



#### **IMPORTANT RISK WARNINGS / FUND INFORMATION FOR HONG KONG INVESTORS**

Hang Seng JPMorgan US Equity Premium Income Active ETF (the "Fund") offers both listed class of Units ("Listed Class Units") and unlisted classes of Units ("Unlisted Class Units"). Switching between Unlisted Class Units and Listed Class Units is not available.

(Capitalised terms used herein but not otherwise defined will have the same meanings as defined in the Hong Kong Offering Document of the Hang Seng Investment Funds Series IV (the "Series") and the relevant Appendix of the Fund)

Applicable to both Listed Class Units and Unlisted Class Units:

- The Fund is a feeder fund that seeks to achieve its investment objective by investing substantially (at least 90% of its Net Asset Value) into Master ETF. The Master ETF is not authorised by the SFC for offering to the public in Hong Kong. The management company of the Master ETF is JPMorgan Asset Management (Europe) S.à r.l., an entity that is not licensed by the SFC. The Manager has no ability to control the manner in which the Master ETF is managed. There can be no assurance that the Master ETF's investment objectives and strategies will be successfully achieved.
- The Fund is a feeder fund and is subject to risks related to master/feeder fund structure and risks associated with the Master ETF's investment which include equity market risk, active investment management risk, concentration risk, risks associated with call options strategy, trading risks and trading differences risk.
- The Fund is also subject to investment risks, risks associated with investment in financial derivative instruments, termination risks, reliance on the same group risk, differences in dealing arrangements between Listed Class Units and Unlisted Class Units risk, differences in fee and cost arrangements between Listed Class Units and Unlisted Class Units risk and dividend risk.
- The Master ETF uses an option strategy which is intended to provide income and may forego some capital appreciation potential, while retaining the risk of loss should the price of the underlying investment declines.
- The Manager may at its discretion pay dividend out of capital or effectively out of the capital of the Fund. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any such capital gains attributable to that original investment. Any such distributions may result in an immediate reduction in the Net Asset Value per Unit.

Risks applicable to Listed Class Units only:

- The Listed Class Units of the Fund is subject to trading risks, trading differences risk, reliance on market maker risks and currency risk.

Risks applicable to Unlisted Class Units only:

- The Unlisted Class Units of the Fund is subject to currency and exchange rate control risk and, where applicable currency hedging risk.

Investments involve risks and investors may lose substantial part of their investment in the Fund. Investors should not only base on this material 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.

# Hang Seng JPMorgan US Equity Premium Income Active ETF

Stock Code

# 3476

Get Active. Enhance Income.



# Why Hang Seng JPMorgan US Equity Premium Income Active ETF?



Invest in the strategy of the world's largest active ETF in HKD



Remain resilient amid market uncertainty



Enhance income and aim for steady monthly distributions<sup>1</sup>

The distribution is not guaranteed, and the dividends may be paid out of the capital. Investors should be aware of point 5 of the important risk warnings.



## Invest in the strategy of the world's largest active ETF in HKD<sup>2</sup>

Hang Seng Investment, collaborating with J.P. Morgan Asset Management, is introducing a best-in-class investment strategy to Hong Kong

Strategy of the world's largest active ETF  Widely recognised by global investors

What is the strategy of the Hang Seng JPMorgan US Equity Premium Income Active ETF<sup>3</sup>?

### A less volatile US stock portfolio

Employ bottom-up fundamental approach to constitute a US stock portfolio with lower volatility



### Income enhancing option strategy

Write S&P 500 Index call options and roll over systematically to generate extra income



### Hang Seng JPMorgan US Equity Premium Income Active ETF



Invest with HKD



Trade during Hong Kong trading hours



## What are the merits of writing call options?

Option premium and market volatility are **positively** correlated: The **higher** the market volatility, the **higher** the option premium



Merit 1

Enhance potential income



Merit 2

Offset partial losses from the stock holdings

! Investors should be aware that writing call options may curb the potential upside of this Fund.

1. There is no guarantee by the Manager of regular distribution of dividends and, if any dividend is paid, the amount being distributed.
2. Source: Bloomberg, Hang Seng Investment, J. P. Morgan Asset Management, based on asset under management as of 31 May 2025. The Ireland-registered Master ETF and the world's largest active ETF are managed under the same investment strategy. Assets under management and ranking are based on Bloomberg's definition of active ETF.
3. The Fund achieves this strategy via a master-feeder fund structure. The Fund invests substantially in the Master ETF.



## Remain resilient amid market uncertainty<sup>4</sup>

Seek to build a less volatile US stock portfolio and offset partial losses by writing call options

Under what market scenarios does the strategy pay off?

### Scenario 1: Market downturn



Option premium may offset partial losses from the stock holdings

### Scenario 2: Range-bound



Option premium may offset partial losses from the stock holdings or enhance potential income

### Scenario 3: Highly volatile



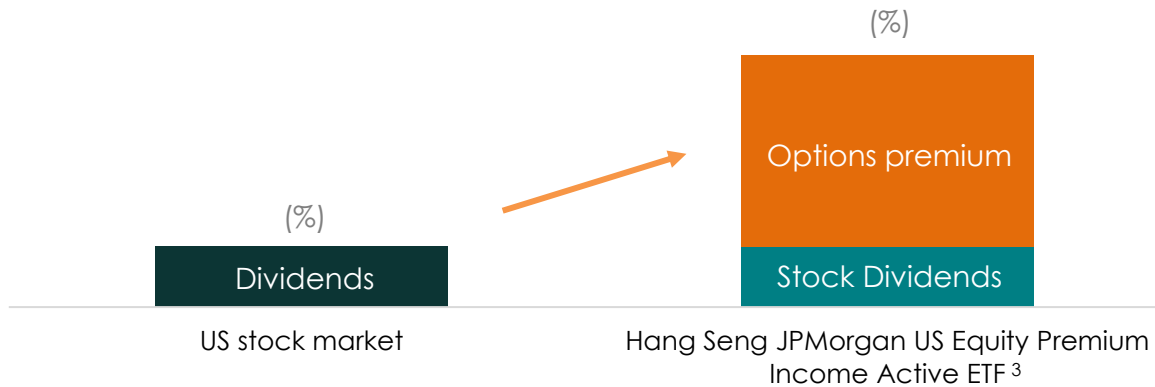
Option premium, which is positively correlated to market volatility, may enhance potential income



## Enhance income and aim for steady monthly distributions<sup>5</sup>

Enhance portfolio income with options premium from writing S&P 500 Index call options

### Enhance Portfolio Income



### Dividend Yield Smoothing

(Regular Review)

HSVM adjusts the dividend yield in a timely manner

Aim for steady monthly distributions

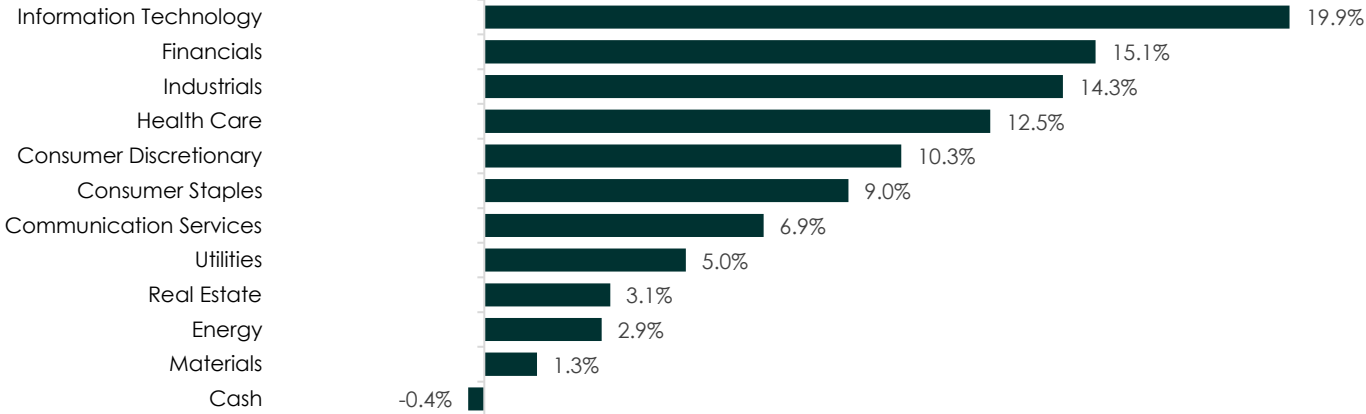


4. Sources: Hang Seng Investment, J.P. Morgan Asset Management. Solely for illustration purposes. The dividend yield, option premium yield and portfolio return are based on historic observations, and are presented only for reference. Investments involve risks (including the possibility of loss of the capital invested). Prices of investment products may go up as well as down, and past performance information presented is not indicative of future performance. A positive dividend rate (if any) does not imply a positive return.

5. Sources: Hang Seng Investment, Bloomberg. US stocks market dividend yield refers to the dividend yield of the S&P 500 Index. Options premium data are based on historical observations of the equivalent ETF listed in the US, which shares the same investment objectives as the Master ETF. Solely for illustration purposes. Past performance information presented is not indicative of future performance. There is no guarantee by the Manager of regular distribution of dividends and, if any dividend is paid, the amount being distributed.

# Master ETF Portfolio Information<sup>6</sup>

## Sector Weightings



## Top Holdings<sup>6</sup>

#	Company Name	Industry	Index Weight
1	Microsoft	Information Technology	2.7%
2	Nvidia	Information Technology	2.5%
3	Amazon.com	Consumer Discretionary	2.1%
4	Meta Platforms	Communication Services	2.0%
5	Visa	Financials	2.0%
6	Mastercard	Financials	1.9%
7	Trane Technologies	Industrials	1.8%
8	Progressive Corp	Financials	1.7%
9	Oracle	Information Technology	1.6%
10	Apple	Information Technology	1.6%

# Fund Information

## Key facts

Investment Objective	Provide income and long-term capital growth.		
Stock Code	3476	ISIN Code	HK0001157814
Listing Date	9 July 2025	Base Currency	USD
Listing Exchange	The Stock Exchange of Hong Kong Limited (the "SEHK")	Trading Currency	HKD
Issue Price	15	Aggregate Management Fee	Up to 0.70% in respect of the Listed Class only
Lot Size	500	Total Expense Ratio (TER) <sup>7</sup>	0.85%

6. Source: Bloomberg, Hang Seng Investment, J. P. Morgan Asset Management, as of 31 May 2025.  
7. Source: As the fund is newly established, this figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to the units over a 12-month period expressed as a percentage of the estimated average NAV of the units over the same period. The actual figures may be different from the estimate. Please refer to the "Fees and Expenses" section in the Prospectus for details. This figure may vary from year to year.

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Offering Documents

Official Website

Hang Seng Investment