

HSBC Asia Pacific (Ex Japan) Dividend Yield Fund

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

July 2020



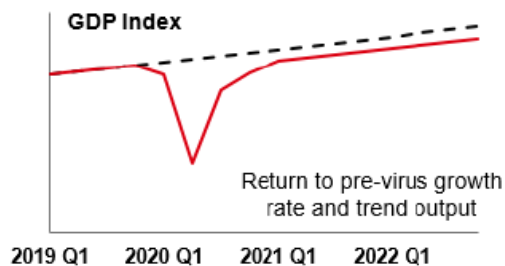
HSBC
Global Asset
Management

Possible realities for the macro-economy

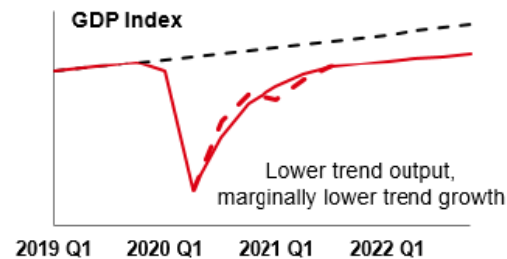
- Policy measures may prevent second-round effects, then a partial V-shaped recovery is possible
- Parts of Asia appear to be on this trend and that is encouraging
- The longer the crisis goes on elsewhere, the harder it is to achieve such a perfect recovery



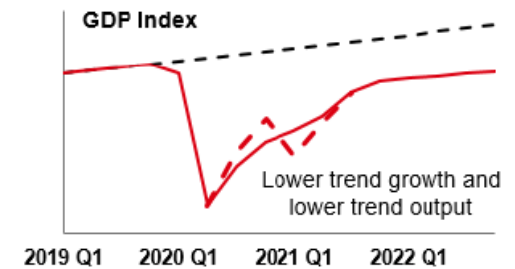
Partial V



“Swoosh”



Slow and partial recovery



Policy effectiveness

TENSION BETWEEN TWO FORCES

Spread of the virus

Source: HSBC Global Asset Management, Data as at May 2020.

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Asset Management India accepts no liability for any failure to meet such forecast, projection or target.

Regional dynamics - We expect industrialised Asia to lead the way

- ◆ The likely outperformance of industrialised Asian economies in the recovery phase supports our overweight view on Asian asset classes such as Asia ex. Japan equities (including China, South Korea, Taiwan), and Asian corporate bonds

Comment		Stagnation	Swoosh	Rapid recovery
US	<ul style="list-style-type: none"> ◆ US unemployment is elevated and consumer are saving much more ◆ However, the US policy response has been among the most forceful globally 			
Eurozone	<ul style="list-style-type: none"> ◆ The national level of fiscal response has been significant ◆ But coordinated fiscal policy is hamstrung by political constraints, while the ECB is pushing against the limits of its mandate 			
UK	<ul style="list-style-type: none"> ◆ The UK's economic policy response to the crisis has been timely and robust ◆ But problems with developing adequate test-and-tracing infrastructure increases the risk of a second wave of infections. A disruptive hard Brexit is also possible 			
China	<ul style="list-style-type: none"> ◆ China has seen a notable recovery from supply-side disruptions. Policy support is also strengthening, despite lingering financial stability/debt concerns ◆ But the path is uneven and service sectors are lagging 			
Japan/ developed Asia	<ul style="list-style-type: none"> ◆ Many industrial Asian economies have developed good testing and tracing capacity ◆ Policy support has also been strong, although weak external demand is a big risk, and Japan is increasingly constrained on the policy front 			
EM Asia	<ul style="list-style-type: none"> ◆ Parts of ASEAN and India have limited fiscal policy space and weak healthcare systems ◆ The region faces external trade and financing risks 			

Case for Global Investments & Diversification

Global investments offer multiple benefits

1 Geo Diversification

- Different geographical economies may deliver varying and contrasting risk adjusted performance in various economic & investment cycles

2 Risk Diversification

- Provides geographical and sectorial diversification leading to risk reduction
- Helps in diversifying a predominantly domestic portfolio

3 Themes diversification

- Provides opportunities to invest in various themes

4 Access global brands

- Broader access to different markets & global brands. e.g. Samsung, Google, Apple, Alibaba, etc.

5 Investment ratings

- Countries have different investment rating grades
- Investing in highly rated countries in volatile times may benefit

6 Contra Beneficiaries

- Access contra investments e.g. Export oriented – Non export oriented, Oil Exporters – Non Oil importers

7 Impact of Economic Indicators

- Interest rates, Inflation and Liquidity affects the consumption of the Global Economy
- This effect could be variable and may have varied effect on different economies

8 Benefit from developed & emerging economies

- 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

9 Currency benefit

- Currency adjusted investment performance may vary from country to country
- Investors may access potential currency adjusted performance benefit through global investments

Inclusion of Global investments in the portfolio offers necessary risk diversification over the long term and can support the delivery of sustainable risk adjusted performance

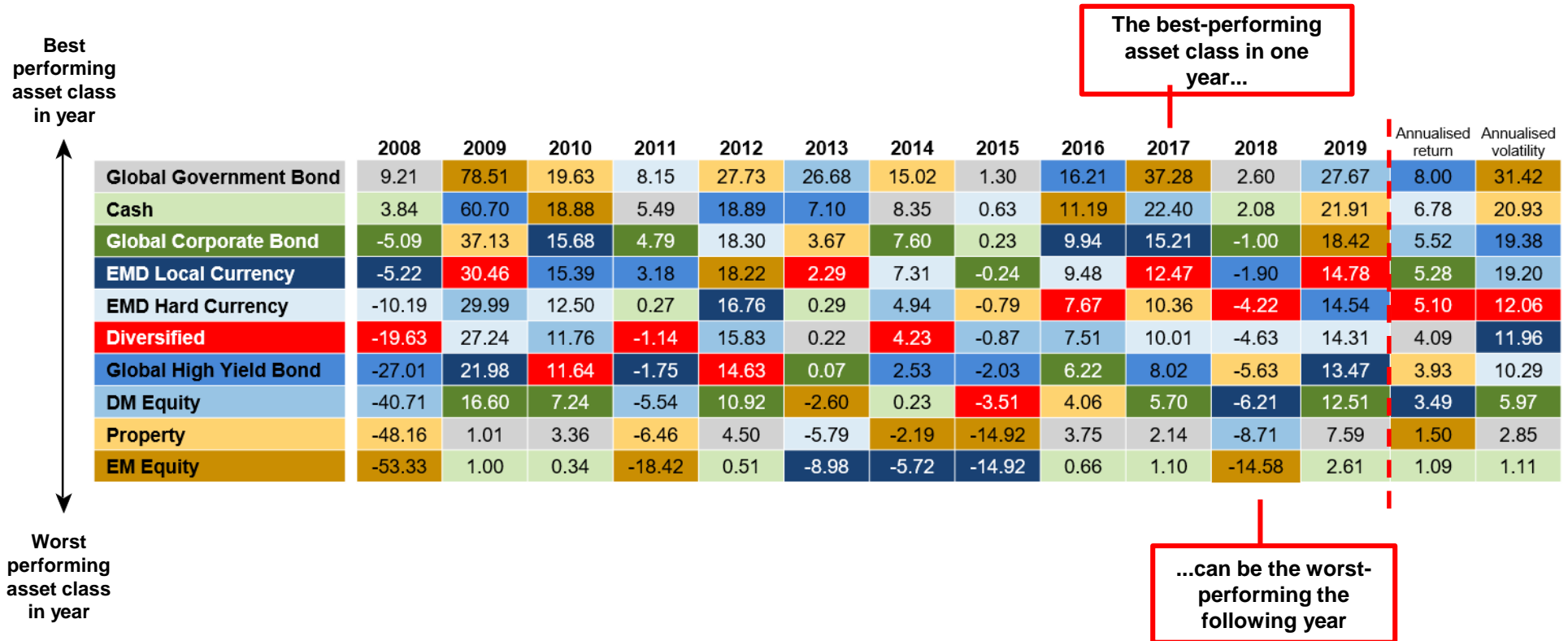
Diversify to achieve a smoother ride



Single asset class performance can vary significantly from year to year



Diversification means investing in various asset classes at the same time – allowing your investment to be less exposed to large fluctuations than if invested in a single asset class



Any performance information shown refers to the past and should not be seen as an indication of future returns.

Source: Morningstar, HSBC Global Asset Management, data as at 31 December 2019. All returns in USD, total return. Indices used: MSCI World Index; MSCI Emerging Market Equity; JPMorgan GBI-EM Global Diversified (EMD local currency); Bloomberg Barclays Global Aggregate Corporate Bond Index; ICE Bank of America Merrill Lynch Emerging Market Bond Index (EMD hard currency); ICE Bank of America Merrill Lynch Global High Yield, Citi World Government Bond Index, FTSE EPPRA/NAREIT Listed Property Index, ICE LIBOR 3 Month. Bond indices are hedged, ex EMD local currency (i.e. global government, global corporate, global high yield, EMD hard currency). Equities are unhedged. The 'Diversified' performance was calculated from the average performance across all of the stated indices.

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Investment Objective

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 (HEHDF). 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

HSBC Global Investment Funds (HGIF) Asia Pacific Ex Japan Equity High Dividend Fund (HEHDF).

Scheme Category

Fund of Funds (Overseas)

This product is suitable for investors who are seeking*:

- To create wealth over long term
- Investment in equity and equity related securities of Asia Pacific countries (excluding Japan) through fund of funds route



Investors understand that their principal will be at High risk

***Investors should consult their financial advisers if in doubt about whether the product is suitable for them.**

HSBC Asia Pacific (Ex Japan) Dividend Yield Fund Snapshot

Fund Details	
Date of Allotment:	24-Feb-14
Benchmark:	MSCI AC Asia Pacific ex Japan TRI
NAV (as on 30.6.20)	
Growth	₹ 14.7520
Direct Growth	₹ 15.4341
AUM (as on 30.6.20)	₹ 5.99 Cr
AAUM (for the month of June)	₹ 5.73 Cr
Fund Manager & Experience	
Priyankar Sarkar	
Total Experience	10 Years
Managing this fund	Since July 23, 2019
Minimum Investment¹	
Lumpsum	₹ 5,000
SIP	₹ 500
Additional Purchase	₹ 1,000
Entry load : "NA"	
Exit load : 1 % if redeemed / switched out within 1 year from date of allotment, else nil	
Ratios²	
Standard Deviation	14.49%
Beta (Slope)	0.90
Sharpe Ratio ³	0.23
Month End Total Expenses Ratios (Annualized)⁴	
Other than Direct ⁵	2.04%
Direct	1.24%

Sector Allocation		
Overseas Mutual Fund		97.03%
Reverse Repos/TREPS		3.12%
Net Current Assets		-0.15%
Issuer	Industries	% to Net Assets
EQUITY		
HGIF - Asia Pacific ex Japan Equity High Dividend (Share Class S9D)	OVERSEAS MUTUAL FUND	97.03%
Cash Equivalent		
TREPS*		2.97%
Net Current Assets:		3.12%
Total Net Assets as on 30-Jun-2020		-0.15%
		100.00%
*TREPS : Tri-Party Repo		
¹ in multiples of Re 1 thereafter.		
² Ratios disclosed are as per monthly returns (Annualized) for the last 3 years.		
³ Risk free rate: 3.89% (FIMMDA-NSE Mibor) as on June 30, 2020		
⁴ TER Includes *GST on Investment Management fees and expenses of Underlying schemes		
⁵ Continuing plans		

Focus on Asia

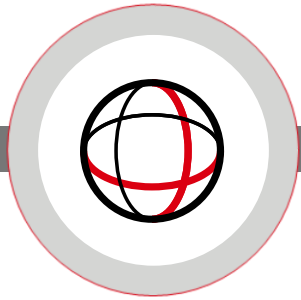
Underlying fund

**HSBC Global Investment Funds (HGIF) Asia Pacific Ex Japan
Equity High Dividend Fund (HEHDF)**



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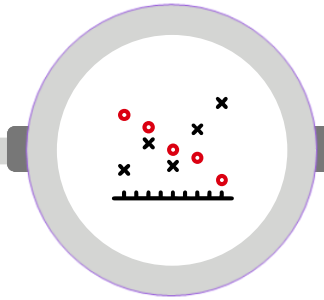
Key reasons to buy Asian High Dividend Strategy



◆ Asia is a key beneficiary of global growth



◆ Earnings and cashflows for Asian companies are improving



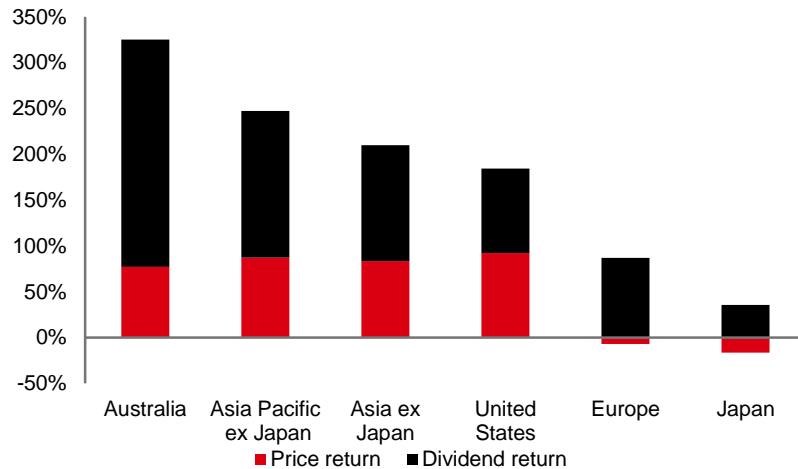
◆ Compelling valuations versus developed markets

Asia for income and diversification benefits

- ◆ Asian equities are a good source of income as **dividends account for a significant portion of long-term shareholder return**
- ◆ With **global interest rates at record lows** and negative for many markets the investor demand for yield is unlikely to dissipate

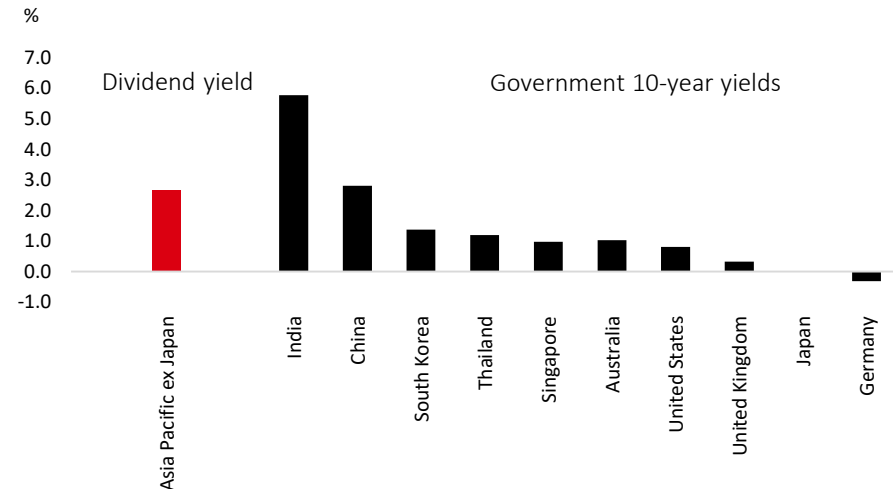
Dividends are a significant piece of long-term total shareholder return in Asia

Total return (price + dividends) since 2000



Source: Bloomberg, data as of 29 May 2020. Returns are based on MSCI indices.

Asian equity dividend yields are higher than most government bond yields



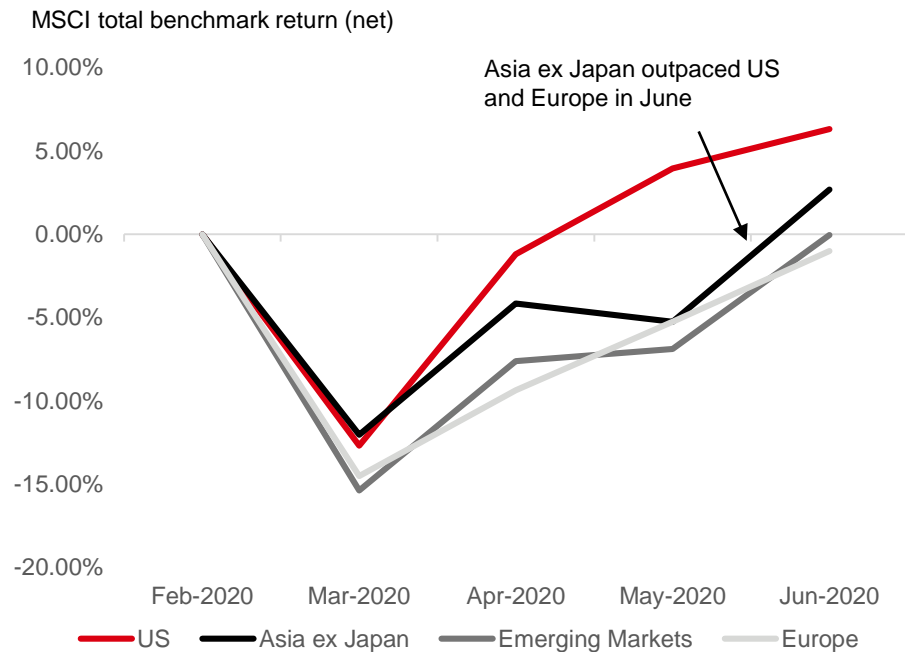
Source: Bloomberg, MSCI, data as of 10 June 2020

Investment involves risk. Past performance is not indicative of future performance. Dividend is not guaranteed and may be paid out of capital which will result in capital erosion and reduction in net asset value. A positive distribution yield does not imply a positive return. For information purposes only and does not constitute any investment recommendation in the above-mentioned countries.

Asian equities are resilient

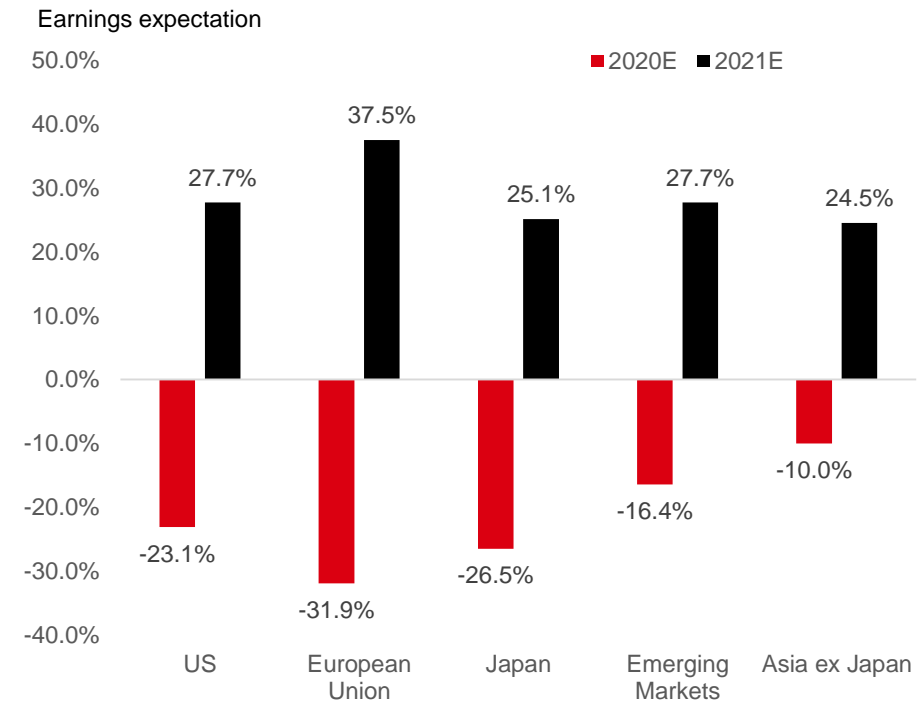
- ◆ On a total return basis, Asia (ex Japan) equities experienced a relatively smaller decline from the market crash in March 2020 among the major markets, followed by a steep rebound that is only second to the US as of the end of June 2020
- ◆ Earnings forecasts for 2020 and 2021 also put Asia (ex Japan) in a more favourable position over other major markets

Cumulative total return since end of Feb 2020



Source: Bloomberg, MSCI, HSBC Global Asset Management, as of June 2020

Latest earnings expectations for 2020 and 2021



Source: Consensus Economics, Datastream, HSBC Global Asset Management, as of June 2020

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Underlying fund

HSBC Global Investment Funds (HGIF) Asia Pacific Ex Japan Equity High Dividend Fund (HEHDF)

Investment philosophy and process



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Fund overview and portfolio characteristic

Reflecting our bottom up conviction in a risk appropriate manner



Sanjiv Duggal
Head of Asian and Indian Equities
Lead manager

Typical parameters		Fund	MSCI AC Asia Pacific ex Japan
Benchmark	MSCI AC Asia Pacific ex Japan	Number of holdings	38
Typical number of stocks	30-50	Trailing dividend yield	4.2%
Relative country weight	+/- 5%	Forward dividend yield	4.2%
Relative sector weight	+/- 7%	Forward P/E	10.7x
Relative single company weight	+/- 3%	Forward P/B	1.2x
Tracking error	3% - 8%	Forward ROE	15.3%
Cash levels	0% - 3%	Forward EPS yoy growth	15.8%
		Net Debt/Equity	30%
		Forward EV/EBITDA	12.5x
			27%
			11.2x

Source: HSBC Global Asset Management. For illustrative purposes only. Data as of 31 May 2020

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Considered and Disciplined Investment Process – overview

Stock selection

- Business cycles are a key determinant to understand value change in stocks
- Identify structural/secular opportunities across business cycles
- Identify beneficiaries of change in business cycles, including the impact of significant changes in policies

Stock ideas

Stock analysis

- Understand and examine the source of the competitive advantage: technology, brand, resource, scale, operational, distribution, management/governance
- Does the advantage create a structural or business cycle led opportunity?
- Evaluate the effectiveness of business models as reflected in current and future ROCE
- Analyse the operating leverage and financial strength of the company
- Actively gauge the ESG impact on company profitability and valuations
- What is reflected in the share price? Any shock absorbers or safety nets?
- Ascertain our range of fair value for the stock and consider risk reward relationship

Stock selection

Portfolio

- Identify and understand the risks in the portfolio
- Ensure adequate diversification, and appropriate rebalancing
- A focus on higher dividends unlocks a valuable risk premium

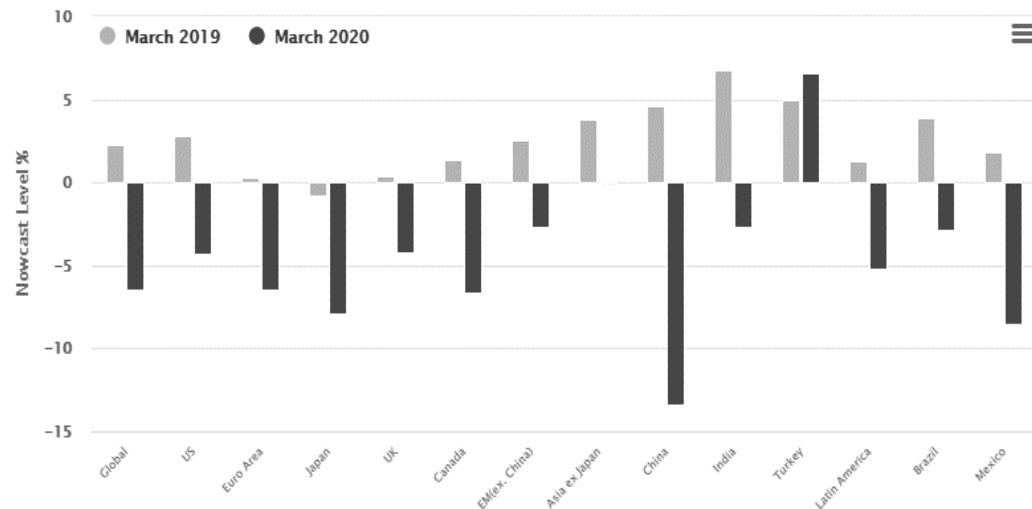
Contrarian, considered & conviction based portfolio

Stock selection

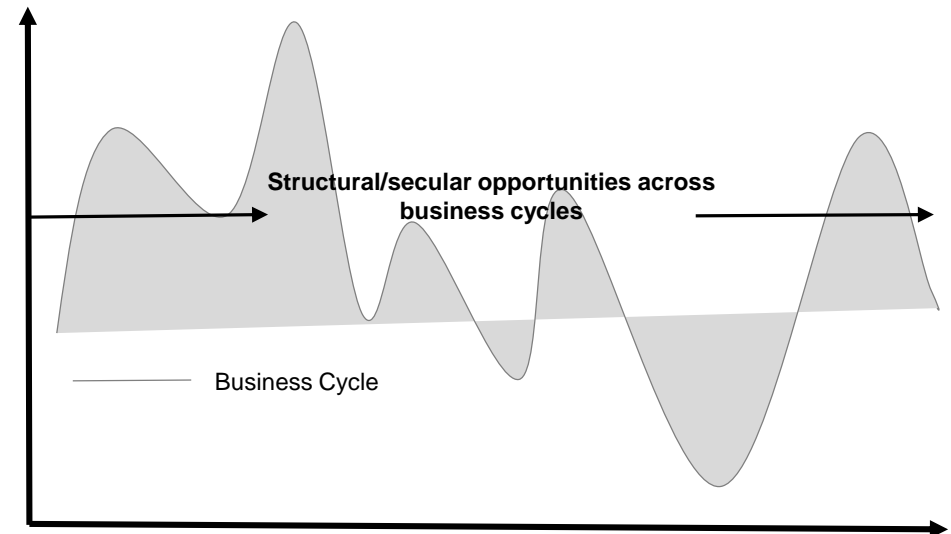
Disciplined investment process to identify opportunities

- ◆ Aim to invest in stocks that offer long term structural/secular opportunities.
 - ◆ These positions sometimes require patience and can be non-consensus
 - ◆ Hold through business cycles, drives alpha over the longer term
- ◆ Identify attractive risk reward opportunities given the state of the business cycle
 - ◆ Analyse what is reflected in share prices
 - ◆ Drives alpha over the shorter term

Business cycle signals determine value change for sectors



Investing through and within business cycles



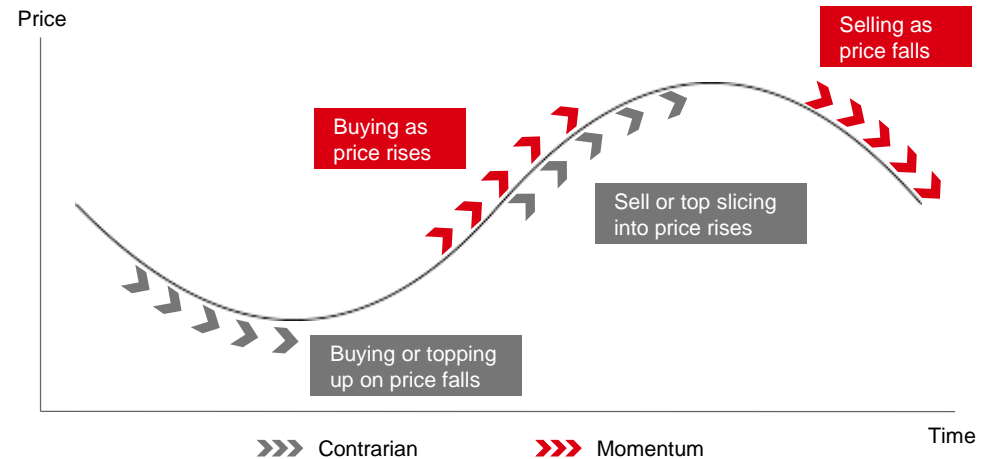
Source: HSBC Global Asset Management. For illustrative purposes only.

Portfolio Construction and Risk Control

Reflecting our contrarian bias and conviction

- ◆ Sector and country positions driven by bottom-up stock selection based on our investment philosophy and process
- ◆ Comfortable being early into a stock idea: **patience**
- ◆ Seek to allocate capital to stocks with compelling risk reward relationship based on structural or business cycle opportunities: **discipline**
- ◆ Targeting a **portfolio dividend yield** to be at a **premium** to the index
- ◆ Identify and understand the risks in the portfolio
- ◆ Ensure adequate diversification, and appropriate rebalancing

Buy and sell discipline



Source: HSBC Global Asset Management. Performance characteristics are not guaranteed. For illustrations only.

We are a leader in ESG integration

UN PRI A+ Ranking, thought leadership, CFA pilot

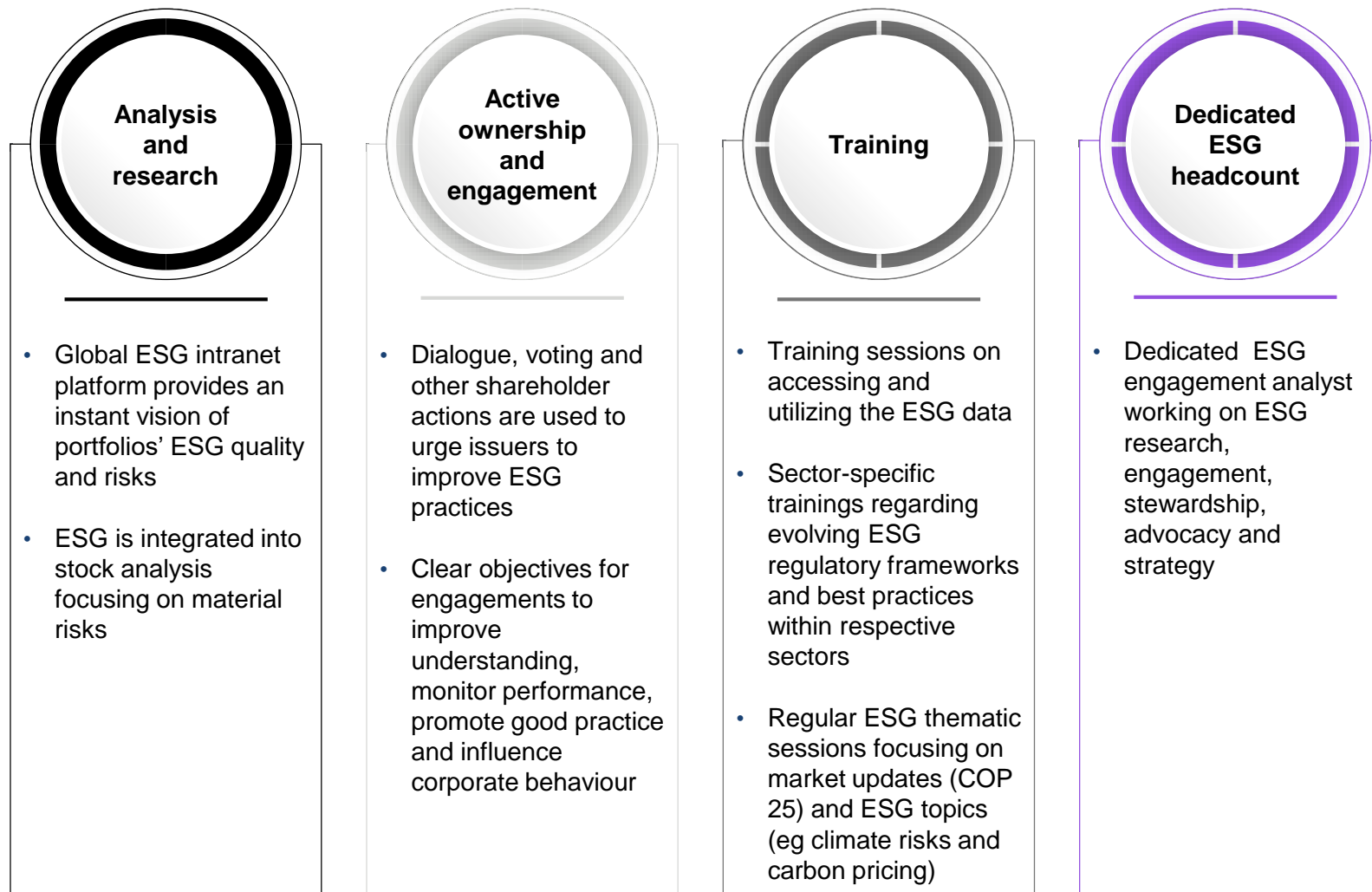


- ◆ In their 2019 assessment report, UN PRI gave AMG an A+ rating for Active Equities across multiple criteria
- ◆ This puts us in the top 10% of asset managers
- ◆ We have also published original research and papers on climate change scenarios and incorporating ESG into portfolios
- ◆ We are one of two named asset managers participating in the CFA's Certificate In ESG Investing programme
- ◆ We have extensive people and resources dedicated to ESG

Summary Scorecard

AUM	Module Name	Your Score	Your Score	Median Score
	01. Strategy & Governance	A+		A
Direct & Active Ownership Modules				
10-50%	10. Listed Equity - Incorporation	A+		B
10-50%	11. Listed Equity - Active Ownership	A+		B

ESG criteria is integrated into our investment process



Source: HSBC Global Asset Management. As at May 2020. For illustrative purposes only. Representative overview of the investment process, which may differ by product, client mandate or market conditions. For additional information related to the voting policy and the exercise of voting rights is available in the annual report, please refer to the following website: <http://www.assetmanagement.hsbc.com/fr/footer/politique.html>

Portfolio characteristics, performance and positioning



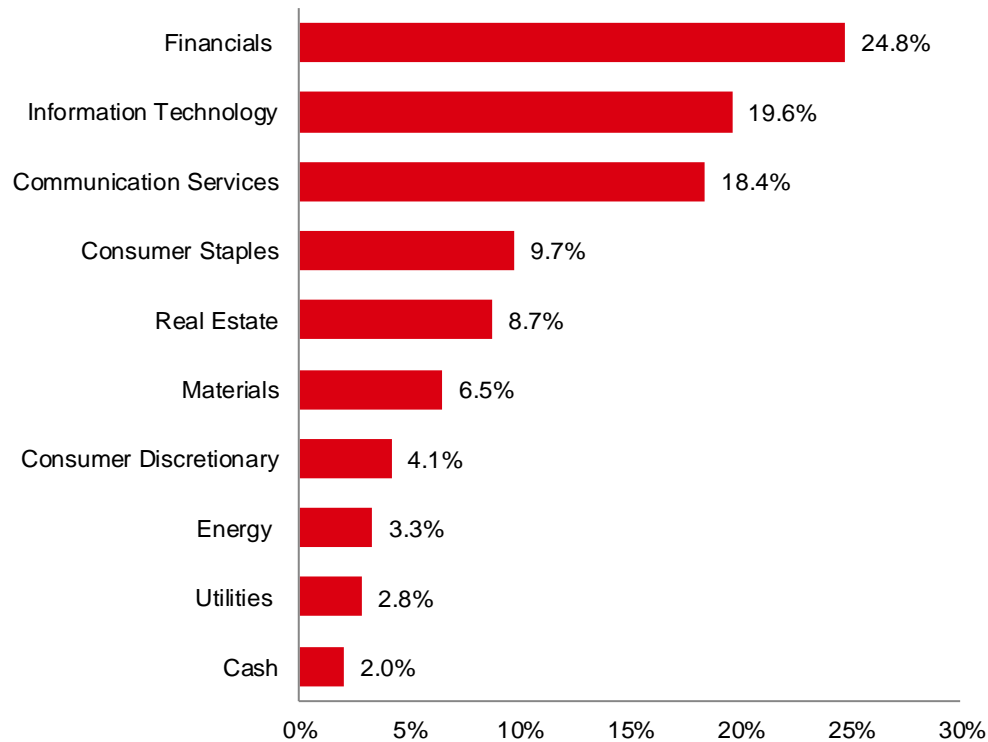
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HGIF Asia Pacific ex Japan Equity High Dividend – Sector positioning

Representative account of GIPS composite
Supplemental information as of 31 May 2020

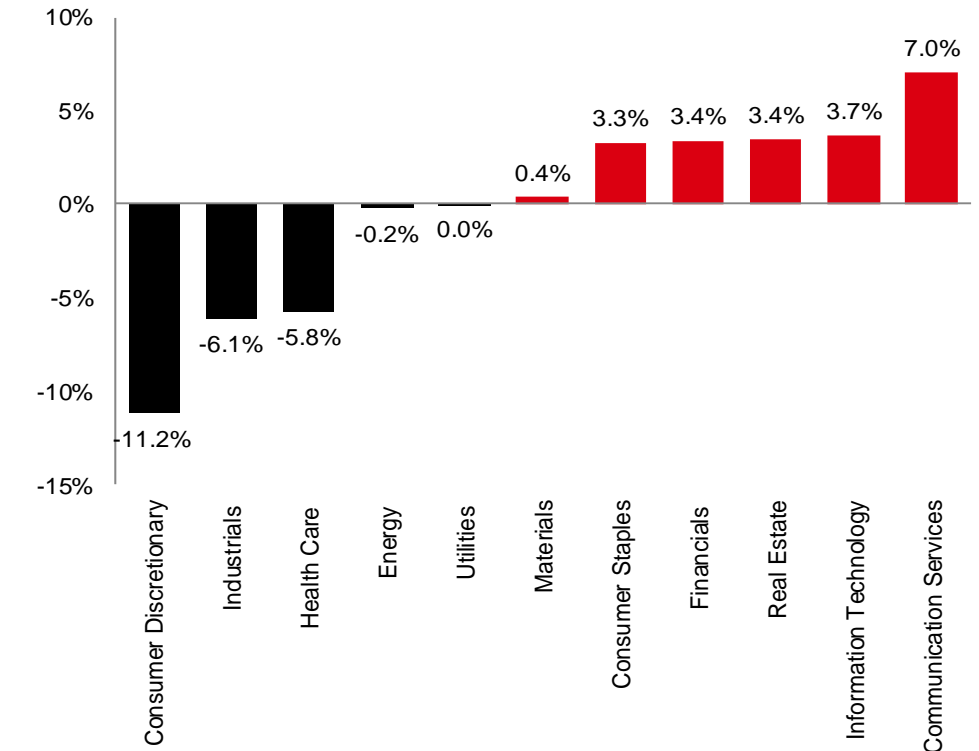
Sector weightings

(%)



Active sector weightings

(%)



Source: HSBC Global Asset Management, data as of 31 May 2020

Notes:

1. HSBC Global Asset Management accepts no liability for any failure to meet this benchmark. Any portfolio characteristics shown herein, including average position sizes and sector allocations among others, are for illustrative purposes and reflects the representative account of the composite
2. The information should not be construed as a recommendation or solicitation to buy or sell any securities or sectors referenced. Holdings are subject to change daily. Each portfolio may differ due to individual client restrictions and guidelines. Accordingly individual results will vary

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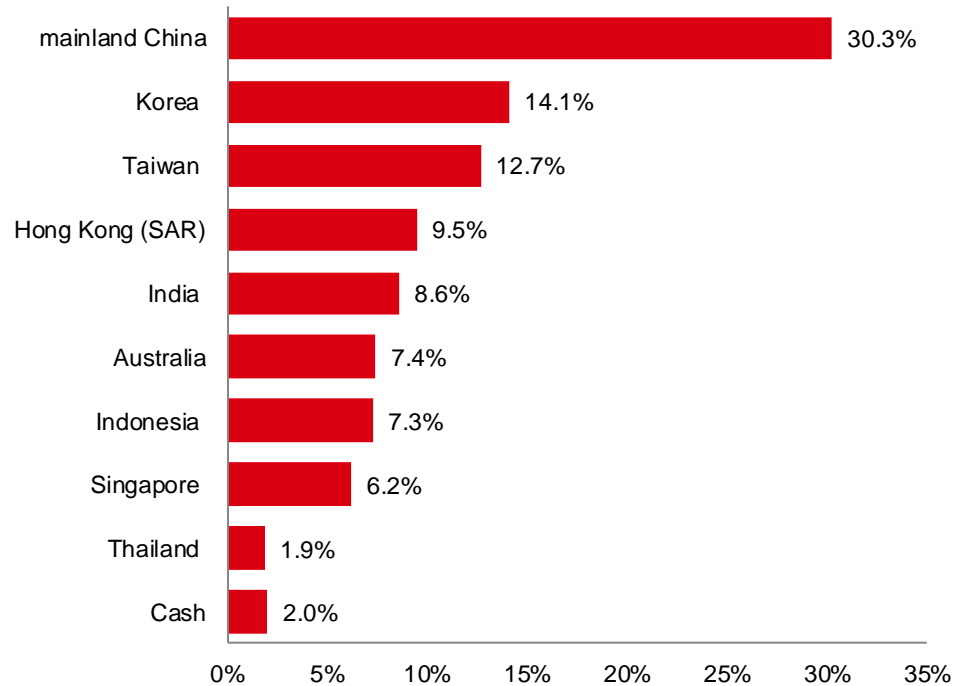
Fund changes that may have material impact on performance: 20 June 2016 – Investment objective changed

HGIF Asia Pacific ex Japan Equity High Dividend – Geographic positioning

Representative account of GIPS composite
Supplemental information as of 31 May 2020

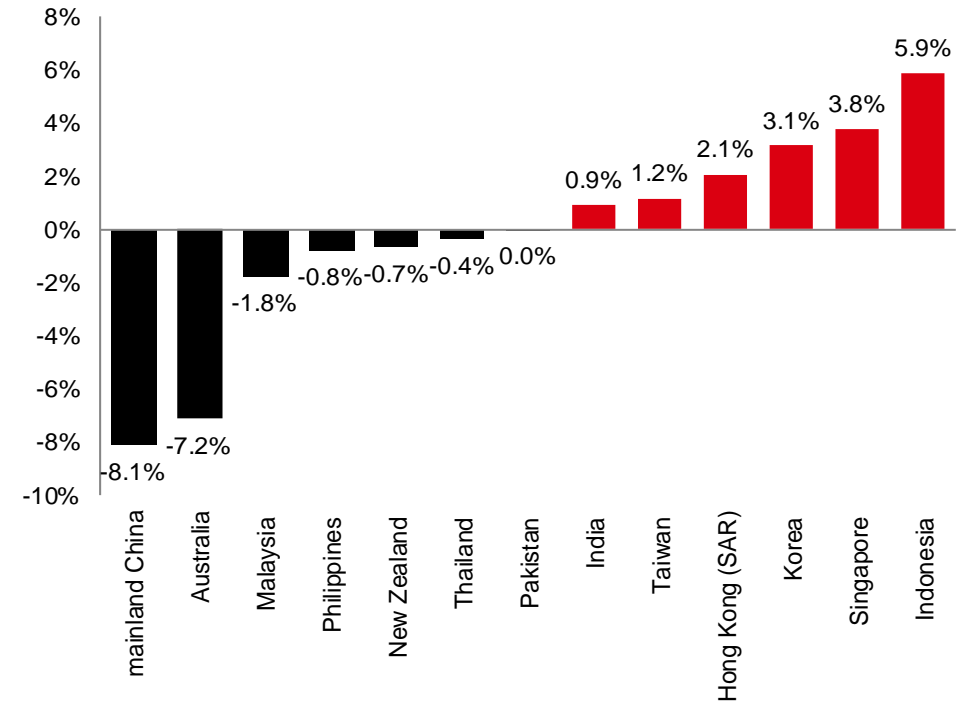
Geographic weightings

(%)



Active geographic weightings

(%)



Source: HSBC Global Asset Management, data as of 31 May 2020

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Fund changes that may have material impact on performance: 20 June 2016 – Investment objective changed

HGIF Asia Pacific ex Japan Equity High Dividend – Stock positioning

Representative account of GIPS composite
Supplemental information as of 31 May 2020

Top ten stock holdings

Companies	Industry	Geography	Portfolio weight
Taiwan Semiconductor Co Ltd	Information Technology	Taiwan	7.4%
Samsung Electronics Co Ltd	Information Technology	Korea	6.3%
AIA Group Ltd	Financials	Hong Kong (SAR)	4.2%
Alibaba Group Holding Ltd	Consumer Discretionary	mainland China	4.1%
PT Telekomunikasi Indonesia	Communication Services	Indonesia	4.0%
Bhp Group Ltd	Materials	Australia	3.7%
ITC Ltd	Consumer Staples	India	3.4%
China Life Insurance Co	Financials	mainland China	3.3%
United Tractors Tbk Pt	Energy	Indonesia	3.3%
Singapore Telecommunications	Communication Services	Singapore	3.2%
% of portfolio			43.0%

Source: HSBC Global Asset Management, data as of 31 May 2020

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HGIF Asia Pacific ex Japan Equity High Dividend – Stock positioning

Representative account of GIPS composite
Supplemental information as of 31 May 2020

Top overweights

Companies	Portfolio weight	Relative weight
PT Telekomunikasi Indonesia	3.97%	3.78%
United Tractors Tbk Pt	3.31%	3.28%
ITC Ltd	3.36%	3.20%
Taiwan Semiconductor Co Ltd	7.44%	3.20%
China Life Insurance Co	3.33%	3.09%
KB Financial Group Inc	3.20%	3.01%
Longfor Group Holdings Ltd	3.13%	2.99%
Budweiser Brewing Co Apac Ltd	3.07%	2.99%
Singapore Telecommunications	3.24%	2.98%
Power Grid Corp Of India Ltd	2.82%	2.76%

Top underweights

Companies	Portfolio weight	Relative weight
Tencent Holdings Ltd	2.50%	-2.87%
Alibaba Group Holding Ltd	4.15%	-2.75%
CSL Ltd	0.00%	-1.47%
Meituan Dianping-Class B	0.00%	-1.19%
Reliance Industries Ltd	0.00%	-0.98%
China Mobile Ltd	0.00%	-0.76%
HK Exchanges & Clearing	0.00%	-0.74%
Westpac Banking Corp	0.00%	-0.73%
JD.Com Inc	0.00%	-0.72%
National Australia Bank Ltd	0.00%	-0.67%

Source: HSBC Global Asset Management, data as of 31 May 2020

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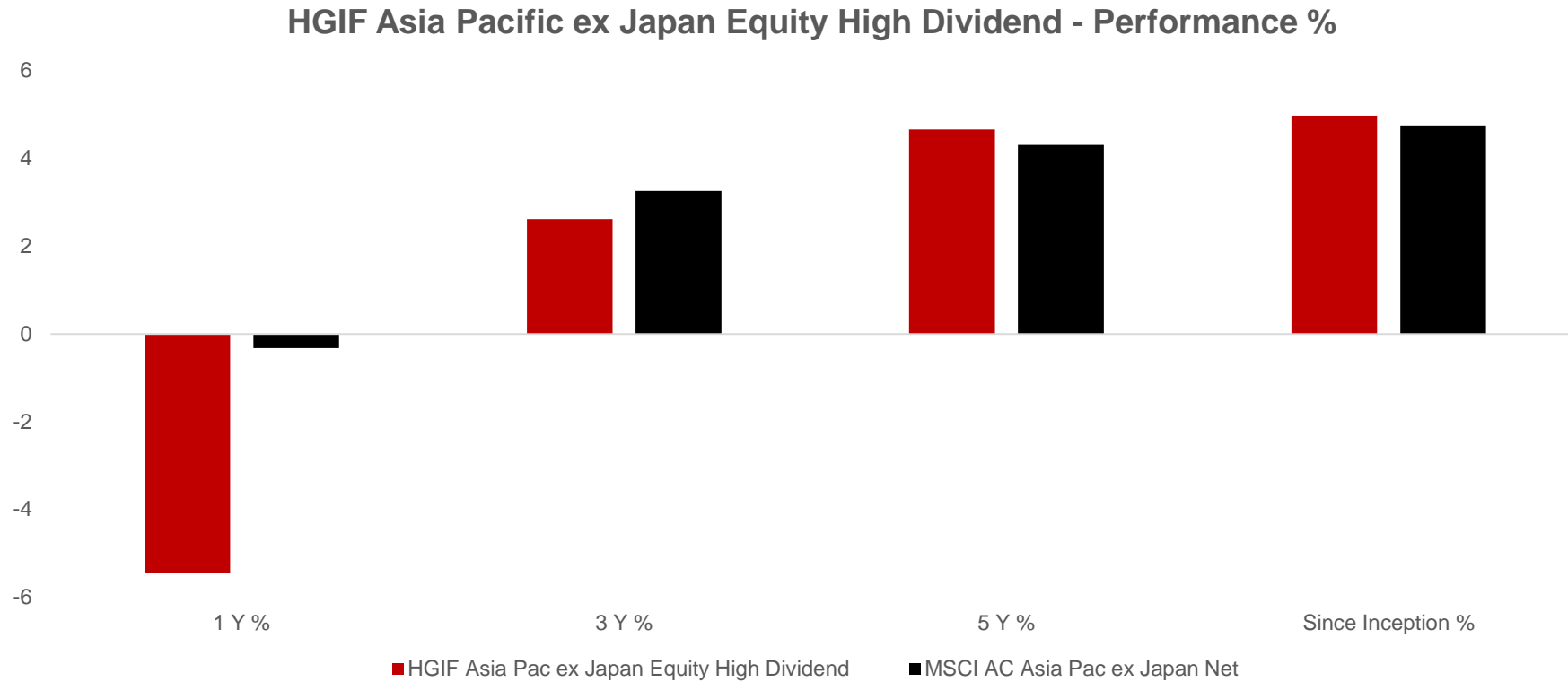
Fund changes that may have material impact on performance: 20 June 2016 – Investment objective changed

Key long-term themes

Theme	Strategy
Mining for cashflow	◆ Supply side discipline and solid global demand growth have resulted in firmer prices for materials and energy, boosting outlook for cashflows and dividend
Domestic consumption	◆ Rising income and wealth will continue to spur consumption, which will not be altered even trade tensions escalate
Increased digitalization	◆ Regional telecoms benefit from rising data consumption, and are an attractive source of stable dividend yields
Constructive on properties	◆ Property sector in selected countries are not only attractive from the valuation perspective, but also benefitting from favourable interest rate environment or policy tailwind
Banking on dividends	◆ Banks, insurance companies and stock exchanges are in a sweet spot to benefit from rapidly growing Asian economies, capital markets and consumption patterns

Note: For illustrative purposes only, and should not be construed as a recommendation to buy or sell any investment. Past performance is not indicative of future performance.
Source: HSBC Global Asset Management

Performance - HGIF Asia Pacific ex Japan Equity High Dividend (Underlying fund)



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Recap – our proposition



HSBC
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Contrarian investors supported by a diversified, empowered and skilled team

- **Patient investors**, seeking to buy & sell companies at the 'right price', identifying favourable risk reward within & across business cycles
- We focus on the **competitive advantage** of companies within an industry; and the **operating leverage** effect of cycles
- We **actively gauge the ESG impact** on company profitability and valuations

A contrarian, considered and conviction approach to achieve outperformance with dividend yield support

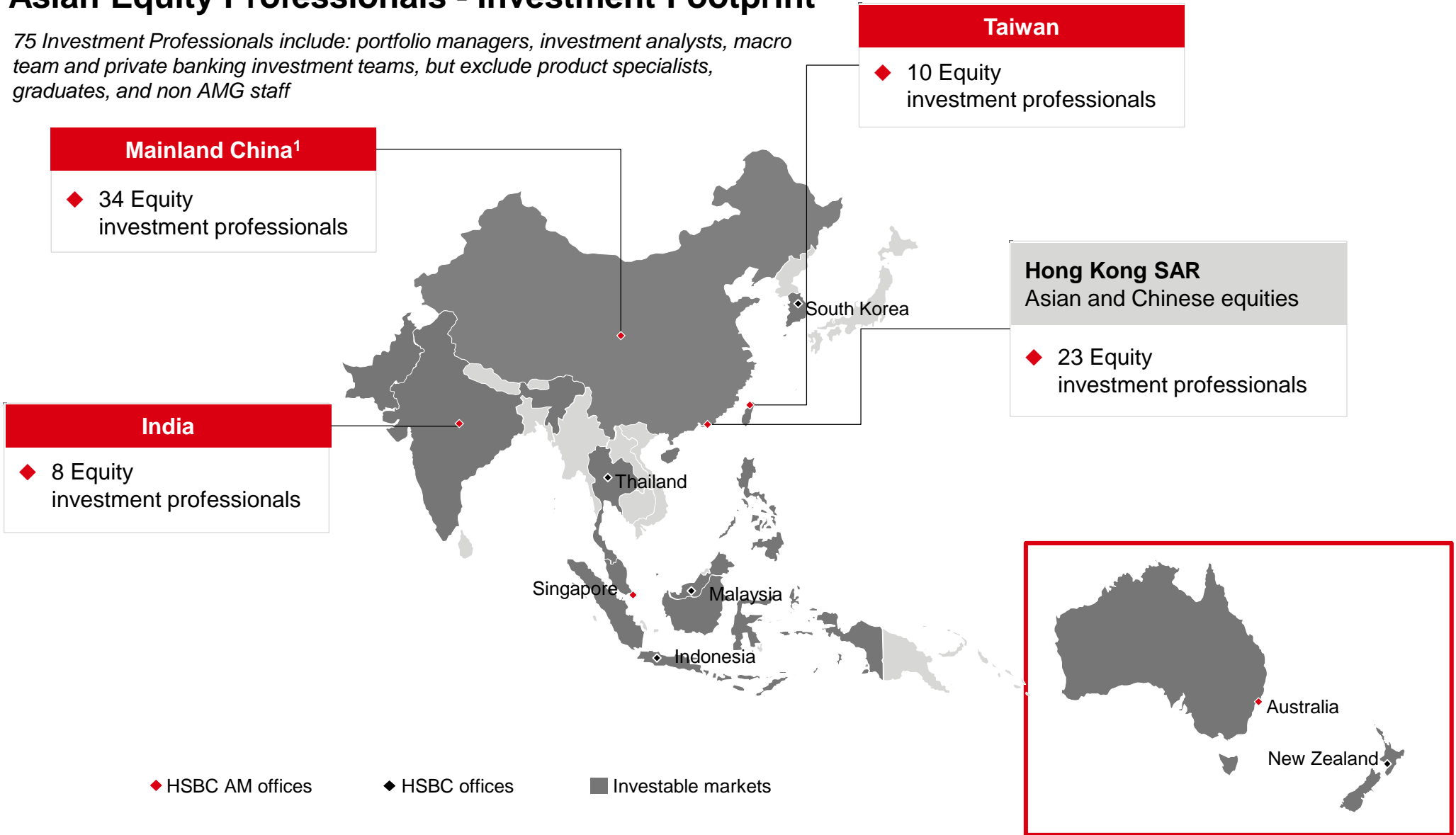
Asia equities investment team



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Management

Asian Equity Professionals - Investment Footprint

- 75 Investment Professionals include: portfolio managers, investment analysts, macro team and private banking investment teams, but exclude product specialists, graduates, and non AMG staff



Note:
 1. Part of the HSBC Jintrust Fund Management company, a joint venture between HSBC Global Asset Management and Shanxi Trust Corporation Ltd
 Source: HSBC Global Asset Management, as of May 2020

Risk management process

Three lines of defence model

First line		Second line	Third line
Responsible for identifying, recording, reporting and managing risks, and ensuring that the right controls and assessments are in place to mitigate these risks		Risk specialists who set policy and guidelines for managing risk, and provide advice and guidance on effective risk management	Independently ensures the effective management of risk
Pre-trade/Trade	Post-trade	Investment & Market Risk	Risk & Compliance
<p>Risk Calibration</p> <ul style="list-style-type: none"> ◆ Agree fund by fund specific risk metrics considering: <ul style="list-style-type: none"> • Fund objectives, including performance and volatility • Investment strategies employed • Liquidity and number of holdings <p>Portfolio managers</p> <ul style="list-style-type: none"> ◆ Validation of investment and credit guidelines ◆ Fundamental and valuation recommendations ◆ Security eligibility and markets <p>Dealing process</p> <ul style="list-style-type: none"> ◆ Coherence of orders ◆ Counterparty risks ◆ Pre-trade checks (limits, counterparties, issuers, instruments, etc.) <p>Portfolio Risk</p> <ul style="list-style-type: none"> ◆ Pre-trade checks for consistency with in-house guidelines, client and regulatory limits¹ 	<p>Middle Office</p> <ul style="list-style-type: none"> ◆ Daily valuation reconciliation ◆ Trades and positions control; reconciliation with valuation agent, custodian and clearer <p>Portfolio Managers</p> <ul style="list-style-type: none"> ◆ Monitor risk guidelines and portfolio constraints ◆ Monitor market risks ◆ Quantitative risk metrics ◆ Decide on rebalancing <p>Research²</p> <ul style="list-style-type: none"> ◆ Monitor economic and credit events ◆ Investment universe <p>Business Risk²</p> <ul style="list-style-type: none"> ◆ Facilitate the Risk and Control Assessment Process ◆ Implement on-going testing of key business controls <p>Portfolio Risk/Control</p> <ul style="list-style-type: none"> ◆ Post-trade checks for consistency with in-house guidelines, client and regulatory limits¹ ◆ Monitoring investment decisions coherence with portfolios' objectives ◆ Daily, monthly and quarterly monitoring of investment guidelines and restrictions¹ ◆ Portfolio analytics, including performance, risk and attribution 	<p>Risk Management</p> <ul style="list-style-type: none"> ◆ Oversees all aspects of risk and monitors responses to risk events <p>Portfolio Risk/Compliance</p> <ul style="list-style-type: none"> ◆ Analysis of risk framework. Determination and monitoring of key risk metrics for each fund (eg. TE, VaR, duration, etc.) ◆ Validate front office models ◆ Monitors performance and return volatility ◆ Pre- and post-trade checks for consistency with in-house guidelines, client and regulatory limits¹ <p>Liquidity and Counterparty Risk</p> <ul style="list-style-type: none"> ◆ Agree liquidity framework for all funds ◆ Approval of all counterparties and control of exposure limits ◆ Liquidity monitoring, including any regulatory requirements 	<ul style="list-style-type: none"> ◆ Advising on and setting policies and procedures ◆ Identifying and assessing significant risk areas ◆ Providing business with advice and support ◆ Oversight and monitoring of business activities ◆ Supporting the business to meet changing regulation <p>Operational Risk</p> <ul style="list-style-type: none"> ◆ Define the overall policy for operational risk management and provide advice and guidance on this ◆ Ensure the business is run in accordance with risk appetite, through monitoring, reporting and challenge
		Internal Audit	<p>HSBC's Audit</p> <ul style="list-style-type: none"> ◆ Thematic audits ◆ Regular on-site audits ◆ Follow up of audit recommendations

For illustrative purposes only. Representative overview of the investment process, which may differ by product and or asset class, client mandate or market conditions.

HSBC Global Asset Management and HSBC Group have committees at business, country, regional and global levels to oversee risk exposures against risk appetite and the effective operation of the control environment.

1. Primary responsibility for adherence lies with the portfolio managers. The tools used may be run by or supported by first or second line functions depending upon local structures.
2. Predominantly post-trade, but also undertaken pre-trade where appropriate.

Fund of Funds performance

HSBC Asia Pacific (Ex Japan) Dividend Yield Fund

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

HSBC Asia Pacific (Ex Japan) Dividend Yield Fund

Fund of Funds Performance

Fund Manager - Priyankar Sarkar Effective 23 July 2019. Total Schemes Managed - 4

HSBC Asia Pacific (Ex Japan) Dividend Yield Fund	Inception Date: 24-Feb-14							
	1 Year		3 Years		5 Years		Since Inception	
	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)
Fund / Benchmark (Value of ₹10,000 invested)								
HSBC Asia Pacific (Ex Japan) Dividend Yield Fund	10,227	2.25	12,061	6.44	13,725	6.53	14,749	6.31
Scheme Benchmark (MSCI AC Asia Pacific ex Japan TRI)	10,926	9.18	12,871	8.77	14,665	7.95	16,322	8.02
Additional Benchmark (Nifty 50 TRI)	8,840	-11.51	11,234	3.95	13,104	5.55	18,024	9.72

Data as of 30 June 2020

The performance details provided herein are of other than Direct Plan - Growth Option. Returns on Rs10,000 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 June 2020 for the respective Schemes. Returns 1 year and Above are Compounded Annualised. 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 Other than Direct Plan. The performance data of the scheme(s) managed by the respective Fund Manager which has/have not completed 1 year is not provided. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open ended schemes.

Other funds managed by the Fund Manager Performance

Fund Manager - Priyankar Sarkar Effective 23 July 2019. Total Schemes Managed - 4

HSBC Global Consumer Opportunities Fund		Inception Date: 23-Feb-15							
Fund / Benchmark (Value of ₹10,000 invested)		1 Year		3 Years		5 Years		Since Inception	
		Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)
HSBC Global Consumer Opportunities Fund		10,857	8.50	13,032	9.22	14,315	7.43	14,322	6.94
Scheme Benchmark (MSCI AC World Index TRI)		11,193	11.83	13,978	11.80	16,239	10.17	16,439	9.73
Additional Benchmark (Nifty 50 TRI)		8,840	-11.51	11,234	3.95	13,104	5.55	12,599	4.41

Fund Manager - Priyankar Sarkar Effective 23 July 2019. Total Schemes Managed - 4

HSBC Global Emerging Markets Fund		Inception Date: 17-Mar-08							
Fund / Benchmark (Value of ₹10,000 invested)		1 Year		3 Years		5 Years		Since Inception	
		Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)
HSBC Global Emerging Markets Fund		10,792	7.85	11,915	6.01	12,944	5.29	14,942	3.32
Scheme Benchmark (MSCI Emerging Market Index TRI)		10,590	5.85	12,370	7.34	13,673	6.45	23,782	7.30
Additional Benchmark (Nifty 50 TRI)		8,840	-11.51	11,234	3.95	13,104	5.55	26,505	8.25

Fund Manager - Priyankar Sarkar Effective 23 July 2019. Total Schemes Managed - 4

HSBC Brazil Fund		Inception Date: 06-May-11							
Fund / Benchmark (Value of ₹10,000 invested)		1 Year		3 Years		5 Years		Since Inception	
		Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)	Amount in ₹	Returns (%)
HSBC Brazil Fund		7,013	-29.67	9,720	-0.94	9,806	-0.39	6,288	-4.94
Scheme Benchmark (MSCI Brazil 10/40 Index TRI)		7,631	-23.52	11,224	3.92	12,543	4.63	10,335	0.36
Additional Benchmark (Nifty 50 TRI)		8,840	-11.51	11,234	3.95	13,104	5.55	20,809	8.33

Data as of 30 June 2020

The performance details provided herein are of other than Direct Plan - Growth Option. Returns on Rs10,000 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 June 2020 for the respective Schemes. Returns 1 year and Above are Compounded Annualised. 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 Other than Direct Plan. The performance data of the scheme(s) managed by the respective Fund Manager which has/have not completed 1 year is not provided. Considering the varying maturities of the close ended schemes, the performance of close-ended schemes is not provided as it is strictly not comparable with that of open ended schemes.

HSBC Global Asset Management overview

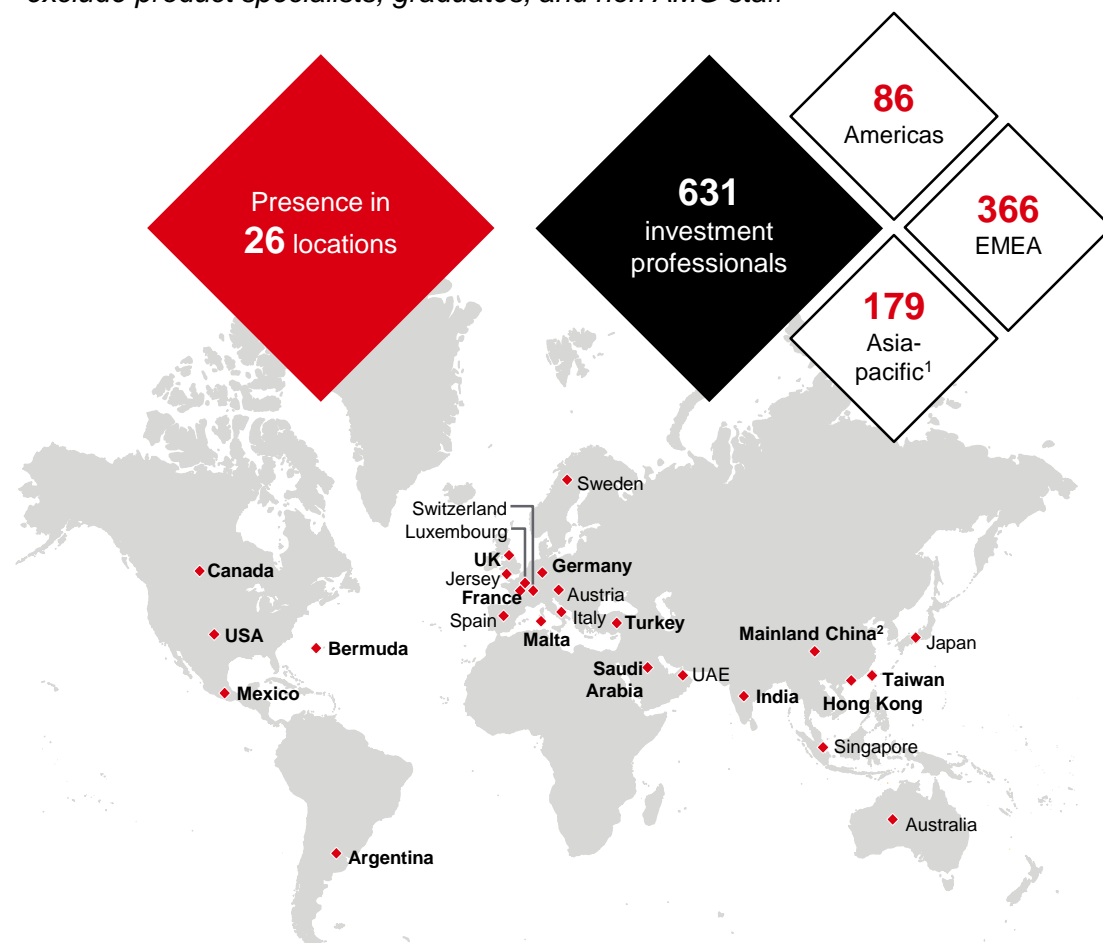


HSBC
Global Asset
Management

A global network of local experts

Investment professionals working across key locations

- Investment Professionals include: Macro team and private banking investment teams, but exclude product specialists, graduates, and non AMG staff



◆ HSBC Global Asset Management offices - Countries where our investment teams sit are in bold

- Asia-Pacific includes employees and assets of Hang Seng Bank, in which HSBC has a majority holding.
- HSBC Jintrust Fund Management company is a joint venture between HSBC Global Asset Management and Shanxi Trust Corporation Limited.
- Includes assets managed by both onshore and offshore investment teams

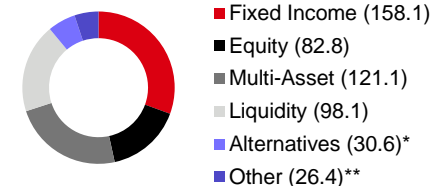
*Alternatives assets include USD6.4bn from committed capital (“dry powder”).

**Other is the assets of Hang Seng Bank, in which HSBC has a majority holding, and of HSBC Jintrust Fund Management, a joint venture between HSBC Global Asset Management and Shanxi Trust Corporation Limited.

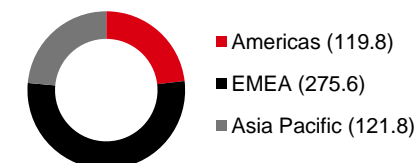
Source: HSBC Global Asset Management as at 31 March 2020. Any differences are due to rounding.

USD517.1bn under management

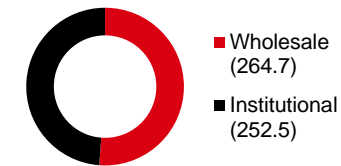
By asset class (USDbn)



By region (USDbn)



By client type (USDbn)



Asia Equity Assets Managed in the Region

Strategy	AUM (USDm)
Asia Pacific ex-Japan equity	4,505
Mainland Chinese equity ³	4,691
India equity ³	1,420
Hong Kong equity	3,332
Taiwan equity ³	2,087
Total AUM	16,035

HSBC Global Asset Management

Our DNA

- ◆ We use our expertise in connecting the developed and developing markets to unlock sustainable investment opportunities for investors and their advisors
- ◆ Through a long-term commitment to our clients, we deliver expert insights and specialist investment strategies that draw on our global on-the-ground expertise

Structured and disciplined global investment approach, local execution	Specialist expertise in growth markets	Responsible & sustainable investing	Robust risk management & governance	Autonomous but supported by HSBC Group
<ul style="list-style-type: none"> ◆ We are a truly global organisation with expertise and local presence across regions and a strong commitment to Asia and developing economies ◆ Our investment process is characterised by structure and discipline, implemented with skill by empowered and accountable teams of portfolio managers and analysts 	<ul style="list-style-type: none"> ◆ HSBC Global Asset Management provides investment opportunities across multiple asset classes and capabilities, focusing on connecting the developed and developing world ◆ A strong on-the-ground presence in key developing markets gives us unparalleled local access and insight 	<ul style="list-style-type: none"> ◆ As we aim to achieve sustainable solutions for investors, we have fully integrated responsible investment within our investment culture ◆ A focus on long-term, sustainable performance of strong risk-adjusted returns, rather than risky short-term tactics 	<ul style="list-style-type: none"> ◆ Risk awareness and risk management are core to our approach and embedded throughout our organisation ◆ Holistic approach to risk management: we identify, quantify and manage risk across all its dimensions 	<ul style="list-style-type: none"> ◆ An autonomous business line supported by the resources and long-term commitment of one of the world's leading international banks ◆ A shared global infrastructure and relationship management network across the Group

¹ Top 10 in financial institutions; top 21 among all industries. *Forbes Global 2000*, June 2019

Source: HSBC Global Asset Management as 31st December 2019. The views expressed above were held at the time of preparation and are subject to change without notice.

Key risks

The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested.

- ◆ Exchange rate risk: Investing in assets denominated in a currency other than that of the investor's own currency perspective exposes the value of the investment to exchange rate fluctuations
- ◆ Emerging market risk: Emerging economies typically exhibit higher levels of investment risk. Markets are not always well regulated or efficient and investments can be affected by reduced liquidity
- ◆ Derivative risk: The value of derivative contracts is dependent upon the performance of an underlying asset. A small movement in the value of the underlying can cause a large movement in the value of the derivative. Unlike exchange traded derivatives, over-the-counter (OTC) derivatives have credit risk associated with the counterparty or institution facilitating the trade
- ◆ Operational risk: The main risks are related to systems and process failures. Investment processes are overseen by independent risk functions which are subject to independent audit and supervised by regulators

Asia Pacific ex Japan High Dividend Equity

Disclosures

HSBC Global Asset Management (the Firm) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Firm has been independently verified for the periods 1 January 2006 through 31 December 2018. The resultant verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

The composite creation date is 04/02/2005

A complete list and description of all Firm composites, as well as additional information regarding policies for calculating and reporting returns, is available on request from the contact shown on the document or presentation to which this report is attached.

Prior to 2011, HSBC Global Asset Management maintained eight distinct GIPS Firms. The Firms were defined by legal business entity. All existing group Firms were thereafter amalgamated into a single global Firm definition. Historical performance shown prior to January 1, 2006 reflects the performance of a legacy Firm GIPS composite.

HSBC Global Asset Management (the Firm) consists of discretionary accounts and sub-accounts managed as discrete mandates within specified local HSBC Global Asset Management entities. The Firm comprises the following: HSBC Global Asset Management (Deutschland) GmbH, HSBC Global Asset Management (Hong Kong) Limited, HSBC Global Asset Management (USA) Inc., HSBC Global Asset Management (France), HSBC Global Asset Management (Canada) Limited, and HSBC Global Asset Management (UK) Limited, inclusive of authorised mutual funds and mandates investing primarily in Asset Backed Securities (ABS) managed in these locations. The Firm excludes portfolios and funds managed by the Alternative Investments and ABS teams (with the exception of ABS funds referenced herein), LDI products, French regulated employee (FCPE) schemes, and private client accounts as these products operate under a materially different philosophy and process and/or regulatory environment.

Asia ex Japan High Dividend Equity Composite consists of discretionary accounts with mandates investing in a diversified portfolio of equities in the Asia Pacific area (exclude Japan) that offer short-term sustainable dividend yields above the market average and/or the potential for dividend growth above the market average over the short-term. HSBC Investments Limited defines the Asia Pacific (exclude Japan) area as including the following countries, HK, Singapore, China, Taiwan, Korea, Malaysia, Thailand, Indonesia, Philippines, Australia, New Zealand, India, Pakistan and Sri Lanka.

Performance returns are calculated gross of investment management fees and other non-trading related expenses.

The performance presented in this composite report is calculated net of unreclaimable withholding taxes.

The exchange rates used by some of the accounts in this composite are specified by the client/custodian and may be different from those used by the benchmark, which are sourced from WM/Reuters.

Portfolios in the composite may invest in currency forwards for the purpose of hedging and return enhancement. Portfolios may use forward currency contracts in conjunction with normal settlement and security trades in non-base currencies. Use of forward currency contracts are subject to mandated tracking error and benchmark limits.

Warnings: The historical performance presented in these reports should not be seen as an indication of future performance; The value of your investment and any income from it can go down as well as up. Where overseas securities are held the rate of exchange may cause the value of the investment to go down as well as up. Investors should also be aware that other performance calculation methods may produce different results, and that the results for specific portfolios and for different periods may vary from the returns presented in these reports; Comparisons of investment returns should consider qualitative circumstances and should be made only to portfolios with generally similar investment objectives. In the USA, this information is intended for use solely in one-on-one presentations.

The standard annual investment management fee schedule for separately managed institutional accounts is as follows: 0.75% of assets per annum for the first \$100 million, 0.70% for \$100-\$200 million, 0.65% for \$200-\$500 million, and 0.60% for the balance over \$500 million. Minimum AUM of \$50 million.

The dispersion of the returns are measured by the spread of gross returns from individual portfolios within a composite. The dispersion of returns are measured by the percentiles of gross portfolio returns represented within the composite.

The GIPS Total Firm AUM is calculated and shown on a quarterly basis.

Incorrect Firm AUM values were previously published during 2018 and Q1 2019, due to inaccurate account reference data. The Firm AUM has been restated as follows: from USD 305,390.17mn to USD 275,420.02mn at end 2017, and from USD 287,571.50mn to USD 253,946.01mn at end 2018.

Important information

For professional investors and intermediaries only. This document should not be distributed to or relied upon by retail clients/investors.

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This document has not been reviewed by the Securities and Futures Commission.

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