

Important Risk Disclosure for TraHK

- The Tracker Fund of Hong Kong ("TraHK") is an exchange-traded fund designed to provide investment results that closely correspond to the performance of the Hang Seng Index ("Index") but its return may deviate from that of the Index.
- Investment involves risk, including risks of concentration of investments in shares in constituent companies of the Index, performance of the Index, economic, political and social developments, risks relating to investment in Hong Kong-listed stocks, and dual counter risks. Investors may lose part or all of their investments.
- Due to fees and expenses of TraHK, liquidity of the market and tracking strategy adopted by the Manager, TraHK's return may deviate from that of the Index.
- The trading price of TraHK may differ from the underlying net asset value ("NAV") per unit.
- TraHK may not be suitable for all investors. Investors should not invest based on this document only. Investors should read TraHK's prospectus including all risk factors, consider the product features, their own investment objectives, risk tolerance level and other factors, and seek independent financial and professional advice as appropriate prior to making any investment.
- The performance of TraHK, the NAV per unit and the performance by the manager and the trustee of their respective obligations are not guaranteed by the HKSAR Government. The HKSAR Government has given no guarantee or assurance that the investment objective of TraHK will be met.

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Why Hang Seng Investment?¹

As one of the largest Hong Kong-based asset management companies, Hang Seng Investment was established in 1993 with 30 years of asset management experience, covering various product types such as exchange traded funds (ETFs), retail funds, ITCIS and discretionary portfolios.



Experience

30 years of asset management experience



Market Share

Over 40% of market share in the HK ETF market by AUM
Largest ETF provider in HK by AUM



Turnover

Largest HK ETF provider in 2023 in terms of average daily turnover



Awards

Over 30 awards received for our passively-managed funds over the past 5 years

Hang Seng Index

Why Hang Seng Index?

Publicly launched on 24 November 1969, the HSI has become the most widely quoted gauge of the Hong Kong stock market. The index includes the largest and most liquid stocks listed on the Main Board of the Stock Exchange of Hong Kong.



The existing 82 constituents² consist of the largest and most liquid stocks listed in HK



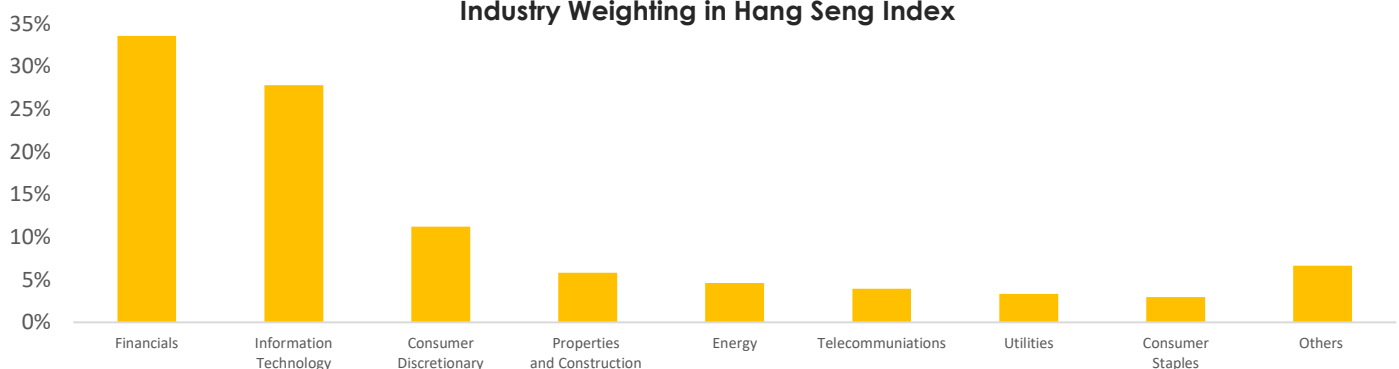
Constituents will be reviewed quarterly and freefloat-adjusted for investability representation



Highly representing the HK stock market (Market Value Coverage Ratio: 65.31%²; Market Turnover Coverage: 68.91%²)

Hang Seng Index Covers a Full Range Of Industry Groups³

Industry Weighting in Hang Seng Index



Hang Seng Index Is Subject To Continuous Enhancement⁴

Measures of Continuous Enhancement*	Benefits
Fix the ultimate constituent number at 100	Better reflect the performance of the Hong Kong stock market with a more diversified industry distribution
Lower the weighting cap of constituent from 10% to 8%	Avoid abnormal volatility of weighted stocks
Select constituents by industry groups	Expand industrial representation
Shorten the listing history requirement to three months	Increase flexibility
Maintain a certain number of constituents classified as Hong Kong Companies	Ensure the representation of Hong Kong Companies

1. Source: Hang Seng Investment, as of 29 Dec 2023.

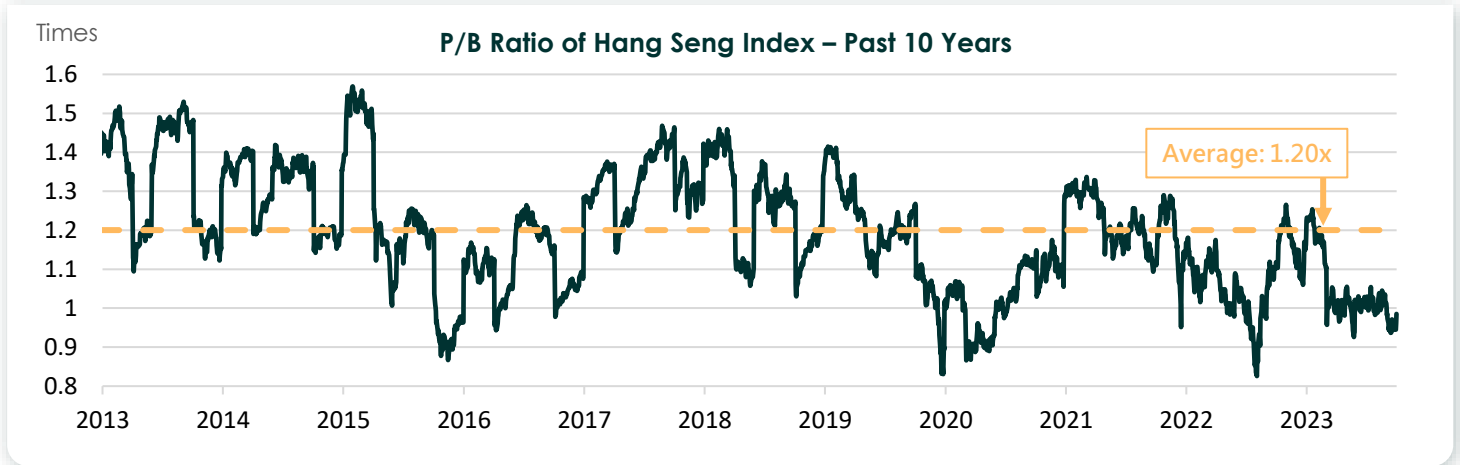
2. Source: Hang Seng Indexes Company, as of 29 Dec 2023. The universe comprises securities listed on HKEX Main Board excluding Foreign Companies, Investment Companies and Special Purpose Acquisition Companies. Only Hong Kong portion is counted for secondary listed Greater China companies.

3. Source: Hang Seng Investment, Hang Seng Indexes Company, as of 29 Dec 2023.

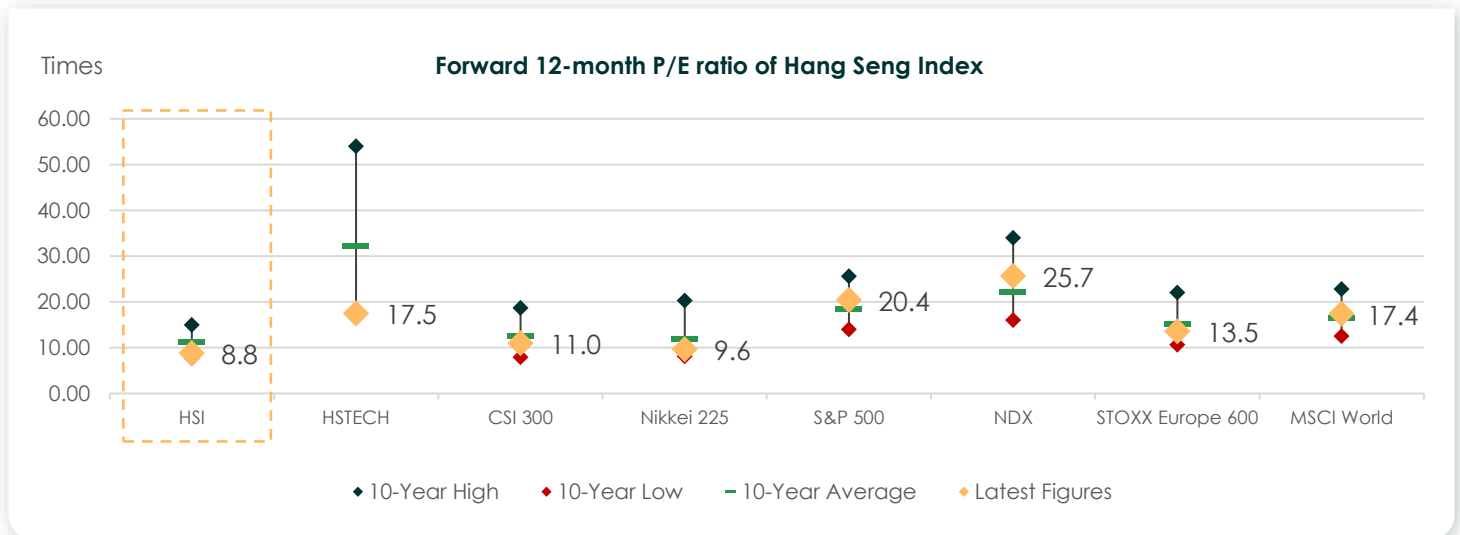
4. Source: Bloomberg, Hang Seng Investment, Hang Seng Indexes Company, as of 29 Dec 2023.*The above changes implemented at the index review in May 2021 and effected during the index adjustment in June 2021.

■ Why Hang Seng Index?

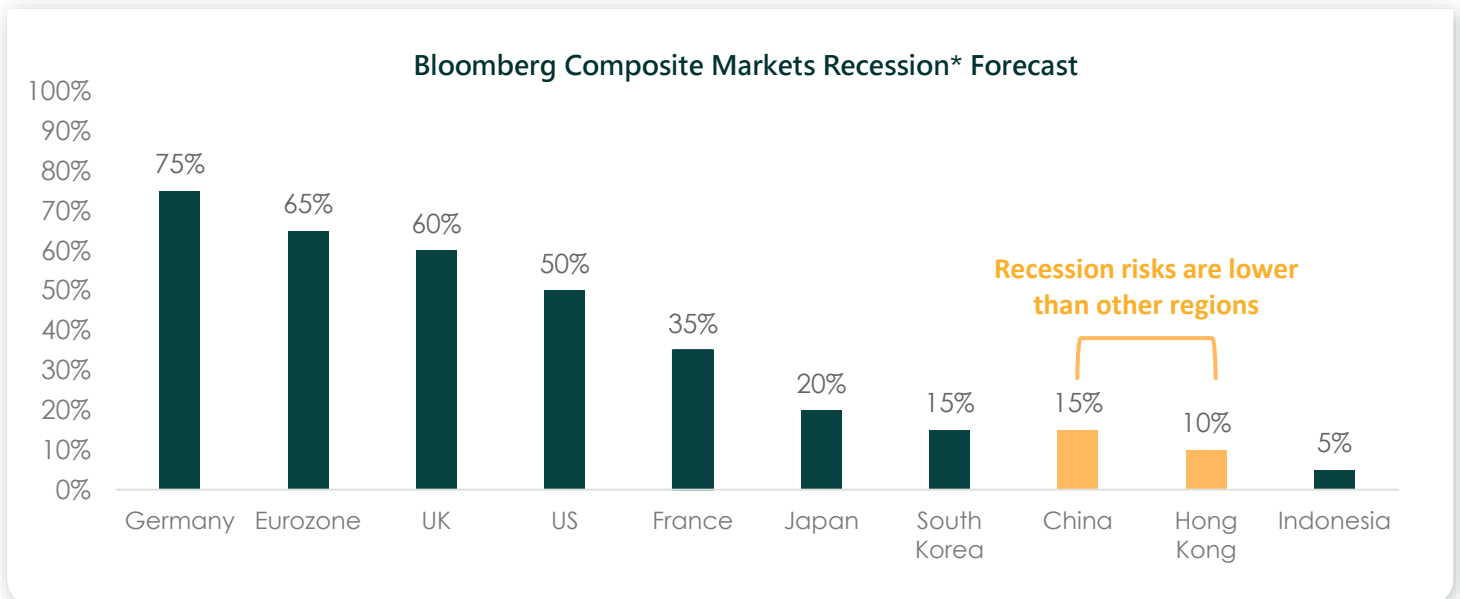
Price-to-Book (P/B) Ratio Lower than Average⁵



The Forward 12-month Price-to-Earnings (P/E) Ratio Of Hang Seng Index Is Expected To Be Lower Than Other Indexes⁵

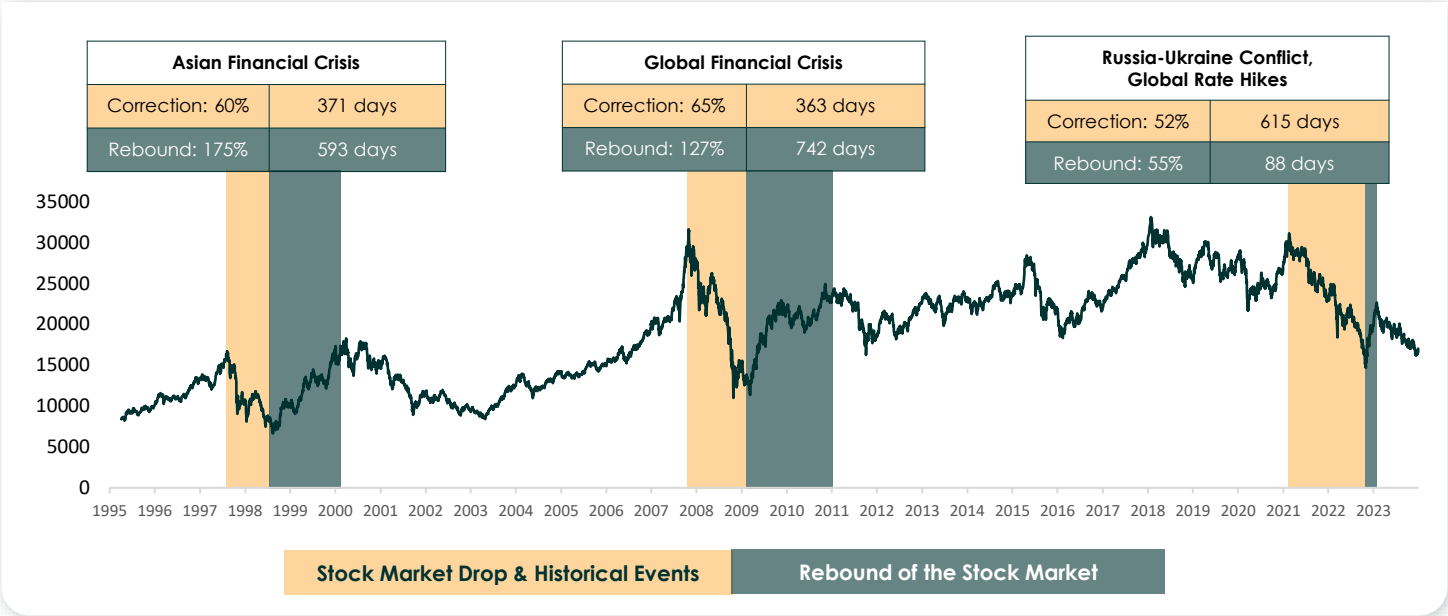


Recession risks in Mainland China and Hong Kong are lower than other regions⁵



5. Source: Bloomberg, Hang Seng Investment, as of 29 Dec 2023. *A recession is defined by Bloomberg as two consecutive quarters of negative GDP growth. The probability of a recession is to predict the probability of a recession in the coming year, which is obtained through the forecast of Bloomberg comprehensive market economists.

■ Hang Seng Index Historical Performance⁶

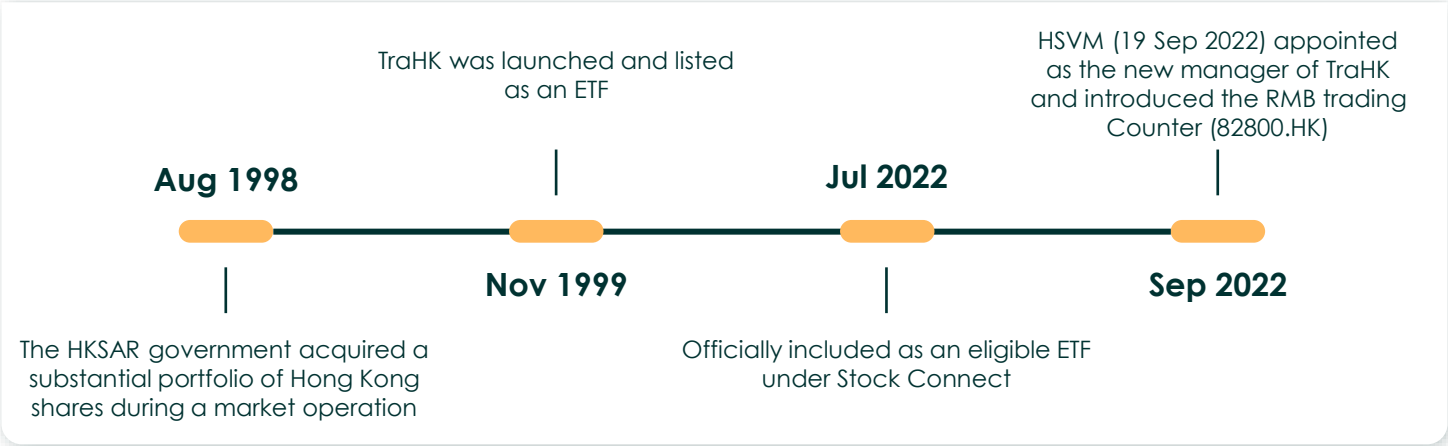


■ Learn More About TraHK⁶

The Launch Of TraHK

Launched in 1999, the Tracker Fund of Hong Kong (TraHK) is the pioneer of the local exchange-traded fund (ETF) industry. Today, it remains as one of the largest AUM and most liquid ETFs in the Hong Kong market. Currently managed by Hang Seng Investment Management Limited (HSVM), TraHK provides a cost-efficient mean of gaining exposure to Hong Kong equities for a range of institutional and retail investors.

History Of The Fund



6. Source: Bloomberg, Hang Seng Investment, as of 29 Dec 2023.

Offering Documents



Monthly Factsheet



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