



Hang Seng Investment: ETF Connect is Here! Cross-border Investment Tips for Beginners

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Kester: Yvonne, economic and cultural exchanges between the mainland and Hong Kong are becoming increasingly frequent. Also, cross-boundary travel has been getting more convenient.

Yvonne: That's right, Kester! Whether it's us travelling to Shenzhen for a hotpot or mainland residents coming to Hong Kong for a cup of local milk tea, it has now become so easy. The lives of residents in both places are truly interconnected!

Kester: Did you know that the stock markets of the mainland and Hong Kong have been interconnected for 10 years already? Investors from the mainland and Hong Kong can directly invest in certain stocks in each other's markets. In 2022, ETFs were added to this interconnected mechanism, known as 'ETF Connect,' further enriching cross-border investment options.

Yvonne: With the inclusion of eligible ETFs in ETF Connect, mainland investors can invest in the ETFs in Hong Kong through the Southbound ETF Connect. Likewise, Hong Kong investors can invest in the ETFs in the mainland through the Northbound ETF Connect.

Kester: ETF Connect makes cross-border investment even more flexible! The approval process for becoming a qualified Southbound ETF is very rigorous. There are strict requirements on product type, market timing, asset size, and the weighting among Hong Kong-listed stocks. It's a challenging process to become a qualified product.

Yvonne: That's why ETF products are carefully selected. As one of the first ETF managers included in the program, Hang Seng Investment manages three ETFs that track different



flagship indexes in Hong Kong on the Southbound ETF list, helping mainland investors seize opportunities in Hong Kong's ETF market!

Since the launch of the Southbound ETF Connect in July 2022, the average daily AUM has grown significantly, showing strong development.

Due to differences in product design, investment strategies, and styles between ETFs in the two markets, ETF Connect helps to complement and enrich investors' options.

Kester: For example, mainland investors can't invest in some familiar stocks through the Shanghai-Shenzhen-Hong Kong Stock Connect. But with ETF Connect, they can indirectly capture the returns from these stocks.

Yvonne: Overall, we believe ETF Connect will enhance the size and liquidity of ETFs, promoting long-term market development. As the ecosystem continues to improve, we expect growing investor interest in ETF Connect.

As the largest* ETF manager in Hong Kong, Hang Seng Investment continues to provide quality products aligned with market policies.

Kester: For more information on ETFs and investments, visit Hang Seng Investment's official website or follow our LinkedIn page! See you next time!



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