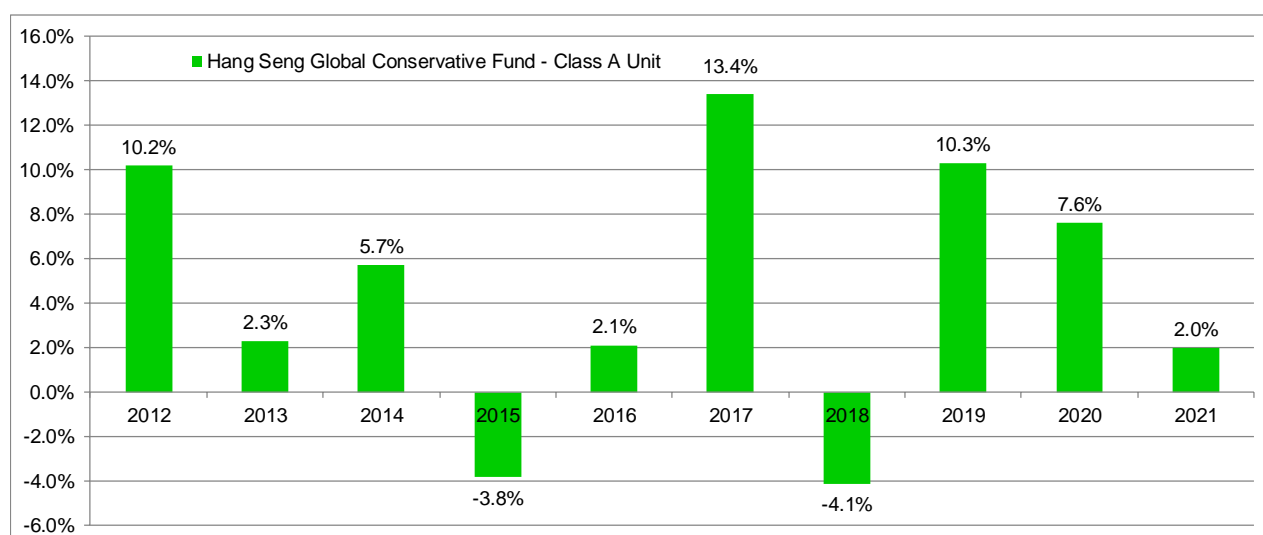
Reliance on the Same Group Risk

- ❖ The Fund may invest substantially in Underlying Funds which are also managed by the Manager and with the same Trustee or with a manager or a trustee/custodian being a subsidiary of HSBC Holdings plc (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 Group as a whole or other members of the Group which could affect the provision of services to the Fund. In such event the net asset value of the Fund may be adversely affected and its operation disrupted.
- ❖ In addition, although all transactions will be at arm's length, conflicts of interest in respect of the Fund may arise from time to time amongst such entities which are all members of the Group. The Manager will vigorously manage any such conflicts in the best interest of investors.

Risk relating to Dynamic Asset Allocation Strategy

- ❖ The dynamic asset allocation may not achieve the desired results under all circumstances and market conditions. The investments of the Fund may be periodically rebalanced and therefore the Fund may incur greater transaction costs than a fund with static allocation strategy.

How has the Fund performed?



- ❖ Past performance information is not indicative of future performance. Investors may not get back the full amount invested.

- ❖ The computation basis of the performance is based on the calendar year end, Unit Price-To-Unit Price, with dividend (if any) reinvested.
- ❖ These figures show by how much the Fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and switching fee you might have to pay.
- ❖ The Class B Units of the Fund were consolidated into Class A Units of the Fund with effect from 24 December 2014.
- ❖ Fund launch date: 1998
- ❖ Class A Units launch date: 1998

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 which may be payable by you

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

Fee	What you pay [#]	
Subscription Fee	Class A Units	Up to 4.0% of the issue price of the Fund
Switching Fee	Class A Units	Up to 2.0% of the issue price of the Fund
Redemption Fee	Class A Units	Nil

[#] Please contact the Authorised Distributor(s) of the Fund for details.

Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the Net Asset Value of the Fund)	
Management Fee [^]	Class A Units	Up to 1.0%
Trustee Fee [^]	Class A Units	0.085% (subject to a minimum monthly trustee fee of US\$1,300)

[^] Please note that the annual rate stated may be increased up to a permitted maximum rate as set out in the Explanatory Memorandum by giving 1 month's prior notice to relevant Unitholders.

Other fees

You may have to pay other fees and charges when dealing in the Units of the Fund. Please refer to the "CHARGES AND EXPENSES" section in the Explanatory Memorandum for details.

Additional Information

- ❖ You generally buy and redeem Units at the Fund's next-determined Net Asset Value.
- ❖ To be dealt with on a Dealing Day, your request has to be received by the Authorised Distributor(s) of the Fund in good order on or before the dealing cutoff time as set by them (which may be different from that as set by the Manager). Please contact the Authorised Distributor(s) of the Fund for details.
- ❖ The Net Asset Value of the Fund on each Dealing Day is normally calculated on the Business Day after that Dealing Day, and is available online at www.hangsenginvestment.com[▲].

❖ Investors may obtain other information of the Fund from the website www.hangsenginvestment.com▲.

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.

Issued by Hang Seng Investment Management Limited (wholly-owned subsidiary of Hang Seng Bank)