

**Hang Seng Investment Series
(the “Series”)**

**Hang Seng Index Fund
Hang Seng China Enterprises Index Fund
Hang Seng HSI Daily (1.5x) Leveraged Fund
Hang Seng HSCEI Daily (1.5x) Leveraged Fund
(each a “Fund”, collectively the “Funds”)**

Notice to Unitholders

This document is important and requires your immediate attention. If you are in doubt about the contents of this document, you should seek independent professional financial advice.

Capitalized terms used herein but not otherwise defined will have the same meanings as defined in the Explanatory Memorandum of the Series and the Term Sheets of the Funds.

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 relevant Fund’s offering documents (including the full text of the risk factors stated therein) in detail before making any investment decision.

SFC authorisation is not a recommendation or endorsement of the Funds nor does it guarantee the commercial merits of the Funds or their performance. It does not mean the Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

Dear Unitholders

Amendments to the Term Sheets of the Funds

We, as the Manager of the Funds, are writing to inform you that with effect from the date of this document, certain amendments have been made to the Term Sheets of the Funds to reflect (i) the changes to the underlying indexes of the Funds as mentioned in the Notice to Unitholders dated 7 May 2021; and (ii) other administrative, clarificatory and editorial amendments. Please refer to the “Amendments to the Term Sheets of the Funds” enclosed for details. The updated Product Key Facts Statements of the Funds are available at the Manager’s website at www.hangsenginvestment.com (this website has not been reviewed by the SFC) from the date of this document.

If you have any queries concerning the above, please contact us at (852) 2198 5890 during office hours.

We accept full responsibility for the accuracy of the contents of this document as at the date of its publication.

Hang Seng Investment Management Limited
7 June 2021

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Amendments to the Term Sheets of the Funds

The following amendments have been made to the respective Term Sheets of the Funds with effect from the date of this document. These amendments form part of and should be read in conjunction with the respective Term Sheets of the Funds.

Appendix

(a) Hang Seng Index Fund – Appendix 1

Appendix 1 has been deleted in its entirety and replaced by the following:

“Appendix 1

The Hang Seng Index (the “Index”)

Overview

The Index, launched on 24 November 1969, serves as a benchmark to reflect the overall performance of the Hong Kong stock market. The Index is denominated in HKD and is calculated with a base value of 100 as of 31 July 1964. It is calculated and disseminated real-time at 2-second intervals during trading hours of the SEHK.

The Index is compiled and managed by Hang Seng Indexes Company Limited (“HSIL”), a wholly-owned subsidiary of Hang Seng Bank Limited.

There are four sub-indexes: Finance, Utilities, Properties, and Commerce and Industry.

The Fund aims to match as closely as practicable, before fees and expenses, the performance of the total return (net of withholding tax) version of the Index.

Universe

Constituents of the Hang Seng Composite LargeCap & MidCap Index as of index review data cut-off date; excluding foreign companies, stapled securities and biotech companies with stock names ended with marker “B”.

Eligibility Criteria

Market Value Requirement

Hang Seng Composite LargeCap & MidCap Index constituents

Turnover Requirement

Velocity Test for Tradable Indexes: A security is regarded as passing the monthly turnover test if it attains a minimum velocity of 0.1% in that month (details of the velocity test as described in the Index Methodology General Guide published by HSIL)

Listing History Requirement

At least 3 months (counting up to the index review meeting date)

Geographical Requirement

Greater China Companies

Constituent Selection

Selection by Industry Group

Eligible securities will be assigned to one of the below industry groups according to their industry classification of the Hang Seng Industry Classification System ("HSICS"):

Industry Group	HSICS
1	Financials
2	Information Technology
3	Consumer Discretionary, Consumer Staples
4	Properties & Construction
5	Telecommunications, Utilities
6	Healthcare
7	Energy, Materials, Industrials, Conglomerates

The combination of the industry groups will be reviewed at least every two years.

Considerations for deciding the constituent number for each industry group

The number of constituents in each industry group will be decided by the below principles:

- Target to cover at least 50%, in terms of market capitalisation, for each industry group;
- Characteristics of the industry group which include the distribution of the listed companies in terms of their size and number; and
- The industry group weighting in the Index compared to the market.

The Index will also maintain 20 to 25 constituents that are classified as "Hong Kong" Companies and this number will be reviewed at least every two years.

Principles of Constituent Selection

In general, eligible securities will be evaluated within each industry group according to the following considerations:

- Representativeness;
- Market capitalisation;
- Turnover; and

- Financial performance.

Cross-industry group constituent changes might take place to restore sectoral balance.

In each review, there may or may not be constituent additions or deletions.

Existing constituents failing to meet the eligibility requirements may be considered for removal. Even if existing constituents fulfil all the eligibility requirements, the smallest constituents and the constituents with lowest liquidity within the industry group may be considered for removal from the Index subject to the availability of appropriate replacement candidates.

The final constituent selection will be decided by the HSI Advisory Committee after taking the above into consideration.

Number of Constituents

Target to reach 80 by mid-2022 and ultimately fixed at 100.

Review Frequency

The constituents of the Index are reviewed quarterly.

Index Calculation

The Index adopts a freefloat-adjusted market capitalisation weighted methodology with a 8% cap on individual securities.

Other Information

As at 16 April 2021, the Index comprised 55 constituents listed on SEHK with total market capitalisation of HKD 12,138.4 billion. The constituents of the Index together with their respective weightings may be accessed via the website of the Index provider, HSIL at www.hsi.com.hk*.

Real-time update of the Index can be obtained through Refinitiv, Bloomberg and the website of HSIL at: www.hsi.com.hk*. The Index methodology and other important news relating to the Index are available at the website of HSIL at www.hsi.com.hk*.

Please note:

- The list of constituent stocks which comprise the Index is reviewed by HSIL on a quarterly basis. The composition of the Index may change and be substituted with other companies as determined by HSIL if any of the constituent companies were to delist its shares.
- The accuracy and completeness of the calculation of Index may be affected if there is any problem with the system for the computation and/or compilation of the Index.
- Under the terms of the licence agreement regarding the use of the Index, the Manager will indemnify HSIL and Hang Seng Data Services Limited ("HSDS") against, among other things, any loss of whatsoever nature which either of them may suffer (including in respect of any claim by any current, former or future Unitholder or investor) as a result of any act or omission of HSIL and HSDS in respect of or in connection with the trading in the Fund, use of the Index in connection with such trading, computation of the Index, or any errors, mistakes or omissions in making such computation or in collecting or using relevant information for that purpose (except in cases of their wilful misconduct, bad faith or dishonesty). The Manager will also indemnify HSIL and HSDS on a full indemnity basis for, among other things, any loss which either of them may suffer as a result of any default by the Manager or any of its duly appointed agents in the performance and observance of the provisions of the license agreement and any misuse or unauthorised use of the Index. As the Manager is entitled to be indemnified from the Fund's assets in respect of any claims made against it including those in relation to the license agreement provided that such losses are not due to the negligence, default, breach of duty or trust on the part of the Manager, this may result in a decrease in the Net Asset Value

* This website has not been reviewed by the SFC.

of the Fund.

Index Disclaimer

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

(b) Hang Seng China Enterprises Index Fund – Appendix 2

Appendix 2 has been deleted in its entirety and replaced by the following:

“Appendix 2

The Hang Seng China Enterprises Index (the “Index”)

Overview

The Index, launched on 8 August 1994, serves as a benchmark to reflect the overall performance of Mainland securities listed in Hong Kong.

The Index is denominated in HKD and is calculated with a base value of 2000 as of 3 January 2000. It is calculated and disseminated real-time at a 2-second intervals during trading hours of the SEHK.

The Index is compiled and managed by HSIL, a wholly-owned subsidiary of Hang Seng Bank Limited.

The Fund aims to match as closely as practicable, before fees and expenses, the performance of the total return (net of withholding tax) version of the Index.

Universe

Securities listed on the Main Board of the SEHK excluding stapled securities, foreign companies, biotech companies with stock names ended with marker “B” and investment companies listed under Chapter 21 of the Main Board Listing Rules of Hong Kong Exchanges and Clearing Limited.

Eligibility Criteria

Listing History Requirement

At least one month

Turnover Requirement

Velocity Test for Tradable Indexes: A security is regarded as passing the monthly turnover test if it attains a minimum velocity of 0.1% in that month (details of velocity test as described in the Index Methodology General Guide published by HSIL)

Geographical Requirement

Mainland Securities

Constituent Selection

Selection Criteria

The top 50 eligible securities with the highest combined market value rank will be selected as constituents of the Index. For details of the combined market value rank, please refer to the Index Methodology General Guide published by HSIL.

Fast Entry

A newly listed security will be added to the Index if its full market capitalisation ranks within the top 10 of the existing constituents on its first trading day. The ad-hoc addition will normally be implemented after the close of the 10th trading day of the new issue. The number of constituents will be reset in the next regular review.

Number of Constituents

Fixed at 50

Review Frequency

The constituents of the Index are reviewed quarterly.

Index Calculation

The Index adopts a freefloat-adjusted market capitalisation weighted methodology with a 8% cap on individual securities.

Other Information

As at 16 April 2021, the Index comprised 51 constituents listed on SEHK with total market capitalisation of HKD 8,305.8 billion. The constituents of the Index together with their respective weightings may be accessed via the website of the Index provider, HSIL at www.hsi.com.hk**.

Real-time update of the Index can be obtained through Refinitiv, Bloomberg and the website of HSIL

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at: www.hsi.com.hk". The Index methodology and other important news relating to the Index are available at the website of HSIL at www.hsi.com.hk".

Please note:

- The list of constituent stocks which comprise the Index is reviewed by HSIL on a quarterly basis. The composition of the Index may change and its constituent companies may be substituted with other companies as determined by HSIL.
- The accuracy and completeness of the calculation of Index may be affected if there is any problem with the system for the computation and/or compilation of the Index.
- Under the terms of the licence agreement regarding the use of the Index, the Manager will indemnify HSIL and Hang Seng Data Services Limited (the "HSDS") against, among other things, any loss of whatsoever nature which either of them may suffer (including in respect of any claim by any current, former or future Unitholder or investor) as a result of any act or omission of HSIL and HSDS in respect of or in connection with the trading in the Fund, use of the Index in connection with such trading, computation of the Index, or any errors, mistakes or omissions in making such computation or in collecting or using relevant information for that purpose (except in cases of their wilful misconduct, bad faith or dishonesty). The Manager will also indemnify HSIL and HSDS on a full indemnity basis for, among other things, any loss which either of them may suffer as a result of any default by the Manager or any of its duly appointed agents in the performance and observance of the provisions of the license agreement and any misuse or unauthorised use of the Index. As the Manager is entitled to be indemnified from the Fund's assets in respect of any claims made against it including those in relation to the license agreement provided that such losses are not due to the negligence, default, breach of duty or trust on the part of the Manager, this may result in a decrease in the Net Asset Value of the Fund.

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(c) Hang Seng HSI Daily (1.5x) Leveraged Fund – Appendix 2

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“Appendix 2

The Hang Seng Index (the “Index”)

Overview

The Index, launched on 24 November 1969, serves as a benchmark to reflect the overall performance of the Hong Kong stock market. The Index is denominated in HKD and is calculated with a base value of 100 as of 31 July 1964. It is calculated and disseminated real-time at 2-second intervals during trading hours of the SEHK.

Both the Manager and the Index provider (Hang Seng Indexes Company Limited (“HSIL”)) are presently subsidiaries of Hang Seng Bank Limited. The functions which the Index provider and the Manager will perform in connection with the Fund may give rise to potential conflicts of interest but the Manager will manage any such conflicts in the best interest of investors.

There are four sub-indexes: Finance, Utilities, Properties, and Commerce and Industry.

The Fund aims to match as closely as practicable, before fees and expenses, the performance of the total return (net of withholding tax) version of the Index with a leverage factor of 1.5 on a Daily basis.

Universe

Constituents of the Hang Seng Composite LargeCap & MidCap Index as of index review data cut-off date; excluding foreign companies, stapled securities and biotech companies with stock names ended with marker “B”.

Eligibility Criteria

Market Value Requirement

Hang Seng Composite LargeCap & MidCap Index constituents

Turnover Requirement

Velocity Test for Tradable Indexes: A security is regarded as passing the monthly turnover test if it attains a minimum velocity of 0.1% in that month (details of the velocity test as described in the Index Methodology General Guide published by HSIL)

Listing History Requirement

At least 3 months (counting up to the index review meeting date)

Geographical Requirement

Greater China Companies

Constituent Selection

Selection by Industry Group

Eligible securities will be assigned to one of the below industry groups according to their industry classification of the Hang Seng Industry Classification System (“HSICS”):

Industry Group	HSICS
1	Financials
2	Information Technology
3	Consumer Discretionary, Consumer Staples
4	Properties & Construction
5	Telecommunications, Utilities
6	Healthcare
7	Energy, Materials, Industrials, Conglomerates

The combination of the industry groups will be reviewed at least every two years.

Considerations for deciding the constituent number for each industry group

The number of constituents in each industry group will be decided by the below principles:

- Target to cover at least 50%, in terms of market capitalisation, for each industry group;
- Characteristics of the industry group which include the distribution of the listed companies in terms of their size and number; and
- The industry group weighting in the Index compared to the market.

The Index will also maintain 20 to 25 constituents that are classified as “Hong Kong” Companies and this number will be reviewed at least every two years.

Principles of Constituent Selection

In general, eligible securities will be evaluated within each industry group according to the following considerations:

- Representativeness;
- Market capitalisation;
- Turnover; and
- Financial performance.

Cross-industry group constituent changes might take place to restore sectoral balance.

In each review, there may or may not be constituent additions or deletions.

Existing constituents failing to meet the eligibility requirements may be considered for removal. Even if existing constituents fulfil all the eligibility requirements, the smallest constituents and the constituents with lowest liquidity within the industry group may be considered for removal from the Index subject to the availability of appropriate replacement candidates.

The final constituent selection will be decided by the HSI Advisory Committee after taking the above into consideration.

Number of Constituents

Target to reach 80 by mid-2022 and ultimately fixed at 100.

Review Frequency

The constituents of the Index are reviewed quarterly.

Index Calculation

The Index adopts freefloat-adjusted market capitalisation weighted methodology with a 8% cap on individual securities.

Other Information

As at 16 April 2021, the Index comprised 55 constituents listed on SEHK with total market capitalisation of HKD 12,138.4 billion. The constituents of the Index together with their respective weightings may be accessed via the Index provider's website at: <http://www.hsi.com.hk/>.

Real-time update of the Index can be obtained through Refinitiv, Bloomberg and the website of HSIL at: www.hsi.com.hk/. The Index methodology and other important news relating to the Index are available at the website of HSIL at www.hsi.com.hk/.

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(d) Hang Seng HSCEI Daily (1.5x) Leveraged Fund – Appendix 2

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The Hang Seng China Enterprises Index (the “Index”)

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The Fund aims to match as closely as practicable, before fees and expenses, the performance of the total return (net of withholding tax) version of the Index with a leverage factor of 1.5 on a Daily basis.

Universe

Securities listed on the Main Board of the SEHK excluding stapled securities, foreign companies, biotech companies with stock names ended with marker “B” and investment companies listed under Chapter 21 of HKEx’s Main Board Listing Rules.

Eligibility Criteria

Listing History Requirement

At least one month

Turnover Requirement

Velocity Test for Tradable Indexes: A security is regarded as passing the monthly turnover test if it attains a minimum velocity of 0.1% in that month (details of velocity test as described in the Index Methodology General Guide published by HSIL)

Geographical Requirement

Mainland Securities

Constituent Selection

Selection Criteria

The top 50 eligible securities with the highest combined market value rank will be selected as constituents of the Index. For details of the combined market value rank, please refer to the Index Methodology General Guide published by HSIL.

Fast Entry

A newly listed security will be added to the Index if its full market capitalisation ranks within the top 10 of the existing constituents on its first trading day. The ad-hoc addition will normally be implemented after the close of the 10th trading day of the new issue. The number of constituents will be reset in the next regular review.

Number of Constituents

Fixed at 50

Review Frequency

The constituents of the Index are reviewed quarterly.

Index Calculation

The Index adopts a freefloat-adjusted market capitalisation weighted methodology with a 8% cap on individual securities.

Other Information

As at 16 April 2021, the Index comprised 51 constituents listed on SEHK with total market capitalisation of HKD 8,305.8 billion. The constituents of the Index together with their respective weightings may be accessed via the Index provider's website at: <http://www.hsi.com.hk/>.*

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- Under the terms of the licence agreement regarding the use of the Index, the Manager will indemnify HSIL and Hang Seng Data Services Limited (the "HSDS") against, among other things, any loss of whatsoever nature which either of them may suffer (including in respect of any claim by any current, former or future Unitholder or investor) as a result of any act or omission of HSIL and HSDS in respect of or in connection with the trading in the Fund, use of

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Hang Seng Investment Management Limited
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