

## Tracker Fund of Hong Kong

### Asia ex-Japan's First Physical ETF<sup>^</sup>

October 2022

2800  
82800

#### 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.

#### Fund Objective

TraHK's investment objective is to provide investment results that closely correspond to the performance of the Hang Seng Index.

The Manager seeks to achieve TraHK's investment objective by investing all, or substantially all, of TraHK's assets in shares in the constituent companies of the Index ("Index Shares") in substantially the same weightings as they appear in the Index.

#### Index Description

The Hang Seng Index is composed of a representative sample of the shares of constituent companies listed on SEHK which generally have high market value and liquidity. It is designed such that it reproduces the performance of a hypothetical portfolio made up of the shares of the constituent companies with an interest in each constituent company which is always proportionate to such constituent company's market capitalisation adjusted to take into account the freefloat of the relevant shares.

#### Key Features

- Tradability
- Cost efficiency
- Transparency
- Potential distributions<sup>^</sup>

<sup>^</sup> TraHK aims to pay dividend on semi-annual basis. The dividend amount or dividend rate is not guaranteed.

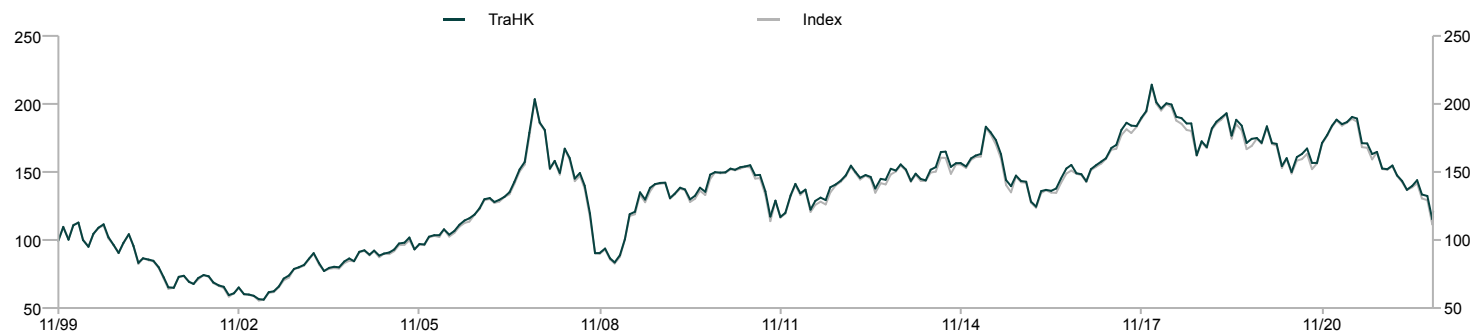
#### Performance

| Cumulative Return            | TraHK   | Index   |
|------------------------------|---------|---------|
| YTD                          | -37.25% | -37.23% |
| 1 Month                      | -14.72% | -14.72% |
| 3 Months                     | -27.14% | -27.14% |
| 6 Months                     | -30.37% | -30.36% |
| Annualized Return            | TraHK   | Index   |
| 1 Year                       | -42.16% | -42.13% |
| 3 Years                      | -18.36% | -18.27% |
| 5 Years                      | -12.35% | -12.26% |
| 10 Years                     | -3.90%  | -3.80%  |
| Since Inception (11/11/1999) | 0.10%   | 0.18%   |

| Calendar Year Return | TraHK   | Index   |
|----------------------|---------|---------|
| 2021                 | -14.18% | -14.08% |
| 2020                 | -3.54%  | -3.40%  |
| 2019                 | 8.96%   | 9.07%   |
| 2018                 | -13.71% | -13.61% |
| 2017                 | 35.86%  | 35.99%  |
| 2016                 | 0.26%   | 0.39%   |
| 2015                 | -7.36%  | -7.16%  |
| 2014                 | 1.33%   | 1.28%   |
| 2013                 | 2.75%   | 2.87%   |
| 2012                 | 22.96%  | 22.91%  |

Fund performance is calculated based on Adjusted NAV (which represents the equity only portion of the NAV and excludes undistributed net income (e.g. cash)). (Source: Adjusted NAV is provided by State Street Bank and Trust Company. Performance information is provided by the Manager.) Calendar year performance figures show by how much the fund increased or decreased in value during the calendar year being shown. Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit [www.trahk.com.hk](http://www.trahk.com.hk) for most recent month-end performance. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. (Price Return with no dividend reinvested. Source: Hang Seng Indexes Company Limited.) Performance returns for periods of less than one year are not annualised.

#### Performance Chart



Nothing contained here constitutes investment advice or should be relied on as such. The value of TraHK and the income from it, if any, may fall or rise. Past performance of TraHK is not necessarily indicative of its future performance. The prospectus for TraHK is available and may be obtained from the Manager and downloaded from TraHK's dedicated website: [www.trahk.com.hk](http://www.trahk.com.hk). The semi-annual distributions are dependent on TraHK's performance and are not guaranteed. Investors may only redeem TraHK Units with the Manager under certain specified conditions and the listing of TraHK on the SEHK does not guarantee a liquid market for the Units. TraHK may be delisted from the SEHK.

<sup>^</sup>Source: Bloomberg.

For more information about TraHK or how to invest, please visit [www.trahk.com.hk](http://www.trahk.com.hk) or call our customer hotline (852) 2198 5890.

\*This website has not been reviewed by the Securities and Futures Commission of Hong Kong (the "SFC").

## Tracker Fund of Hong Kong

October 2022

### Key Facts

|                                |   |
|--------------------------------|---|
| Primary Exchange               | The Stock Exchange of Hong Kong Limited   |
| Inception Date (HKD Counter)   | 11 November 1999  |
| Listing Date (HKD Counter)     | 12 November 1999  |
| Fund Manager**                 | Hang Seng Investment Management Limited   |
| Trustee                        | State Street Bank and Trust Company   |
| Underlying index               | Hang Seng Index   |
| Management Approach            | Index   |
| Ongoing Charges Over a Year*** | 0.08%   |
| Trustee Fee                    | The annual trustee fee is calculated as the sum of: (a) 0.045% per annum on the first HK\$15 billion of the NAV; (b) 0.030% per annum on the next HK\$15 billion of the NAV; (c) 0.020% per annum on the next HK\$15 billion of the Net Asset Value; and (d) 0.015% per annum on the remaining balance of the NAV.    |
| Management Fee                 | The annual management fee is calculated as the sum of: (a) 0.045% per annum on the first HK\$15 billion of the NAV; (b) 0.030% per annum on the next HK\$15 billion of the NAV; (c) 0.020% per annum on the next HK\$15 billion of the Net Asset Value; and (d) 0.015% per annum on the remaining balance of the NAV. |

|   |   |
|---|---|
| Base Currency   | HKD   |
| Dividend Policy   | Semi-annually (generally May and November each year). Each Unitholder will receive dividends in HKD only (whether holding HKD traded Units or RMB traded Units). (TraHK aims to pay dividend on semi-annual basis. The dividend amount or dividend rate is not guaranteed.) |
| Minimum Creation & Redemption Unit  | 1 Million Units (or whole multiples thereof)  |
| Number of Holdings  | 73  |
| NAV per Unit  | HKD 14.7692   |
| Market Closing Price per Unit   | HKD Counter - HKD 14.82<br>RMB Counter - RMB 13.78  |
| Shares Outstanding  | 6,816,992,500   |
| Total Asset Value   | HKD 100,681.71 million  |
| Rolling 1 year Tracking Error # and ##<br>NAV vs Hang Seng Index (Price return)           | 3.4788%   |
| Rolling 1 year Tracking Error # and ###<br>Adjusted NAV vs Hang Seng Index (Price return) | 0.0312%   |

\*\* With effect from 19 September 2022, the Fund Manager has been changed from State Street Global Advisors Asia Limited to Hang Seng Investment Management Limited.

\*\*\* With effect from 19 September 2022, the management fee and trustee fee of Tracker Fund of Hong Kong ("TraHK") have been reduced. The ongoing charges figure of TraHK is an estimate calculated based on the reduced management fee, the reduced trustee fee and other ongoing expenses for the year ended 31 December 2021, expressed as a percentage of TraHK's average Net Asset Value for the same period. It includes the fees of the Manager and the Trustee. Please refer to the "Fees, Costs and Expenses Payable by TraHK" section in the Prospectus for details. The actual figure may be different from the estimate. This figure may vary from year to year.

# Annualized based on the number of dealing days in the past 12 months when daily Tracking Difference is calculated.

## this disclosure provides comparison between TraHK's NAV (which contains equities and cash) relative to the Hang Seng Index (which consists of equities only). As the Tracking Difference increases each time there is cash accrued within TraHK's NAV due to the receipt of cash from securities dividends and upon a dividend payout to investors, which are not accounted for in the Hang Seng Index, this creates an increase in the Tracking Error.

### this disclosure provides comparison between TraHK's Adjusted NAV (which represents the equity only portion of the NAV and excludes undistributed net income (e.g. cash)) with the Hang Seng Index (which consists of equities only). This aims to facilitate investors' assessment on how consistently TraHK provides equity returns from capital gains or losses in line with the Hang Seng Index and in meeting its investment objective.

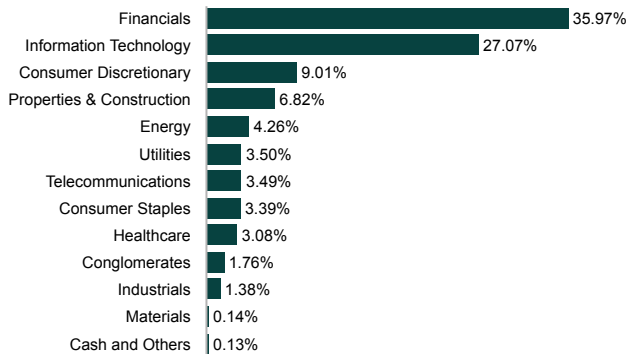
### Trading Information

| Counter     | Board Lot Size | Trading Currency | ISIN         | Bloomberg Code | Stock Code |
|-------------|----------------|------------------|--------------|----------------|------------|
| HKD Counter | 500            | HKD              | HK2800008867 | 2800 HK        | 2800       |
| RMB Counter | 500            | RMB              | HK0000871464 | 82800 HK       | 82800      |

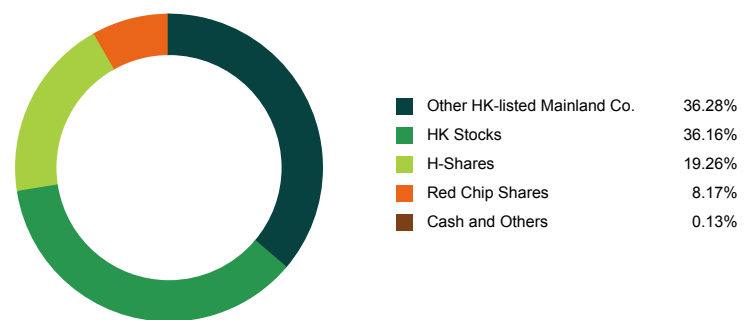
This is an eligible ETF in Stock Connect for Southbound trading (HKD counter only). Mainland China investors should check with brokers for more information.

### Portfolio Analysis

#### Sector Breakdown



#### Share Class Breakdown



### Top Holdings

| Company                   | Sector                 | Weight | Company                        | Sector                 | Weight |
|---------------------------|------------------------|--------|--------------------------------|------------------------|--------|
| HSBC Holdings PLC         | Financials             | 8.89%  | China Construction Bank Corp   | Financials             | 5.07%  |
| AIA Group Ltd             | Financials             | 8.03%  | China Mobile Ltd               | Telecommunications     | 3.26%  |
| Tencent Holdings Ltd      | Information Technology | 6.90%  | Hong Kong Exchanges & Clearing | Financials             | 2.83%  |
| Alibaba Group Holding Ltd | Information Technology | 6.74%  | Industrial & Commercial Bank   | Financials             | 2.83%  |
| Meituan                   | Information Technology | 6.51%  | JD.com Inc                     | Information Technology | 2.68%  |

The top holdings and sector breakdown shown are as of 31 Oct 2022 and are subject to change. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. The "Sector" information is obtained from source(s) which Hang Seng Investment Management Limited ("HSVM") reasonably believes to be reliable. All other information is obtained from State Street Bank and Trust Company. The stock weighting is a percentage number calculated based on the total net asset value of the fund. The composition information is for your information and reference only, and does not constitute any offer, solicitation or recommendation to buy or sell Units in the Fund.

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### List Of Participating Dealers+

ABN AMRO Clearing Hong Kong Limited  
Barclays Bank PLC  
BNP Paribas  
BOCI Securities Limited  
Citigroup Global Markets Asia Limited  
Credit Suisse Securities (Hong Kong) Limited  
J.P. Morgan Broking (Hong Kong) Limited  
Merrill Lynch Far East Limited  
Mirae Asset Securities (HK) Limited  
Nomura International (Hong Kong) Limited  
Phillip Securities (Hong Kong) Limited

+ Please visit [www.trahk.com.hk](http://www.trahk.com.hk)\* for the latest list.

### List Of Market Makers+

#### HKD Counter

Akuna Hong Kong Limited  
Barclays Bank PLC  
BNP Paribas Securities (Asia) Ltd.  
Citigroup Global Markets Asia Limited  
Eclipse Options (HK) Limited  
Flow Traders Hong Kong Limited  
HSBC Securities Brokers (Asia) Limited  
IMC Asia Pacific Ltd.  
Interactive Brokers Hong Kong Limited  
Jane Street Asia Trading Limited  
Jump Trading Hong Kong Limited  
Jump Trading Pacific Pte. Ltd.  
Korea Investment & Securities Asia Limited  
Mirae Asset Securities (HK) Limited  
Optiver Trading Hong Kong Ltd.  
Phillip Securities (HK) Ltd.  
SG Securities (HK) Ltd.  
Tower Research Capital (Singapore) Pte. Ltd.  
UTR8 AP Limited  
Virtu Financial Singapore PTE. Ltd.  
Vivienne Court Trading Pty. Ltd.  
XY Capital Limited  
Yue Kun Research Limited

+ Please visit [www.trahk.com.hk](http://www.trahk.com.hk)\* for the latest list.

### Distribution Information

|             | Intended Frequency                 | Record Date | Amount / Share | Dividend Yield |
|-------------|------------------------------------|-------------|----------------|----------------|
| HKD Counter | aims to pay on semi-annually basis | 31 Oct 2022 | HKD 0.56       | 4.33%          |
| RMB Counter | aims to pay on semi-annually basis | 31 Oct 2022 | HKD 0.56       | N/A            |

Dividend Policy: Semi-annually (generally May and November each year). Each Unitholder will receive dividends in HKD only (whether holding HKD traded Units or RMB traded Units). (TraHK aims to pay dividend on semi-annual basis. The dividend amount or dividend rate is not guaranteed.)

Formula of dividend yield: The sum of the most recent dividends within the past 12 months divided by Net Asset Value per share (HKD Counter) as of the source date, expressed as a percentage.

For full distribution history record, please refer to [www.trahk.com.hk](http://www.trahk.com.hk)\*.

(Source: Hang Seng Investment Management Limited / State Street Bank and Trust Company / Morningstar Asia Limited. All information as at 31 Oct 2022.)

Please read the disclaimer in relation to the Index in the Tracker Fund of Hong Kong ("TraHK")'s Offering Document. TraHK has been authorized by the Securities and Futures Commission in Hong Kong ("SFC"). (SFC authorisation is not a recommendation or endorsement of TraHK nor does it guarantee the commercial merits of TraHK or its performance. It does not mean the TraHK is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.) Certain information contained in this factsheet is obtained and prepared from sources which Hang Seng Investment Management Limited ("HSVM") reasonably believes to be reliable. For information sourced externally (as disclosed), HSVM has reasonable belief that such information is accurate and complete. This factsheet is for your information and reference only, and does not constitute any offer, solicitation or recommendation to buy or sell Units in TraHK. Investors should note that investment involves risks and not all investment risks are predictable. Prices of fund units may go up as well as down and past performance information presented is not indicative of future performance. Before making any investment decisions, investors should read the Hong Kong Offering Document of TraHK (including the full text of the risk factors stated therein (such as the arrangement in the event that TraHK is delisted)) in detail and obtain appropriate professional advice where necessary. This factsheet has not been reviewed by the SFC.

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### Volatility

|                    | 1Y    | 3Y    |
|--------------------|-------|-------|
| Standard Deviation | 19.51 | 19.29 |
| Sharpe Ratio       | -2.45 | -0.81 |

HKD Counter

Source: Morningstar Asia Limited

### Fund Literature



Download the offering documents here