

## Product Note

# HSBC Asia Pacific (Ex Japan) Dividend Yield Fund

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

February 2024

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM &
Fund of Funds (Overseas)	Sonal Gupta <sup>#</sup>	MSCI AC Asia Pacific ex Japan TRI	24 Feb 2014	Rs. 6.59 Cr

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

Standard Deviation

14.98%

Beta

0.80

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

Sharpe Ratio<sup>3</sup>

-0.41

R2

0.85%

## 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 strategy

- 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

Entry Load\*: Not Applicable, 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. \*In terms of 10.4.1.a. of SEBI Master Circular on Mutual Funds dated May 19, 2023. no entry load will be charged to the investor effective August 1, 2009. Month End Total Expenses Ratios (Annualized)<sup>4</sup> – Regular<sup>5</sup>: 2.03%, Direct: 1.63%

<sup>1</sup> As per clause 1.9 of the SEBI Master Circular dated May 19, 2023, 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 6.85% (FIMMDA-NSE MIBOR), <sup>4</sup> TER Annualized TER including GST on Investment Management Fees

<sup>5</sup> Continuing plans.

<sup>6</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 January 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 positive for the month. Positive performance came from Information Technology and Materials, though this was offset by negative stock selection in Financials and Energy.

At country level, stock selection was positive for the month. Positive performance came from Korea and Hong Kong (SAR), though this was offset by negative stock selection in mainland China and India.

Hong Kong (SAR) Consumer Staples security, LOCCITANE INTERNATIONAL SA with total effect 0.60% is the top contributor. Additionally, Taiwan Information Technology security, TAIWAN SEMICONDUCTOR CO LTD was the second largest contributor with total effect 0.27%. Korean Financials security, HYUNDAI MARINE & FIRE INS CO also contributed with total effect 0.24%.

On the other side, detractors included mainland China Consumer Staples security TINGYI (CAYMAN ISLN) HLDG CO with total effect -0.58%, mainland China Consumer Staples holding, UNI-PRESIDENT CHINA HOLDINGS with total effect -0.46%, and mainland China Communication Services holding, BAIDU INC-CLASS A with total effect -0.32%.

During this period, positions were initiated in UNIMICRON TECHNOLOGY CORP, ASIA VITAL COMPONENTS, and SAMSUNG FIRE & MARINE INS.

Positions were closed in CHINA CONSTRUCTION BANK-H.

Sector and Country allocation effects are residual to stock selection. At a country level, effects were negative, given an underweight exposure to India. 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>94.97%</b>
HSBC GIF ASIA PACIFIC EX JAPAN EQ HD S9D	Overseas Mutual Fund	94.97%
<b>Cash Equivalent</b>		<b>5.03%</b>
<b>TREPS*</b>		<b>4.37%</b>
<b>Net Current Assets:</b>		<b>0.66%</b>
<b>Total Net Assets as on 31-January- 2024</b>		<b>100.00%</b>

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

### Asset Allocation

International - Mutual Fund Units	94.97%
Reverse Repos/TREPS	4.37%
Net Current Assets	0.66%
Total Net Assets as on 31-January-2024	100.00%

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

At sector level, stock selection was negative for the quarter. Positive performance came from Industrials and Information Technology, though this was offset by negative stock selection in Financials and Consumer Staples.

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

Korean Industrials security, SK SQUARE CO LTD with total effect 0.75% is the top contributor. Additionally, Taiwan Information Technology security, MEDIATEK INC was the second largest contributor with total effect 0.61%. mainland China Communication Services security, TENCENT HOLDINGS LTD also contributed with total effect 0.44%.

On the other side, detractors included mainland China Consumer Staples security TINGYI (CAYMAN ISLN) HLDG CO with total effect -0.90%, mainland China Financials holding, PING AN INSURANCE GROUP CO-H with total effect -0.85%, and mainland China Communication Services holding, BAIDU INC-CLASS A with total effect -0.75%.

During this period, positions were initiated in QUANTA COMPUTER INC, SINGAPORE TELECOMMUNICATIONS, WISTRON CORP, and CHROMA ATE INC.

Positions were closed in POWER GRID CORP OF INDIA LTD, KINSUS INTERCONNECT TECH, IND & COMM BK OF CHINA-H, and HYUNDAI MOTOR CO.

Sector and Country allocation effects are residual to stock selection. At a country level, effects were positive, given an overweight exposure to mainland China. At sector level, effects were negative, given an underweight exposure to Communication Services.

Stock specific information provided above is based on Portfolio details as on 31 January 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 January 2024, Source – HSBC Asset Management

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

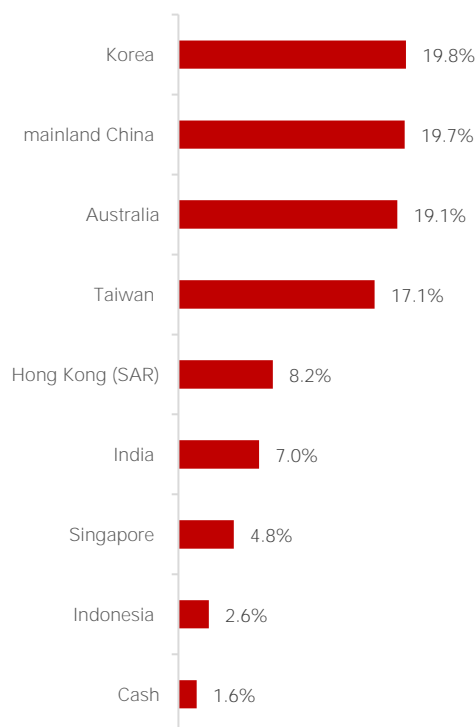
## Portfolio

Instrument	Weight (%)
TAIWAN SEMICONDUCTOR CO LTD	9.1%
SAMSUNG ELECTRONICS CO LTD	7.4%
SANTOS LTD	4.3%
BAIDU INC-CLASS A	4.3%
SK SQUARE CO LTD	4.1%
L'OCCITANE INTERNATIONAL SA	3.9%
TELSTRA CORP LTD	3.9%
PING AN INSURANCE GROUP CO-H	3.8%
SOUTH32 LTD	3.8%
TINGYI (CAYMAN ISLN) HLDG CO	3.8%
NATIONAL AUSTRALIA BANK LTD	3.8%
DBS GROUP HOLDINGS LTD	3.6%
BHP GROUP LTD	3.3%
KB FINANCIAL GROUP INC	2.9%
ALIBABA GROUP HOLDING LTD	2.8%
SK TELECOM	2.8%
AIA GROUP LTD	2.7%
MEDIATEK INC	2.7%
TELKOM INDONESIA PERSERO TBK	2.6%
CHINA STATE CONSTRUCTION INT	2.6%
INFOSYS LTD	2.6%
HYUNDAI MARINE & FIRE INS CO	2.6%
UNI-PRESIDENT CHINA HOLDINGS	2.4%
HDFC BANK LTD-ADR	2.1%
HONG KONG EXCHANGES & CLEAR	1.6%
QUANTA COMPUTER INC	1.3%
UNITED MICROELECTRONICS CORP	1.3%
UNIMICRON TECHNOLOGY CORP	1.3%
MINDSPACE BUSINESS PARKS REI	1.2%
SINGAPORE TELECOMMUNICATIONS	1.2%
INDIA GRID TRUST	1.2%
WISTRON CORP	0.8%
CHROMA ATE INC	0.5%
ASIA VITAL COMPONENTS	0.3%
SAMSUNG FIRE & MARINE INS	0.2%
<b>Cash</b>	<b>1.6%</b>
<b>Total</b>	<b>100.00%</b>

## Sector Allocation (%)

Name	End Weight
Communication Services	14.7%
Consumer Staples	10.0%
Information Technology	27.0%
Financials	23.2%
Energy	4.3%
Industrials	6.7%
Materials	7.1%
Utilities	1.2%
Real Estate	1.2%
Consumer Discretionary	2.8%
<b>Cash</b>	<b>1.7%</b>

## Weighting - Country



Data as on 31 January 2024, Source – HSBC Asset Management

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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 %	
HSBC Asia Pacific (Ex Japan) Dividend Yield Fund - Regular	9849	-1.51	9887	-0.38	12958	5.32	18127	6.17	24-Feb-14
Scheme Benchmark (MSCI AC Asia Pacific ex Japan TRI)	9553	-4.47	9012	-3.40	13029	5.43	19150	6.76	
Additional Benchmark (Nifty 50 TRI)	12435	24.35	16510	18.15	21276	16.29	39629	14.86	

PTP returns – Point to Point returns. | 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 January 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 May 19, 2023, 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 May 19, 2023, 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	1190000		
Market Value as on January 31, 2024 (₹)	120,625	360,405	652,825	1,599,534		
Scheme Returns (%)	0.97	0.07	3.33	5.82		
MSCI AC Asia Pacific ex Japan TRI - Scheme Benchmark (₹)	119,440	352,677	642,682	1,609,278		
MSCI AC Asia Pacific ex Japan TRI - Scheme Benchmark Returns (%)	-0.86	-1.33	2.71	5.93		
Nifty 50 TRI - Additional Benchmark (₹)	138,362	459,604	946,450	2,552,759		
Nifty 50 TRI - Additional Benchmark Returns (%)	29.50	16.52	18.28	14.73		

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 January 2023

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## Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter
<p><b>HSBC Asia Pacific (Ex Japan) Dividend Yield Fund</b></p> <p>An Open Ended Fund of Fund Scheme investing in HSBC Global Investments Fund - (HGIF) 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><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at Very High risk</p>	<p><b>Benchmark Index: MSCI AC Asia Pacific ex Japan TRI</b></p> <p><b>RISKOMETER</b></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 January 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 January 2024

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