

## Product Note

# HSBC Asia Pacific (Ex Japan) Dividend Yield Fund

(An open ended fund of fund scheme investing in HSBC Global Investment Funds - Asia Pacific Ex Japan Equity High Dividend Fund)

August 2024

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM <sup>&amp;</sup>
Fund of Funds (Overseas)	Sonal Gupta <sup>#</sup>	MSCI AC Asia Pacific ex Japan TRI	24 Feb 2014	Rs. 6.43 Cr

### Risk Ratios<sup>2</sup>

Standard Deviation	14.92%
Beta	0.83

### Risk Ratios<sup>2</sup>

Sharpe Ratio <sup>3</sup>	-0.10
R2	0.88%

## 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.

## Underlying fund approach

- Dividends remain a key driver of long-term total return in Asia
- Aim to 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

**Exit Load:** 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. No Exit Load will be charged, if Units are redeemed / switched-out after 1 year from the date of allotment. The exit loads set forth above is subject to change at the discretion of the AMC and such changes shall be implemented prospectively.

**Month End Total Expenses Ratios (Annualized)<sup>4</sup>** – Regular<sup>5</sup>: 2.05%, Direct: 1.65%

<sup>1</sup> As per clause 1.9 of the SEBI Master Circular dated June 27, 2024, 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

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

<sup>3</sup> Risk free rate 6.55% (FIMMDA-NSE MIBOR), <sup>4</sup> TER Annualized TER including GST on Investment Management Fees

<sup>5</sup> For disclosure of quarterly AUM/AAUM and AUM by geography, please visit our website: <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/investor-resources/information-library#&accordion1446811090=4>.

**Note:** The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s).

Source – HSBC Mutual Fund, Data as of 31 July 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

<sup>#</sup> Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

Fund of Fund (FOF) Note - The investors are bearing the recurring expenses of the scheme, in addition to the expenses of other schemes in which the Fund of Funds Scheme makes investments.

## A\_HGIF ASIA P EX JP EQ HD(M EX HED) – Monthly Commentary

At sector level, stock selection was negative for the month. Positive performance came from Consumer Staples and Industrials, 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 Singapore and Taiwan, though this was offset by negative stock selection in Australia and Korea.

Taiwan Information Technology security, **MEDIATEK INC** with total effect 0.23% is the top contributor. Additionally, Indian Financials security, **HDFC BANK LTD-ADR** was the second largest contributor with total effect 0.22%. Korean Industrials security, **SK SQUARE CO LTD** also contributed with total effect 0.21%.

On the other side, detractors included mainland China Communication Services security **BAIDU INC-CLASS A** with total effect -0.52%, mainland China Financials holding, **PING AN INSURANCE GROUP CO-H** with total effect -0.40%, and Australian Materials holding, **SOUTH32 LTD** with total effect -0.37%.

During this period, no positions were opened.  
No positions were closed.

Sector and Country allocation effects are residual to stock selection. At a country level, effects were negative, given an underweight exposure to Hong Kong (SAR). At sector level, effects were positive, given an overweight exposure to Consumer Discretionary.

## HSBC Asia Pacific (Ex Japan) Dividend Fund of Fund

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

### Portfolio

Issuer	Industries	% to Net Assets
<b>Mutual Fund Units</b>		<b>96.54%</b>
HSBC GIF ASIA PACIFIC EX JAPAN EQ HD S9D	OVERSEAS MUTUAL FUND	96.54%
<b>Cash Equivalent</b>		<b>3.46%</b>
<b>TREPS*</b>		<b>2.20%</b>
<b>Net Current Assets</b>		<b>1.26%</b>
<b>Total Net Assets as on 31-July-2024</b>		<b>100.00%</b>

\*TREPS : Tri-Party Repo Data as on 31 July 24

### Asset Allocation

International - Mutual Fund Units	96.54%
Reverse Repos/TREPS	2.20%
Net Current Assets	1.26%
<b>Total Net Assets as on 31-July-2024</b>	<b>100.00%</b>

Stock specific information provided above is based on Portfolio details as on 31 July 2024. The scheme may or may not have future positions in this stock. The above should not be construed as an investment advice or research report or recommendation to buy or sell any stock mentioned above. Past performance may or may not sustain and doesn't guarantee the future performance.

Data as on 31 July 2024, Source – HSBC Mutual Fund

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# HGIF Global Asia Pacific ex Japan Equity High Dividend (Underlying Fund)

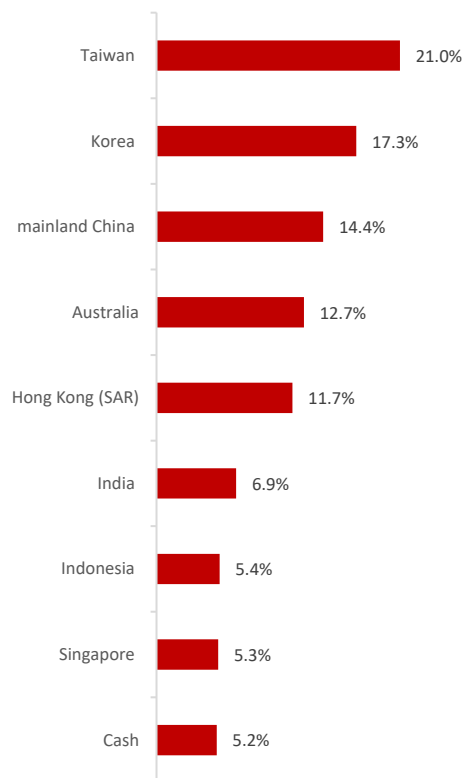
## Portfolio

Instrument	Weight (%)
TAIWAN SEMICONDUCTOR CO LTD	9.2%
SAMSUNG ELECTRONICS CO LTD	5.5%
BUDWEISER BREWING CO APAC LT	3.8%
BAIDU INC-CLASS A	3.8%
SANTOS LTD	3.7%
LCCTF	3.3%
SINGAPORE TELECOMMUNICATIONS	3.3%
HYUNDAI MARINE & FIRE INS CO	3.2%
PING AN INSURANCE GROUP CO-H	3.2%
TELSTRA CORP LTD	2.8%
HDFC BANK LTD-ADR	2.8%
MEDIATEK INC	2.7%
SK TELECOM	2.7%
KB FINANCIAL GROUP INC	2.7%
UNIMICRON TECHNOLOGY CORP	2.6%
AIA GROUP LTD	2.5%
SOUTH32 LTD	2.5%
TINGYI (CAYMAN ISLN) HLDG CO	2.5%
BHP GROUP LTD	2.4%
HONG KONG EXCHANGES & CLEAR	2.1%
DBS GROUP HOLDINGS LTD	2.0%
INFOSYS LTD	2.0%
UNI-PRESIDENT CHINA HOLDINGS	1.9%
TELKOM INDONESIA PERSERO TBK	1.9%
VIPSHOP HOLDINGS LTD - ADR	1.8%
UNITED MICROELECTRONICS CORP	1.7%
CHROMA ATE INC	1.6%
SK SQUARE CO LTD	1.4%
BANK RAKYAT INDONESIA PERSER	1.4%
AKR CORPORINDO TBK PT	1.3%
WISTRON CORP	1.3%
QUANTA COMPUTER INC	1.3%
FORTESCUE LTD	1.3%
HYUNDAI MOTOR CO	1.1%
LI NING CO LTD	1.0%
MINDSPACE BUSINESS PARKS REI	0.9%
BANK NEGARA INDONESIA PERSER	0.8%
POWER FINANCE CORPORATION	0.7%
SAMSUNG FIRE & MARINE INS	0.7%
ASE TECHNOLOGY HOLDING CO LT	0.7%
HDFC BANK LIMITED	0.4%
<b>Cash</b>	<b>5.2%</b>
<b>Total</b>	<b>100.00%</b>

## Sector Allocation (%)

Name	End Weight
Information Technology	28.5%
Financials	22.8%
Communication Services	14.4%
Consumer Staples	11.5%
Materials	6.2%
Energy	5.0%
Consumer Discretionary	3.9%
Industrials	1.6%
Real Estate	0.9%
<b>Cash</b>	<b>5.2%</b>

## Weighting - Country



Data as on 31 July 2024, Source – HSBC Mutual Fund

**Note:** The views provided above is based on information available in public domain at this moment for underlying funds and subject to change. Please consult your financial advisor for any investment decision. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s).

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Lump Sum Investment Performance									Inception Date
Fund / Benchmark (Value of Rs 10,000 Invested)	1 Year		3 Years		5 Years		Since Inception		
	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	24-Feb-14
HSBC Asia Pacific (Ex Japan) Dividend Yield Fund - Regular	11227	12.24	11267	4.05	14685	7.98	20896	7.32	
Scheme Benchmark (MSCI AC Asia Pacific ex Japan TRI)	10892	8.90	10545	1.78	14961	8.38	22034	7.86	
Additional Benchmark (Nifty 50 TRI)	12784	27.76	16387	17.86	23784	18.90	45857	15.71	

**Past performance may or may not be sustained in the future and is not indicative of future results.** The performance details provided herein are of Regular Plan - Growth Option. Returns on ₹10,000 are point-to-point returns for the specific time period, invested at the start of the period. The returns for the respective periods are provided as on last available NAV of July 2024 for the respective schemes. Returns for 1 year and above are Compounded Annualized. Returns for less than 1 year is Simple Annualized. Load is not taken into consideration for computation of performance. Different plans shall have a different expense structure. The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses / commission charged to the Regular Plan.

As per clause 5.9.1 of the SEBI Master Circular dated June 27, 2024, the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units.

Post merger performance of the surviving scheme, arising out of merger of schemes with similar features, is computed as per the provisions of clause 13.4 of the SEBI Master Circular dated June 27, 2024, on Disclosure of Performance of Schemes post-merger using the weighted average performance of both transferor and transferee schemes. In other cases, performance is computed using the Applicable NAV of the surviving/continuing schemes.

SIP Performance - HSBC Asia Pacific (Ex Japan) Dividend Yield Fund - Regular						Inception Date: 24-Feb-14
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception		
Total amount invested (₹)	120000	360000	600000	1250000		
Market Value as on July 31, 2024 (₹)	1,33,544	4,14,772	7,28,665	19,07,932		
Scheme Returns (%)	21.66	9.43	7.71	7.86		
MSCI AC Asia Pacific ex Japan TRI - Scheme Benchmark (₹)	1,32,842	4,09,463	7,14,764	19,15,618		
MSCI AC Asia Pacific ex Japan TRI - Scheme Benchmark Returns (%)	20.50	8.55	6.94	7.93		
Nifty 50 TRI - Additional Benchmark (₹)	1,41,972	4,93,823	10,22,676	30,20,170		
Nifty 50 TRI - Additional Benchmark Returns (%)	35.75	21.67	21.49	16.09		

**Past performance may or may not be sustained in the future and is not indicative of future results.** For SIP returns, monthly investment of Rs. 10,000/- invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis. IDCW are assumed to be reinvested and bonus is adjusted. Load is not taken into consideration.

Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

Source: HSBC Mutual Fund, data as on 31 July 2024

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## Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
<p><b>HSBC Asia Pacific (Ex Japan) Dividend Yield Fund</b></p> <p>(An open ended fund of fund scheme investing in HSBC Global Investment Funds - Asia Pacific Ex Japan Equity High Dividend Fund)</p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>To create wealth over long-term</li> <li>Investment in equity and equity related securities of Asia Pacific countries (excluding Japan) through fund of funds route</li> </ul>	<p>Investors understand that their principal will be at Very High risk</p>	<p>As per AMFI Tier I Benchmark i.e. 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:** Riskometer is as on 31 July 2024, 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 may or may not be sustained in the future and is not indicative of future results.** Source: HSBC Mutual Fund, data as on 31 July 2024

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