

Product Note

HSBC Asia Pacific (Ex Japan) Dividend Yield Fund

An Open Ended Fund of Funds Scheme investing in HSBC Global Investments Fund - Asia Pacific Ex Japan Equity High Dividend Fund.

June 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Fund of Funds (Overseas)	Sonal Gupta	MSCI AC Asia Pacific ex Japan TRI	24 Feb 2014	Rs. 8.30 Cr

Investment Objective

HSBC Asia Pacific (Ex Japan) Dividend Yield Fund (Fund of Fund) To provide long term capital appreciation by investing predominantly in units of HSBC Global Investment Funds (HGIF) Asia Pacific Ex Japan Equity High Dividend Fund (HAHDF). The Scheme may also invest a certain proportion of its corpus in money market instruments and / or units of liquid mutual fund schemes, in order to meet liquidity requirements from time to time. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

Risk Ratios ²	
Standard Deviation	16.60%
Beta	0.86
Sharpe Ratio ³	0.17
R2	0.85

HAHDF - Underlying fund strategy

- Dividends remain a key driver of long-term total return in Asia
- Investing in high dividend stocks is a good long term strategy
- Aims to invest in companies with quality management and strong cash flows
- Focus on quality businesses offering attractive dividend yields
- Follows environmental, social and governance principles
- Combination of defensive, cyclical and growth companies to generate income and total returns
- Structured investment process – seeking to identify mispriced stocks at attractive valuations.
- Key focus on stock selection, while managing sector exposures
- A focus on total return while managing portfolio risk

Who can benefit from this fund?

- Investor who wish to have geographical and sectorial diversification leading to risk reduction

Load / Expenses	
Entry Load	NA
Exit Load - (i) In respect of each purchase / switch-in of units, an Exit Load of 1% is payable if Units are redeemed / switched-out within 1 year from the date of allotment. (ii) No Exit Load will be charged, if units are redeemed / switched-out after 1 year from the date of allotment. ⁴	
Expense ratio (Other than Direct) ⁵	2.04%
Expense ratio (Direct)	1.29%

Product Note

Data as on 31 May 2023

¹ SEBI vide its circular no. SEBI/HO/IMD/IMD-II DF3/P/CIR/2021/652 dated October 27, 2021, on 'Guiding Principles for bringing uniformity in Benchmarks of Mutual Fund Schemes' has introduced two-tiered structure for benchmarking of certain categories of schemes. Accordingly, the benchmark has been classified as Tier 1 benchmark. Furthermore, the same is effective from 01 December 2021

² Statistical Ratios disclosed are as per monthly returns (Annualized) for the last 3 years.

³ Risk free rate 6.40% (FIMMDA-NSE MIBOR) as on May 31, 2023

⁴ Continuing plans

Document date :20 June 2023

The fund has undergone merger/consolidation along with changes to its fundamental attributes as per the notice published on 14 Nov '22. For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-public-fund>.

A_HGIF ASIA P EX JP EQ HD(M EX HED)

Market Commentary

At sector level, stock selection was positive for the month. Positive performance came from Communication Services and Information Technology, though this was offset by negative stock selection in Financials and Materials.

At country level, stock selection was positive for the month. Positive performance came from Taiwan and mainland China, though this was offset by negative stock selection in India and Indonesia.

Korean Communication Services security, SK TELECOM with total effect 0.30% is the top contributor. Additionally, Taiwan Information Technology security, MEDIATEK INC was the second largest contributor with total effect 0.29%. Korean Industrials security, SK SQUARE CO LTD also contributed with total effect 0.29%.

On the other side, detractors included mainland China Consumer Staples security TINGYI (CAYMAN ISLN) HLDG CO with total effect -0.43%, mainland China Financials holding, PING AN INSURANCE GROUP CO-H with total effect -0.33%, and Hong Kong (SAR) Financials holding, HONG KONG EXCHANGES & CLEAR with total effect -0.23%.

During this period, positions were initiated in KINSUS INTERCONNECT TECH, and UNITED MICROELECTRONICS CORP. Positions were closed in HCL TECHNOLOGIES LTD.

Sector and Country allocation effects are residual to stock selection. At a country level, effects were positive, given an overweight exposure to Korea . At sector level, effects were positive, given an overweight exposure to Consumer Discretionary.

HGIF Global Asia Pacific ex Japan Equity High Dividend Underlying Fund

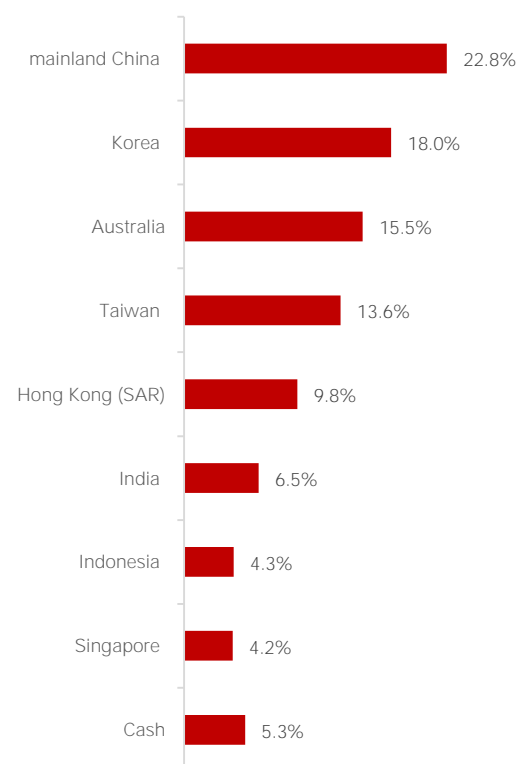
Portfolio

Instrument	Weight (%)
TAIWAN SEMICONDUCTOR CO LTD	7.6%
SAMSUNG ELECTRONICS CO LTD	6.7%
KB FINANCIAL GROUP INC	4.5%
TELKOM INDONESIA PERSERO TBK	4.3%
AIA GROUP LTD	4.3%
DBS GROUP HOLDINGS LTD	4.2%
SK TELECOM	4.0%
BAIDU INC-CLASS A	3.9%
CHINA CONSTRUCTION BANK-H	3.8%
NATIONAL AUSTRALIA BANK LTD	3.8%
PING AN INSURANCE GROUP CO-H	3.7%
TINGYI (CAYMAN ISLN) HLDG CO	3.6%
SANTOS LTD	3.4%
TELSTRA CORP LTD	3.1%
HONG KONG EXCHANGES & CLEAR	3.1%
SK SQUARE CO LTD	2.7%
CHINA STATE CONSTRUCTION INT	2.7%
SOUTH32 LTD	2.7%
MEDIATEK INC	2.6%
BHP GROUP LTD	2.6%
L'OCCITANE INTERNATIONAL SA	2.5%
ALIBABA GROUP HOLDING LTD	2.3%
POWER GRID CORP OF INDIA LTD	2.2%
INFOSYS LTD	1.8%
IND & COMM BK OF CHINA-H	1.5%
KINSUS INTERCONNECT TECH	1.3%
MINDSPACE BUSINESS PARKS REI	1.3%
UNITED MICROELECTRONICS CORP	1.2%
INDIA GRID TRUST	1.0%
UNIMICRON TECHNOLOGY CORP	0.9%
SHIMAO GROUP HOLDINGS LTD	0.4%
PROSUS NV	0.3%
CHINA RESOURCES CEMENT	0.3%
INDUS TOWERS LTD	0.2%
Cash	5.3%
Total	100.00%

Sector Allocation (%)

Name	End Weight
Financials	28.9%
Information Technology	22.2%
Communication Services	15.7%
Consumer Staples	6.1%
Materials	5.5%
Industrials	5.4%
Energy	3.4%
Utilities	3.2%
Consumer Discretionary	2.7%
Real Estate	1.7%
Cash	5.3%

Weighting - Country



HSBC Asia Pacific (Ex Japan) Dividend Fund of Fund

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Portfolio

Issuer	Industries	% to Net Assets
Mutual Fund Units		97.90%
HSBC GIFAsia Pacific Fund	Overseas Mutual Fund	97.90%
Cash Equivalent		2.10%
TREPS*		2.51%
Net Current Assets:		-0.41%
Total Net Assets as on 31-May-2023		100.00%

Asset Allocation

Overseas Mutual Fund	97.90%
Reverse Repos/TREPS	2.51%
Net Current Assets	-0.41%
Total Net Assets as on 31-May-2023	100.00%

*TREPS : Tri-Party Repo Data as on 31 May 23

HSBC Asia Pacific (Ex Japan) Dividend Yield Fund		
<p>Investors understand that their principal will be at Very High risk</p>	<p>Fund of Funds (Overseas) – An Open Ended Fund of Funds Scheme investing in HSBC Global Investments Fund - (HGIF) Asia Pacific Ex Japan Equity High Dividend Fund</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> To create wealth over long-term Investment in equity and equity related securities of Asia Pacific countries (excluding Japan) through fund of funds route 	<p>Benchmark Index: MSCI AC Asia Pacific ex Japan TRI</p>

* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note on Risk-o-meters: Please note that the above risk-o-meter is as per the product labelling of the scheme available as on the date of this communication/ disclosure. Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular Scheme.

Past performance is not an indicator of future returns. Source: HSBC Asset Management India, data as at 31 May 2023

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Mutual fund investments are subject to market risks, read all scheme related documents carefully.