

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.

September 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. 7.74 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 | 15.98% |
| Beta | 0.84 |
| Sharpe Ratio ³ | -0.10 |
| R2 | 0.85% |

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

| Load / Expenses ⁵ | |
|--|-------|
| 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) ⁴ | 2.04% |
| Expense ratio (Direct) | 1.29% |
| Underlying Fund's Expense ratio | 0.65% |

Data as on 31 July 2023

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 6.69% (FIMMDA-NSE MIBOR) as on August 31, 2023

⁴ Continuing plans

⁵ Investors should note that the expenses to be borne by the investor include the recurring expenses of the Underlying scheme in which Fund of Funds Scheme makes investments subject to the maximum limits prescribed under sub-regulation 6 & 6A of Regulation 52 of the SEBI Regulations.

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 Utilities and Financials, though this was offset by negative stock selection in Information Technology and Communication Services.

At country level, stock selection was negative for the month. Positive performance came from Indonesia and Singapore, though this was offset by negative stock selection in Taiwan and Hong Kong (SAR).

mainland China Communication Services security, BAIDU INC-CLASS A with total effect 0.27% is the top contributor. Additionally, mainland China Consumer Staples security, TINGYI (CAYMAN ISLN) HLDG CO was the second largest contributor with total effect 0.18%. Indian Utilities security, POWER GRID CORP OF INDIA LTD also contributed with total effect 0.14%.

On the other side, detractors included Hong Kong (SAR) Consumer Staples security LOCCITANE INTERNATIONAL SA with total effect -0.35%, Korean Communication Services holding, SK TELECOM with total effect -0.29%, and mainland China Real Estate holding, SHIMAO GROUP HOLDINGS LTD with total effect -0.21%.

During this period, no positions were opened.

Positions were closed in CHINA RESOURCES CEMENT, TENCENT HOLDINGS LTD, and INDUS TOWERS LTD.

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

HGIF Global Asia Pacific ex Japan Equity High Dividend Underlying Fund

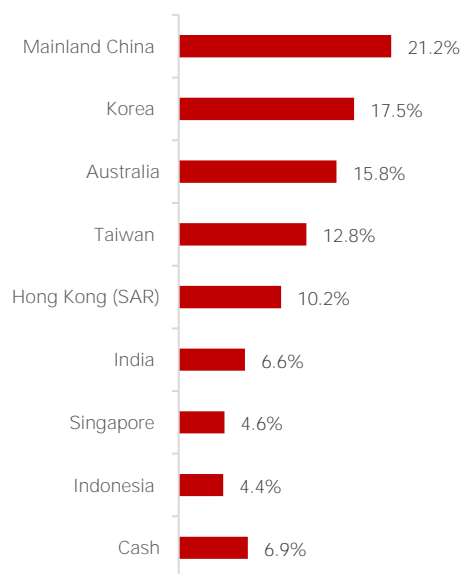
Portfolio

| 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 31 August 2023, Source – HSBC Asset Management

The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any security in the sectors referenced.

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.

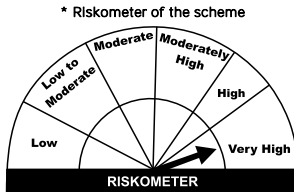
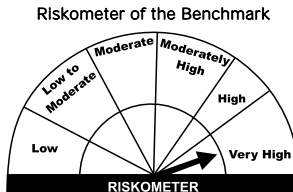
Portfolio

| Issuer | Industries | % to Net Assets |
|---------------------------------------|----------------------|-----------------|
| Mutual Fund Units | | 97.04% |
| HSBC GIFAsia Pacific Fund | Overseas Mutual Fund | 97.04% |
| Cash Equivalent | | 2.96% |
| TREPS* | | 3.66% |
| Net Current Assets: | | -0.70% |
| Total Net Assets as on 31-August-2023 | | 100.00% |

Asset Allocation

| | |
|---------------------------------------|---------|
| International - Mutual Fund Units | 97.04% |
| Reverse Repos/TREPS | 3.66% |
| Net Current Assets | -0.70% |
| Total Net Assets as on 31-August-2023 | 100.00% |

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

| HSBC Asia Pacific (Ex Japan) Dividend Yield Fund | | |
|--|--|---|
| <p>* Riskometer of the scheme</p>  <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> | <p>Riskometer of the Benchmark</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 Mutual Fund, Data as on 31 August 2023

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