

IMPORTANT RISK WARNINGS/FUND INFORMATION FOR INVESTORS

- The investment objective of the Hang Seng China A Industry Top Index Fund (the "Fund") is to provide investment results that, before fees and expenses, closely correspond to the performance of the Hang Seng China A Industry Top Index (the "Index"). The Fund is a feeder fund and an index fund that seeks to achieve its investment objective by investing solely in the Hang Seng China A Industry Top Index ETF (the "Underlying Fund").
 - The Underlying Fund is listed and traded on The Stock Exchange of Hong Kong Limited. Investors should note the differences between the Fund and the Underlying Fund, including the differences in respect of fees and charges, trading channel, dealing frequency and dealing price determination and decide whether they wish to invest in the Fund or invest in the Underlying Fund directly.
 - Risks relating to the Fund Structure/Underlying Fund: As the Fund invests solely in the Underlying Fund, the Fund is exposed to such risks to which the Underlying Fund is subject.
 - The Fund is subject to concentration risk as the Underlying Fund tracks the performance of a single geographical region (the PRC). By having exposure in the PRC, an emerging market, it may involve increased risks and special considerations not typically associated with investment in more developed markets. A-share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention).
 - RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non RMB-based investors are exposed to foreign exchange risks.
 - In respect of hedged classes of Units, there can be no assurance that any currency hedging strategy employed by the Manager will fully and effectively eliminate the currency exposure of the relevant class. Hedging strategies may preclude investors from benefiting from an increase in the value of the Fund's base currency. Any expenses arising from such hedging transactions, which may be significant depending on prevailing market conditions, will be borne by the relevant currency hedged class.
 - The Fund is subject to passive investment risk and tracking error risk. There can be no assurance of exact or identical replication at any time of the performance of the Index.
 - There may be additional fees involved when investing into the Underlying Fund, such as fees and expenses charged by the service providers of the Underlying Fund.
 - The Underlying Fund is subject to the RQFII Regime related risks and Stock Connect risks. The laws, rules and regulations applicable to them are subject to change and such change may have potential retrospective effect.
 - Although all transactions will be at arm's length, conflicts of interest in respect of the Fund may arise from time to time amongst the Trustee (also acting as the trustee of the Underlying Fund), the Manager (also acting as the manager of the Underlying Fund) and the Index Provider which are all members of the same financial group. The Manager will vigorously manage any such conflicts in the best interest of investors.
 - Investments involve risks and investors may lose a substantial part of their investment in the Fund.
- Investors should not only base on this brochure alone to make investment decisions, but should read the Fund's offering documents (including the full text of the risk factors stated therein) in detail.



恒生投資

HANG SENG INVESTMENT

Hang Seng China A Industry Top Index Fund



Why invest in Hang Seng China A Industry Top Index Fund?

If you:

- are interested to invest in the mainland China A-share market via a fund
- wish to capture the growth potential of leaders in 11 industries⁺ in mainland China
- would like to make investments in RMB, HKD or USD

⁺ The 11 industries are energy, materials, industrial, consumer goods, consumer services, telecommunications, utilities, financials, properties & construction, information technology and conglomerates.

“Hang Seng China A Industry Top Index Fund” could be an investment choice!

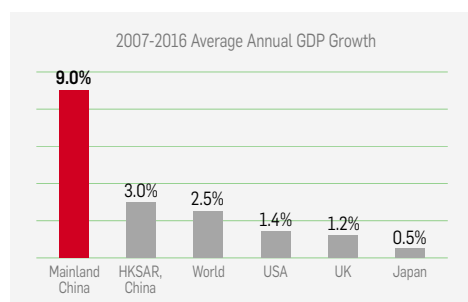
The investment objective of the Hang Seng China A Industry Top Index Fund (the “Fund”) is to provide investment results that, before fees and expenses, closely correspond to the performance of the Hang Seng China A Industry Top Index (the “Index”). The Fund is a feeder fund and an index fund that seeks to achieve its investment objective by investing solely in the Hang Seng China A Industry Top Index ETF¹ (the “Underlying Fund”).



Opportunities from the A-Share Market in China²

Mainland China's Sustained High Economic Growth Takes the Lead in Global Economic Development

In the past decade, mainland China has been on a steady track of high economic growth. From 2007 to 2016, the average annual growth of its gross domestic product (“GDP”) is far ahead of major developed countries such as the USA, the UK and Japan, and takes the lead in global economic development.



Source: World Bank, 11 April 2018

Inclusion of China A-Shares in the MSCI Indexes Will Mark a Key Milestone in the Internationalisation Roadmap

Morgan Stanley Capital International (“MSCI”) has announced that, starting from June 2018, China A-Shares will be gradually included in its MSCI Emerging Markets Index and MSCI All Country World Index. In the initial stage, China A-Shares will have a weighting of around 0.73% and 0.1%³, in terms of market capitalisation, of the two indexes respectively. As of 30 June 2017, the MSCI All Country World Index and the MSCI Emerging Markets Index were tracked by more than USD3,200 billion and USD1,600 billion assets under management around the world⁴.



1. Hang Seng China A Industry Top Index ETF is another index-tracking fund authorised by the Securities and Futures Commission in Hong Kong (“SFC”) with a substantially similar investment objective as that of the Fund and managed by Hang Seng Investment Management Limited. SFC authorisation is not a recommendation or endorsement of that fund nor does it guarantee the commercial merits of that fund or its performance. It does not mean that fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

2. The market related information provided in this section is for general reference only. The investments mentioned in this section may not be suitable for all investors. No consideration has been given to the investment objectives, investment experience, financial situation, risk tolerance abilities or particular needs etc of any individual investors. Hang Seng Investment Management Limited hereby discloses that the funds under its management include funds investing in the market mentioned in this section. Investments involve risks. Investors should read the relevant investment product’s offering documents (including the risk factors stated therein) in detail before making any investment decisions.

3. Source: Morgan Stanley Capital International, 21 June 2017

4. Source: Morgan Stanley Capital International, 10 November 2017

Chinese Government's Economic Reforms Improves Operating Efficiencies

As a result of various economic reforms initiated by the Chinese government to encourage industry transformation and improve operating efficiencies, state-owned Chinese enterprises saw a 23.5% and 13.6% annual increase in their earnings and revenues respectively in 2017. This meant that the growth of their earnings outpaced that of revenues by 9.9%⁵.



Capture the Opportunities from the Leaders of 11 Industries

Hang Seng China A Industry Top Index

- With coverage across 11 industries in mainland China, it provides risk diversification, while allowing investors to capture the potential growth of various mainland industries and investment opportunities in different economic cycles.
- Multi-perspective criteria in selection of constituent stocks, stocks in each industry are ranked by company-wide market capitalisation, net profit and revenue, the 5 highest-ranked stocks in each industry are included in the Index.



Conglomerates



Utilities



Materials



Telecommunications



Industrial



Information Technology



Properties & Construction



Financials



Energy



Consumer Goods



Consumer Services



Lower Management Fee Compared with China A-Share Funds Offered in Hong Kong

Compared with the median management fee of China A-share funds offered in Hong Kong, the management fee of the Fund is lower⁶.



3 Choices of the Class Currency

RMB, HKD hedged and USD hedged classes of units are available, for investors with different currency exposure to choose from to capture the investment opportunities of the China A-share market.

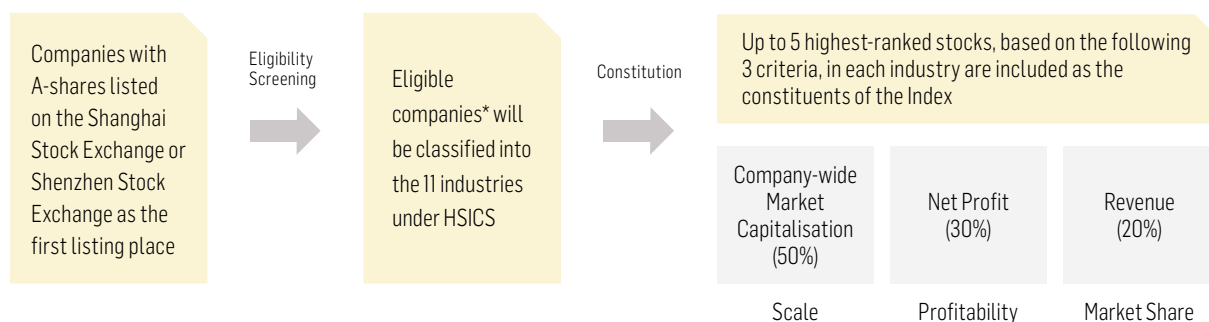
5. Source: The Ministry of Finance of the People's Republic of China, 23 January 2018

6. Source: Morningstar. As of 19 March 2018, the median of the fund management fee for China A-share funds offered in Hong Kong was 1.5% per annum. The aggregate management fee of the Hang Seng China A Industry Top Index Fund is currently 0.55% per annum (the maximum being 1.0% per annum). For details, please refer to the Term Sheet of the Fund.

About the Hang Seng China A Industry Top Index

The Hang Seng China A Industry Top Index reflects the performance of the leaders of each of the 11 industries[#] under the Hang Seng Industry Classification System ("HSICS"), aiming to provide exposure to a diversified portfolio of top industry players on the Mainland.

Methodology



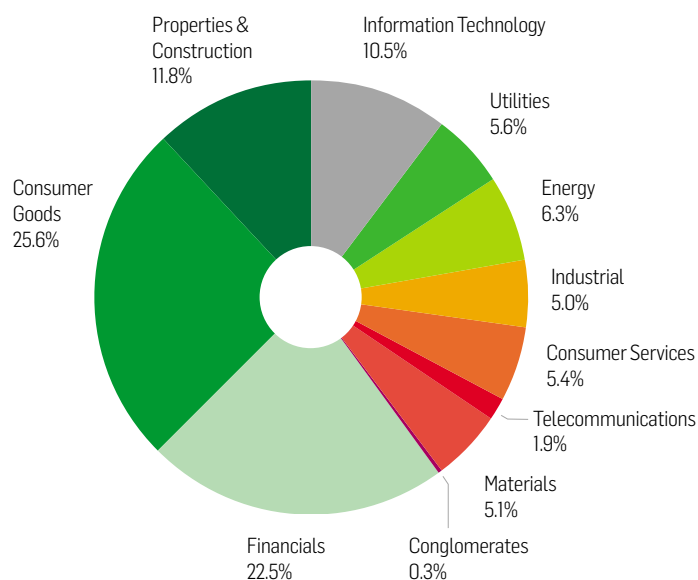
[#] The 11 industries are energy, materials, industrial, consumer goods, consumer services, telecommunications, utilities, financials, properties & construction, information technology and conglomerates.

^{*} Companies which are among the top 300 in terms of their average A-Share market capitalisation in the preceding 12 months and which fulfill the specific criteria will form the eligibility list. For details, please refer to the website of Hang Seng Indexes Company Limited (<http://www.hsi.com.hk>).

Top 10 Holding Stocks^A

Company Name	Industry	Weighting (%)
Ping An	Financials	10.2
Kweichow Mouta	Consumer Goods	10.1
Midea Group Co	Consumer Goods	6.3
Gree Electric	Consumer Goods	6.0
China Vanke	Construction	5.3
ABC	Financials	4.9
Hangzhou Hikvi	Information Technology	4.3
ICBC	Financials	3.7
Boe Technology	Information Technology	3.5
China State	Properties & Construction	3.3

Industry Weighting^A



^A Source: Hang Seng Indexes Company Limited, 9 April 2018

7. The website has not been reviewed by the SFC.

Fund Information

Objective

The investment objective of the Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Hang Seng China A Industry Top Index (the "Index").

Investment Strategy

The Fund is a feeder fund and an index fund that seeks to achieve its investment objective by investing solely in another index-tracking fund authorised by the SFC with a substantially similar investment objective as that of the Fund and managed by the Manager (the "Underlying Fund"). Currently, the Manager has selected the Hang Seng China A Industry Top Index ETF as the Underlying Fund⁸.

As the Underlying Fund is listed and traded on the SEHK, general investors can directly buy or sell units of the Underlying Fund on the SEHK through a stockbroker or a bank in order to obtain exposure to the Index. Investors should note the differences between the Fund and the Underlying Fund, including the differences in respect of fees and charges, trading channel, dealing frequency and dealing price determination and decide whether they wish to invest in the Fund or invest in the Underlying Fund directly.

Manager	Hang Seng Investment Management Limited
Trustee & Registrar	HSBC Institutional Trust Services (Asia) Limited
Base Currency	RMB
Class of Units	Class A - Accumulation Units Class A HKD (Hedged) - Accumulation Units Class A USD (Hedged) - Accumulation Units
Underlying Index	Hang Seng China A Industry Top Index
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**	1.50%
Financial year end of the Fund	31 December

* A Dealing Day is any day which is (i) a Business Day and (ii) a dealing day of the Underlying Fund.

** 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 relevant Unit class over a 12-month period expressed as a percentage of the estimated average net asset value of the relevant Unit class over the same period. The actual figures may be different from the estimate. 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.

8. The Underlying Fund is authorized by SFC. SFC authorisation is not a recommendation or endorsement of the Underlying Fund nor does it guarantee the commercial merits of the Underlying Fund or its performance. It does not mean the Underlying Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Fees and Charges

Subscription Fee	Up to 3.0% of the issue price of the Fund		
Switching Fee	Up to 2.0% of the issue price of the Fund		
Redemption Fee	Nil		
Management Fee and Trustee Fee (per annum):	The Fund (as a percentage per annum on the net asset value of the Fund)	The Underlying Fund (as a percentage per annum on the net asset value of the Underlying Fund)	Aggregate Fees (Maximum) (as a percentage per annum on the net asset value of the Fund)
Management Fee	Up to 1.0% (currently waived)	0.55%	Up to 1.0% (currently 0.55%)
Trustee Fee	0.04%	0.12% for the first RMB 600 million of net asset value of the Underlying Fund; 0.10% for the next RMB 600 million of net asset value of the Underlying Fund; and 0.08% for the remaining balance of net asset value of the Underlying Fund	Up to 0.16%

By investing into the Underlying Fund, the Fund will bear indirectly a proportionate share of the fees payable to the manager and the trustee of the Underlying Fund and other fees, charges and expenses payable by the Underlying Fund, which will be reflected in the net asset value per unit of the Underlying Fund.

In addition, in connection with the special creations and redemptions of Units of the Underlying Fund made available to the Fund, the Fund may have to bear duties and charges incurred by the Underlying Fund in relation to any particular transaction or dealing such as stamp and other duties, taxes, government charges, brokerage, bank charges, transfer fees, registration fees, transaction levies and other duties and charges in connection with the constitution of the assets of the Underlying Fund and creation/redemption of units of the Underlying Fund, and may include a provision to compensate the Underlying Fund for the difference between (a) the prices of the securities used at the relevant valuation for a creation or redemption of units in the Underlying Fund and (b)(i) (in the case of a creation) the actual amount paid out of the Underlying Fund for the acquisition of the securities in respect of the creation of such units; or (ii) (in the case of a redemption) the actual amount received by the Underlying Fund from the sale of the securities in respect of the redemption of such units.

Investors may obtain the latest available information of the Fund at the website www.hangsenginvestment.com⁹.

Key Risk Factors

Investors should consider the following risks together with all other information in the Term Sheet, the Product Key Facts Statement of the Fund and the Explanatory Memorandum of the Hang Seng Investment Series before making any investment decisions. Investors should note that the risk factors as mentioned in the Term Sheet, the Product Key Fact Statement and the Explanatory Memorandum of the Hang Seng Investment Series are general risks associated with investments in the Fund and investors should consider the information provided in these documents before investing in the Fund. Investors should however not solely rely upon such information for any investment in the Fund and should note that there may be various other risks or considerations arising from the then prevailing political, economic, social and other conditions, which may also need to be taken into account before making any decision to invest in the Fund.

The Net Asset Value per Unit may rise, or fall due to any of the key risk factors as mentioned in the Explanatory Memorandum of the Hang Seng Investment Series and the Term Sheet of the Fund. There can be no assurance that an investor will achieve any return on an investment in the Units or a return on the capital invested. Investors should not invest in the Fund unless they fully understand and are willing to take the various risks associated with the Fund's underlying investments (which may expose the Fund to significant losses in terms of income as

9. This website has not been reviewed by the SFC.

well as principal), and have the financial resources necessary to bear the substantial, or even total, loss of the capital invested.

Investors should note that the decision whether or not to invest remains with them. If investors have any doubt as to whether or not the Fund is suitable for them, they should consult their investment adviser and obtain independent professional advice.

In addition, investors should avoid excessive investment in any single type of investments (in terms of its proportion in the overall investment portfolio), including any proposed investment in the Fund, so as to avoid the investment portfolio being over-exposed to any particular investment risk.

1. Investment Risks

- The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore an investment in the Fund may suffer losses. There is no guarantee of the repayment of principal.

2. Equity Market Risks

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

3. Risks relating to the Fund Structure/Underlying Fund

As the Fund is a feeder fund which invests solely in the Underlying Fund, the Fund is exposed to such risks to which the Underlying Fund is subject.

- *PRC Related Risks:* The Fund is subject to concentration risk as a result of its sole investment in the Underlying Fund which tracks the performance of a single geographical region (the PRC). The value of the Underlying Fund may likely be more volatile than that of a broad-based fund, such as a global equity fund. Also, by having exposure in the PRC, an emerging market, the Fund may involve increased risks and special considerations not typically associated with investment in more developed markets. A-share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention). High market volatility and potential settlement difficulties in the PRC markets may also result in significant fluctuations in the prices of the securities traded on such markets.
- *RMB Currency Risk/Risks relating to RMB Denominated Securities:* RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risks. Any depreciation of RMB could adversely affect the value of investor's investment in the Fund. While offshore RMB (CNH) and onshore RMB (CNY) represent the same currency, they are traded at different rates. Any divergence between CNH and CNY may adversely impact investors.
- *Risks relating to Hedging and the Hedged Classes of Units:* There can be no assurance that any currency hedging strategy employed by the Manager will fully and effectively eliminate the currency exposure of the relevant class. Hedging strategies may preclude investors from benefiting from an increase in the value of the Fund's base currency. Any expenses arising from such hedging transactions, which may be significant depending on prevailing market conditions, will be borne by the relevant currency hedged class and therefore will be reflected in the net asset value of the relevant currency hedged class.
- *Currency Risk:* A class of Units may be designated in a currency other than the base currency of the Fund. The net asset value of the Fund may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
- *Tracking Error Risk:* There can be no assurance of exact or identical replication at any time of the performance of the Index.
- *Passive Investment Risk:* Falls in the Index are expected to result in corresponding falls in the value of the Underlying Fund and, in turn, the Fund will also decrease in value.
- *Risks of investing in the Underlying Fund:* The Fund will be established as a feeder fund investing solely in the Underlying Fund. In addition to the expenses and charges charged by the Fund, investors should note that there may be additional fees involved when investing into the Underlying Fund, such as fees and expenses charged by the service providers of the Underlying Fund. Furthermore, there can be no assurance that the Underlying Fund's investment objectives and strategies will be successfully achieved or that the liquidity of the Underlying Fund will always be sufficient to meet realisation requests. In addition, there could be trading suspension of the Underlying Fund in the secondary market. These factors may have an adverse impact on the Fund and its investors. As the Fund invests in the Underlying Fund which is also managed by the Manager, potential conflict of interest may arise.
- The Underlying Fund is subject to Renminbi qualified foreign institutional investor ("RQFII") regime related risks and Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively, the "Stock Connect") risks. The laws, rules and regulations applicable to them are subject to change and such change may have potential retrospective effect.
- *PRC Tax Risks:* There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of investments in the PRC via RQFII quota or Stock Connect (which may have retrospective effect). Any increased tax liabilities on the Underlying Fund may adversely affect the Underlying Fund's value, which in turn may adversely affect the Fund's value. If taxes are levied in future on the Underlying Fund for which no provision is made, the Underlying Fund's net asset value will be adversely affected which may in turn adversely affect the Fund's net asset value. In this case, the then existing and subsequent investors will be disadvantaged.

4. Reliance on the Same Group Risk

- Each of the Trustee (also acting as the Registrar of the Fund, the trustee and the registrar of the Underlying Fund), the Manager of the Fund (also acting as the manager and the listing agent of the Underlying Fund), and the Index Provider are subsidiaries 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 the Trustee, the Manager and the Index Provider which are all members of the Group. The Manager will vigorously manage any such conflicts in the best interest of investors.

Investors should refer to the details of the risk factors in the Term Sheet, the Product Key Facts Statement of the Fund and the Explanatory Memorandum of the Hang Seng Investment Series.

For more information, please visit www.hangsenginvestment.com⁹

Investors should note that all investments involve risks (including the possibility of loss of the capital invested), prices of fund units may go up as well as down and past performance is not indicative of future performance. Investors should read the Fund's offering documents (including the full text of the risk factors stated therein) in detail before making any investment decisions.

The Fund has been authorised by the Securities and Futures Commission in Hong Kong ("SFC"). SFC authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

This brochure has not been reviewed by SFC.

The issuer of this brochure is Hang Seng Investment Management Limited.

Index Disclaimer

The Index is published and compiled by the Index Provider, Hang Seng Indexes Company Limited pursuant to a licence from HSDS. The mark and name "Hang Seng China A Industry Top Index" is proprietary to HSDS. The Index Provider and HSDS have agreed to the use of, and reference to, the Index by Hang Seng Investment Management Limited in connection with the Hang Seng China A Industry Top Index Fund (the "Fund"), **BUT NEITHER THE INDEX PROVIDER NOR HSDS WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE FUND OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF ANY OF THE INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF ANY OF THE INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF ANY OF THE INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO ANY OF THE INDEX IS GIVEN OR MAY BE IMPLIED.** The process and basis of computation and compilation of any of the Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by the Index Provider without notice. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY THE INDEX PROVIDER OR HSDS (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO ANY OF THE INDEX BY HANG SENG INVESTMENT MANAGEMENT LIMITED IN CONNECTION WITH THE FUND; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF THE INDEX PROVIDER IN THE COMPUTATION OF ANY OF THE INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF ANY OF THE INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE FUND OR ANY OTHER PERSON DEALING WITH THE FUND AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST THE INDEX PROVIDER AND/OR HSDS** in connection with the Fund in any manner whatsoever by any broker, holder or other person dealing with the Fund. Any broker, holder or other person dealing with the Fund does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on the Index Provider and HSDS. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and the Index Provider and/or HSDS and must not be construed to have created such relationship.