All investments involve risks (including the possibility of loss of the capital invested). Prices of investment products may go up as well as down and may even become valueless. Past performance information presented is not indicative of future performance. The risk disclosure statements and the offering documents of the relevant investment products should be read in detail before making any investment decision.

恒生銀行
HANG SENG BANK

Second Quarter 2024

4 Steps to Asset Allocation

Diversification of investments among different asset classes may help reduce the volatility of the investment portfolio. You may formulate your own investment portfolio by a 4-step cycle based on your investment objectives, financial needs and risk tolerance level, and achieve your investment goal.

4 Steps to build Your Investment Portfolio

1 Understand Your Own Investment Needs and Risk Tolerance Level

Complete the **Risk Profiling Questionnaire** via Hang Seng Personal Mobile App, Personal e-Banking or at any branch

2 Select an Asset Allocation Portfolio as your reference

Make reference to the **Asset Allocation Portfolios** by considering your Risk Tolerance Level* and your investment goal

3 Build Your Own Portfolio

Obtain information to facilitate you in choosing your desired investment products through the following channels:

- **hangseng.com/investmentcorner** for the latest market information
- **hangseng.com/investment** for the latest product information
- Our designated staff at branches with investment services
- Through **Wealth Master**^, have an understanding of your fund portfolio

4 Review Your Investment Portfolio

Review your investment portfolio regularly, such as every six months, and adjust the asset allocation and / or the weightings when necessary. You can also get the overview of your fund portfolio through Wealth Master

* Risk Tolerance Level is classified into Zero Risk, Low Risk, Low to Medium Risk, Medium Risk, Medium to High Risk and High Risk. In the case of Zero Risk, there is no Asset Allocation Portfolio which may be used as a reference.

^ For the details and disclaimer of Wealth Master, please visit:

SELECT AN ASSET ALLOCATION PORTFOLIO AS YOUR REFERENCE

The crucial part of the 4-step cycle is to select an asset allocation of your needs. Hang Seng Bank draws a reference from Morningstar's Strategic Asset Allocation Model and 5 types of Reference Asset Allocation Portfolios[1] of different risk levels are generated. You may make reference to an Asset Allocation Portfolio by considering the performance of the portfolio together with your own:

Risk Tolerance Level

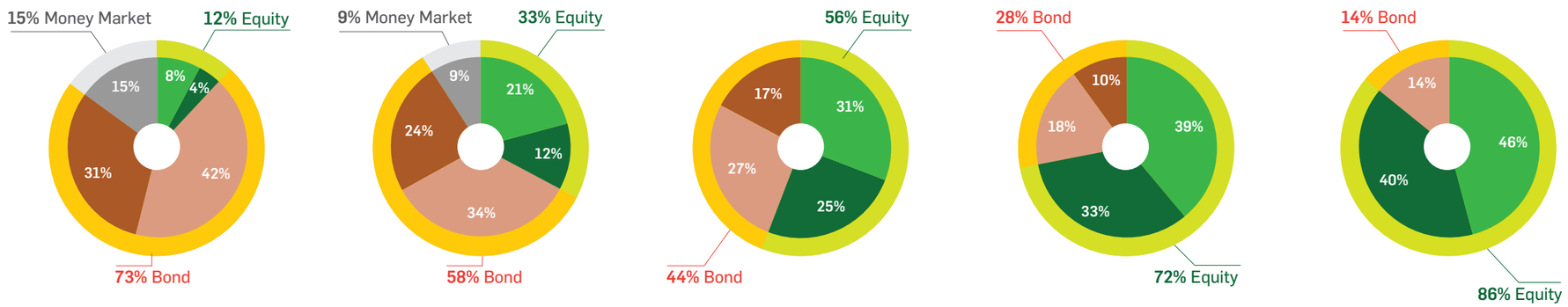
Obtained through Risk Profiling Questionnaire, you may evaluate your personal investment risk tolerance level in a more accurate and comprehensive manner.

Your Investment Goal

Investment goal is personal and might vary, a Reference Asset Allocation Portfolio can be referred to in accordance with your goal.

LOW — RISK LEVEL — HIGH

Porfolio Type	CONSERVATIVE	MODERATE	BALANCED	GROWTH	AGGRESSIVE
Corresponding To Investors Risk Tolerance Level*	Low Risk	Low to Medium Risk	Medium Risk	Medium to High Risk	High Risk



Global (US & Europe) Equity · Asia Pacific & Emerging Market Equity · Global Bond · High Yield Bond · Asian & Emerging Market Bond · Cash Equivalent/Money Market Instrument

	Cumulative return	Volatility	Cumulative return	Volatility	Cumulative return	Volatility	Cumulative return	Volatility	Cumulative return	Volatility
3-Year Historical[2]	0.5%	3.4%	3.6%	5.2%	4.4%	7.2%	6.1%	9.5%	7.6%	11.2%
5-Year Historical[2]	13.1%	3.3%	23.0%	5.7%	29.4%	8.2%	38.2%	11.0%	44.7%	13.1%
10-Year Historical[2]	39.7%	2.7%	57.9%	4.7%	70.1%	6.9%	89.4%	9.4%	102.5%	11.2%

BUILD YOUR OWN PORTFOLIO

Based on your risk tolerance level and investment goal, you may construct your own portfolio with reference to one of the above Reference Asset Allocation Portfolios. In Hang Seng Bank, six types of asset classes have been chosen, namely Global (US & Europe) Equity, Asia Pacific & Emerging Market Equity, Global Bond, High Yield Bond, Asian & Emerging Market Bond and Cash Equivalent/Money Market Instrument.[3]

You may obtain information from the following two major channels to facilitate you in choosing your desired investment products. Investors may use various investment tools (such as investment funds, bonds and / or stocks) to build their investment portfolios. You may also use Wealth Master to have the fund portfolio overview.

* For the detailed description of the respective Risk Tolerance Levels, please refer to the Risk Profiling Questionnaire.

hangseng.com/investmentcorner to get the latest market information
hangseng.com/investment to get the latest product information

Our designated staff at branches with investment services

Market/Asset Class Exposure Limit

Market/Asset Class Exposure Limit is derived from Morningstar's Strategic Asset Allocation Model. It indicates the maximum allocation of a market/an asset class in an investment portfolio, in order to avoid excessive risk exposure. The following markets/asset classes are considered as relatively riskier asset classes in the Reference Asset Allocation Portfolios and their respective maximum allocation is set out below for reference. Based on your risk tolerance level, you can refer to the corresponding Market/Asset Class Exposure Limit to help you review your investment portfolio and manage investment risk.

Reference MAXIMUM markets/asset classes allocation in an investment portfolio:

Investors Risk Tolerance Level	Low Risk	Low to Medium Risk	Medium Risk	Medium to High Risk	High Risk
Equity & High Yield Bond[4]	24%	48%	72%	90%	100%
Asia Pacific & Emerging Market Equity[4]	12%	25%	39%	50%	59%

Notes:

1. Please refer to the methodology of Morningstar's Strategic Asset Allocation Model described on P.3.
2. 3-Year, 5-Year and 10-Year Historical Cumulative Returns are in US dollar, inclusive of the relevant dividend and interest income. 3-Year, 5-Year and 10-Year Historical Volatilities are calculated as an annualized percentage. Above data as of 31 March 2024.
3. The number of types of asset classes in Reference Asset Allocation Portfolios is changed from eight types to six types, with effect from Nov 2023.
4. "Equity" in the "Equity & High Yield Bond" asset class includes Asia Pacific & Emerging Market Equity.

METHODOLOGY OF MORNINGSTAR'S STRATEGIC ASSET ALLOCATION MODEL

The Reference Asset Allocation draws a reference from Morningstar's Strategic Asset Allocation Model, where the core methodology focuses on mean-variance analysis. Mean-variance analysis provides a mathematical framework for generating portfolios that maximize expected return for a given level of risk (efficient portfolios). It requires three statistical estimates for each asset class: 1) Expected return (Mean), 2) Expected risk (Standard Deviation), and 3) Expected relationship between the asset classes (Correlation Coefficients).

The portfolio statistics are based on Morningstar's Strategic Asset Allocation Model using its 20-year forward-looking capital market assumptions estimated for the respective asset classes as proxied by market indices. It does not take into account any individual bond / equity / investment product. In respect of the indices used as the representatives of the relevant asset classes, the performance is calculated in USD terms and total return with dividend (if any) reinvested.

IMPORTANT STATEMENTS / RISK DISCLOSURE

This document is for reference only. This document does not constitute, nor is it intended to be, nor should it be construed as any professional advice or any investment recommendations, or an offer or solicitation to deal in any investments/any types of investments.

The Reference Asset Allocation Portfolio and the Market/Asset Class Exposure Limit are hypothetical and for general information and reference only. The Reference Asset Allocation Portfolio and the Market/Asset Class Exposure Limit are not, and are not intended to be, a solicitation, recommendation, or advice on any investments, types of investments, or asset allocation. There is no guarantee that they can achieve any results or can be used as reference under any market conditions. Figures shown for the Reference Asset Allocation Portfolio including Historical Cumulative Returns and Historical Volatilities are calculated based on historical figures, may not be indicative of future performance. The Reference Asset Allocation Portfolio and the Market/Asset Class Exposure Limit do not take into account individual customers' specific investment objectives, investment experience, financial situation, risk tolerance abilities and other needs, etc.

a) Nothing herein constitutes, or is intended to be, or should be construed as any professional advice or any investment recommendations, or an offer or solicitation to deal in any investments/any types of investments. b) The performance of your individual investment portfolio depends on the performance of the actual investments chosen by you, the actual market situation and other factors. There is no guarantee that it can be close / similar to the performance of the Reference Asset Allocation Portfolio chosen by you. c) The relative risk type of individual investments chosen by you to build your investment portfolio may be lower or higher than the Risk Tolerance Level deduced from your Risk Profiling Questionnaire. d) The above information is not intended to provide and does not constitute any solicitation, investment recommendations, or investment portfolio management service or ongoing portfolio monitoring services, or investment advice in respect of individual investment products. e) You must make your own assessment of the relevance and adequacy of the above information. You should not only base on the above information alone to make investment decisions. You should carefully consider whether the Reference Asset Allocation Portfolio/any investments or types of investments mentioned herein are suitable for you in view of your own investment objectives, investment experience, financial situation, risk tolerance abilities and other needs etc., and consult independent professional advisers where necessary. f) All investments involve risks (including the possibility of loss of the capital invested). Prices of investment products may go up as well as down and may even become valueless. Past performance information presented is not indicative of future performance. The risk disclosure statements and the offering documents of the relevant investment products should be read in detail before making any investment decision.

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This document has not been reviewed by the Securities and Futures Commission in Hong Kong.

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