

Product Note

HSBC Global Emerging Markets Fund

An open-ended fund of fund scheme investing in HSBC Global Investment Funds – Global Emerging Markets Equity Fund
January 2023

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM
Fund of Funds (Domestic)	Sonal Gupta	MSCI Emerging Markets Index TRI	17 Mar 2008	Rs. 16.56 Cr
Risk Ratios ²		Load / Expenses		
Standard Deviation	18.96%	Entry Load		NA
Beta	0.98	Exit Load - 1% if redeemed / switched out within 1 year from date of allotment, else nil		
Sharpe Ratio ³	-0.20	Expense ratio (Other than Direct) ⁵		2.41%
R2	0.93	Expense ratio (Direct)		1.70%

Investment Objective

HSBC Global Emerging Markets Fund (Fund of Fund)

The primary investment objective of the Scheme is to provide long term capital appreciation by investing predominantly in units/shares of HSBC Global Investment Funds - Global Emerging Markets Equity Fund. 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.

HGIF Global Emerging Markets Fund (HGMF) Underlying fund strategy

- Developed economies have substantial investment capital but depend more on the global growth due to relatively lower internal consumption
- Emerging / developing economies are more dependent on external investments to support strong internal consumption
- Investors may access potential currency adjusted performance benefit through global investments
- The fund follows High conviction Thematic approach with integrated sustainability
- A thematic approach captures investment mega trends and tactical opportunities such as - Climate Change Mega Trend, Impact Investing Mega Trend, Digital Transformation Mega Trend and EM Laggard Banks.

HGMF – Investment Commentary

Contributors to relative performance included Mainland China holding, XINJIANG GOLDWIND SCI&TEC-H(Industrials) with a total effect of 0.47%. Additionally, Mainland China security, ALIBABA GROUP HOLDING(Consumer Discretionary) was in the top two contributors with a total effect of 0.31%.

Detractors included South African security, MTN GROUP (Communication Services) with a total effect of -0.47%, and South African holding ANGLO AMERICAN PLC (Materials) with a total effect of -0.46%.

During this period, positions were initiated in PING AN INSURANCE GROUP CO-H and WUXI BIOLOGICS CAYMAN whilst positions were closed in B3 SA-BRASIL BOLSA BALCAO.

Sector and country allocation effects are residual to stock selection. At the country level, effects were positive, given an underweight exposure to Korea. At the sector level, effects were negative, given an underweight exposure to Consumer Discretionary.

Data as on 31 December 2022

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: 6.60% (FIMMDA-NSE MIBOR) as on December 31, 2022

⁴ Continuing plans

Monthly Commentary

Contributors to relative performance included Mexican holding, GENTERA SAB DE CV(Financials) with a total effect of 0.69%. Additionally, Brazilian security, CENTRAIS ELETRICAS BRASILIER(Utilities) was in the top two contributors with a total effect of 0.48%.

Detractors included Mainland China security, BAIDU (Communication Services) with a total effect of -0.5%, and Mainland China holding ALIBABA GROUP HOLDING (Consumer Discretionary) with a total effect of -0.39%.

During this period, positions were closed in LARGAN PRECISION.

Sector and country allocation effects are residual to stock selection. At the country level, effects were negative, given an underweight exposure to Saudi Arabia. At the sector level, effects were negative, given an overweight exposure to Communication Services.

HGIF Global Emerging Markets- HEMF – Underlying Fund

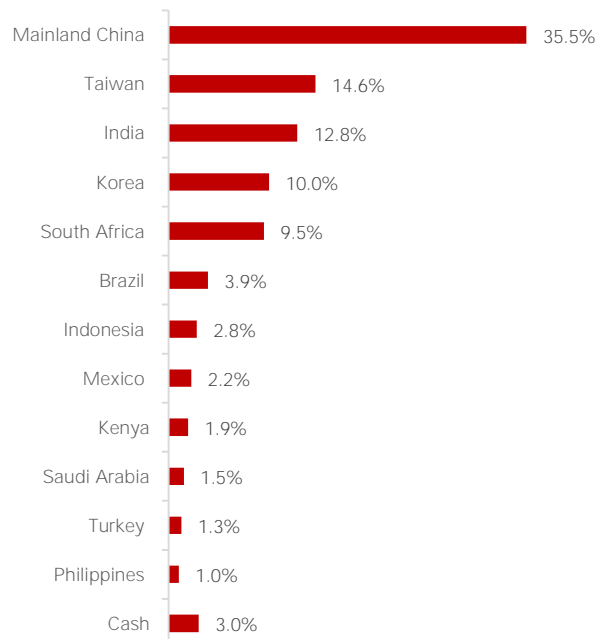
Portfolio

Instrument	Weight (%)
TAIWAN SEMICONDUCTOR CO LTD	7.1%
SAMSUNG ELECTRONICS CO LTD	5.7%
TENCENT HOLDINGS LTD	5.4%
ALIBABA GROUP HOLDING LTD	4.7%
RELIANCE INDUSTRIES LTD	4.7%
ANGLO AMERICAN PLC	3.7%
MTN GROUP LTD	3.1%
HON HAI PRECISION INDUSTRY	2.9%
HINDUSTAN UNILEVER LTD	2.8%
BANK RAKYAT INDONESIA PERSER	2.8%
HYUNDAI MOTOR CO	2.6%
GENTERA SAB DE CV	2.2%
SHENZHEN MINDRAY BIO-MEDIC-A	2.2%
NARI TECHNOLOGY CO LTD-A	2.2%
PING AN INSURANCE GROUP CO-H	2.1%
BANCO BRADESCO S.A.	2.1%
CHROMA ATE INC	2.1%
BANDHAN BANK LTD	2.1%
SHRIRAM FINANCE LTD	2.0%
AIRTEL AFRICA PLC	2.0%
WEICHAI POWER CO LTD-H	2.0%
SAFARICOM PLC	1.9%
CIMC ENRIC HOLDINGS LTD	1.9%
BAIDU INC-CLASS A	1.9%
WUXI BIOLOGICS CAYMAN INC	1.9%
CHINA LONGYUAN POWER GROUP-H	1.9%
XINYI SOLAR HOLDINGS LTD	1.9%
MEITUAN-CLASS B	1.8%
CENTRAIS ELETRICAS BRASILIER	1.8%
SK HYNIX INC	1.7%
SAUDI TADAWUL GROUP HOLDING	1.5%
MEDIATEK INC	1.5%
NIO INC - ADR	1.4%
TURKCELL ILETISIM HIZMET AS	1.3%
XINJIANG GOLDWIND SCI&TEC-H	1.2%
ZOMATO LTD	1.2%
JD.COM INC - CL A	1.1%
ESTUN AUTOMATION CO LTD-A	1.0%
WIWYNN CORP	1.0%
PLDT INC	1.0%
NASPERS LTD-N SHS	0.8%
PINDUODUO INC-ADR	0.7%
Cash	2.1%
Total	100.00%

Sector Allocation (%)

Name	End Weight
Information Technology	23.8%
Communication Services	16.6%
Financials	14.9%
Consumer Discretionary	14.3%
Industrials	8.4%
Energy	4.7%
Health Care	4.1%
Utilities	3.7%
Materials	3.7%
Consumer Staples	2.8%
Cash	3.0%

Weighting - Country



Data as on 31 December 2022, Source – HSBC Asset Management. The above information are for illustrative purpose only and it should not be considered as investment research, investment recommendation or advice to any reader of this content to buy or sell investments. The Fund may or may not have any future position in these stocks.

HSBC Global Emerging Markets Fund

An open-ended fund of fund scheme investing in HSBC Global Investment Funds – Global Emerging Markets Equity Fund

Portfolio

Issuer	Industries	% to Net Assets
Mutual Fund Units		96.63%
HSBC GIF GLOB EMERG MKTS EQ S1 DIS	Overseas Mutual Fund	96.63%
Cash Equivalent		3.37%
TREPS*		3.57%
Net Current Assets:		-0.20%
Total Net Assets as on 31-December 2022		100.00%

HGMF – Quarterly commentary

The fund underperformed the reference benchmark on a gross basis this quarter.

- Contributors to relative performance included Indian holding, HINDUSTAN UNILEVER(Consumer Staples) with a total effect of 0.59%. Additionally, Mexican security, GENTERA SAB DE CV(Financials) was in the top two contributors with a total effect of 0.5%.
- Detractors included Mainland China security, XINJIANG GOLDWIND SCI&TEC-H (Industrials) with a total effect of -0.64%, and Mainland China holding WEICHAI POWER CO LTD-H (Industrials) with a total effect of -0.58%.
- During this quarter, positions were initiated in ICICI BANK, CHROMA ATE, B3 SA-BRASIL BOLSA BALCAO, ESTUN AUTOMATION CO LTD-A, and LARGAN PRECISION whilst positions were closed in PING AN INSURANCE GROUP CO-H, INFOSYS, QATAR NATIONAL BANK, and CHINA CONCH VENTURE HOLDINGS.
- Sector and country allocation effects are residual to stock selection. At the country level, effects were negative, given an overweight exposure to Philippines. At the sector level, effects were negative, given an overweight exposure to Communication Services.

Who Can Benefit From This Fund?

- Investor who wish to have geographical and sectorial diversification leading to risk reduction
- Investors may access potential currency adjusted performance benefit through global investments

HSBC Global Emerging Markets 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) Brazil Equity 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 predominantly in units of HSBC Global Investment Funds - Global Emerging Markets Equity Fund 	 <p>Benchmark: MSCI Emerging Markets Index TRI</p>
	<p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	

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Note on Risk-o-meters: Riskometer is as on 31 Dec 2022, 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 Dec 2022

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