

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. October 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. 7.20 Cr |

Risk Ratios²

Standard Deviation

15.87%

Beta

0.83

Risk Ratios²

Sharpe Ratio³

-0.08

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.

HAHDF - 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)⁴ – Regular⁵: 2.03%, Direct: 1.63%

¹ 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

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

³ Risk free rate 6.95% (FIMMDA-NSE MIBOR). ⁴ TER Annualized TER including GST on Investment Management Fees

⁵ Continuing plans.

⁶ 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 30 September 2023. Past performance may or may not be sustained in the future and is not indicative of future results.

[#] 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 Communication Services and Consumer Staples, though this was offset by negative stock selection in Materials 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 Australia and mainland China.

Hong Kong (SAR) Consumer Staples security, LOCCITANE INTERNATIONAL SA with total effect 0.65% is the top contributor. Additionally, Korean Financials security, KB FINANCIAL GROUP INC was the second largest contributor with total effect 0.29%. Korean Communication Services security, SK TELECOM also contributed with total effect 0.24%.

On the other side, detractors included mainland China Financials security PING AN INSURANCE GROUP CO-H with total effect -0.31%, Australian Materials holding, SOUTH32 LTD with total effect -0.28%, and mainland China Consumer Discretionary holding, PDD HOLDINGS INC with total effect -0.10%.

During this period, positions were initiated in HYUNDAI MOTOR CO, and NUVOTON TECHNOLOGY CORP. No positions were closed.

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 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 |
|-------------------------------------------------|----------------------|-----------------|
| Mutual Fund Units | | 97.27% |
| HSBC GIFAsia Pacific Fund | Overseas Mutual Fund | 97.27% |
| Cash Equivalent | | 2.73% |
| TREPS* | | 3.21% |
| Net Current Assets: | | -0.48% |
| Total Net Assets as on 30-September-2023 | | 100.00% |

*TREPS : Tri-Party Repo Data as on 30 September 23

Asset Allocation

| | |
|------------------------------------------|---------|
| International - Mutual Fund Units | 97.27% |
| Reverse Repos/TREPS | 3.21% |
| Net Current Assets | -0.48% |
| Total Net Assets as on 30-September-2023 | 100.00% |

Stock specific information provided above is based on Portfolio details as on September 30, 2023. 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 30 September 2023, Source – HSBC Asset Management

HGIF Global Asia Pacific ex Japan Equity High Dividend Underlying Fund

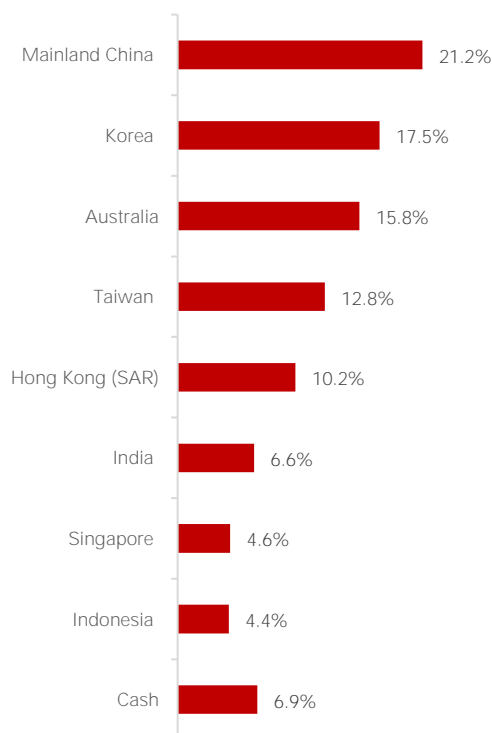
Portfolio

| Instrument | Weight (%) |
|------------------------------|----------------|
| TAIWAN SEMICONDUCTOR CO LTD | 7.4% |
| SAMSUNG ELECTRONICS CO LTD | 6.7% |
| AIA GROUP LTD | 5.1% |
| DBS GROUP HOLDINGS LTD | 4.6% |
| TELKOM INDONESIA PERSERO TBK | 4.4% |
| NATIONAL AUSTRALIA BANK LTD | 4.3% |
| TINGYI (CAYMAN ISLN) HLDG CO | 4.3% |
| BAIDU INC-CLASS A | 4.0% |
| L'OCCITANE INTERNATIONAL SA | 3.6% |
| SK SQUARE CO LTD | 3.4% |
| CHINA CONSTRUCTION BANK-H | 3.4% |
| KB FINANCIAL GROUP INC | 3.2% |
| SOUTH32 LTD | 3.1% |
| PING AN INSURANCE GROUP CO-H | 3.0% |
| TELSTRA CORP LTD | 2.9% |
| BHP GROUP LTD | 2.8% |
| ALIBABA GROUP HOLDING LTD | 2.8% |
| SANTOS LTD | 2.6% |
| SK TELECOM | 2.6% |
| POWER GRID CORP OF INDIA LTD | 2.4% |
| CHINA STATE CONSTRUCTION INT | 2.3% |
| MEDIATEK INC | 2.2% |
| INFOSYS LTD | 1.9% |
| HONG KONG EXCHANGES & CLEAR | 1.6% |
| UNITED MICROELECTRONICS CORP | 1.5% |
| IND & COMM BK OF CHINA-H | 1.4% |
| HYUNDAI MARINE & FIRE INS CO | 1.4% |
| MINDSPACE BUSINESS PARKS REI | 1.3% |
| KINSUS INTERCONNECT TECH | 1.3% |
| INDIA GRID TRUST | 1.0% |
| UNIMICRON TECHNOLOGY CORP | 0.3% |
| HYUNDAI MOTOR CO | 0.2% |
| NUVOTON TECHNOLOGY CORP | 0.1% |
| Cash | 6.9% |
| Total | 100.00% |

Sector Allocation (%)

| Name | End Weight |
|------------------------|-------------|
| Financials | 27.9% |
| Information Technology | 21.3% |
| Communication Services | 13.9% |
| Consumer Staples | 7.9% |
| Materials | 5.9% |
| Industrials | 5.8% |
| Utilities | 3.5% |
| Consumer Discretionary | 3.0% |
| Energy | 2.6% |
| Real Estate | 1.3% |
| Cash | 6.9% |

Weighting - Country



Data as on 30 September 2023, 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 | 11336 | 13.40 | 11425 | 4.55 | 12030 | 3.76 | 17691 | 6.12 | 24-Feb-14 |
| Scheme Benchmark (MSCI AC Asia Pacific ex Japan TRI) | 11395 | 13.99 | 10737 | 2.40 | 12149 | 3.97 | 18673 | 6.72 | |
| Additional Benchmark (Nifty 50 TRI) | 11606 | 16.11 | 18099 | 21.89 | 19060 | 13.75 | 35743 | 14.19 | |

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 September 2023 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 | 1150000 | | |
| Market Value as on September 29, 2023 (₹) | 121,410 | 354,500 | 649,627 | 1,521,396 | | |
| Scheme Returns (%) | 2.21 | -1.00 | 3.15 | 5.71 | | |
| MSCI AC Asia Pacific ex Japan TRI - Scheme Benchmark (₹) | 119,724 | 343,840 | 639,478 | 1,529,738 | | |
| MSCI AC Asia Pacific ex Japan TRI - Scheme Benchmark Returns (%) | -0.43 | -2.97 | 2.52 | 5.82 | | |
| Nifty 50 TRI - Additional Benchmark (₹) | 129,871 | 440,485 | 891,906 | 2,263,421 | | |
| Nifty 50 TRI - Additional Benchmark Returns (%) | 15.78 | 13.61 | 15.90 | 13.60 | | |

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 29 September 2023

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Product Label

| Scheme name and Type of scheme | Scheme Risk-o-meter | Benchmark Risk-o-meter |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------|
| <p>HSBC Asia Pacific (Ex Japan) Dividend Yield Fund</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>Investors understand that their principal will be at Very High risk</p> | <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. Risk-o-meter is as on September 30, 2023.

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 30 September 2023

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