

## 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.

July 2023

Fund Category	Fund Manager	Benchmark <sup>1</sup>	Inception Date	AUM
Fund of Funds (Overseas)	Sonal Gupta	MSCI AC Asia Pacific ex Japan TRI	24 Feb 2014	Rs. 8.32 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<sup>2</sup>

Standard Deviation	16.33%
Beta	0.87
Sharpe Ratio <sup>3</sup>	0.05
R2	0.85%

### HAHDF - Underlying fund strategy

- Dividends remain a key driver of long-term total return in Asia
- 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 leading to risk reduction

Load / Expenses	
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. <sup>4</sup>	
Expense ratio (Other than Direct) <sup>5</sup>	2.04%
Expense ratio (Direct)	1.28%

Product Note

Data as on 30 June 2023

<sup>1</sup> 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

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

<sup>3</sup> Risk free rate 6.90% (FIMMDA-NSE MIBOR) as on June 30, 2023

<sup>4</sup> Continuing plans

Document date :18 July 2023

The fund has undergone merger/consolidation along with changes to its fundamental attributes as per the notice published on 14 Nov '22. For more details visit our website page - <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/acquisition-public-fund>.

## 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.

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

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

mainland China Communication Services security, TENCENT HOLDINGS LTD with total effect 0.50% is the top contributor. Additionally, Australian Energy security, SANTOS LTD was the second largest contributor with total effect 0.29%. Indian Utilities security, POWER GRID CORP OF INDIA LTD also contributed with total effect 0.28%.

On the other side, detractors included Hong Kong (SAR) Financials security HONG KONG EXCHANGES & CLEAR with total effect -0.37%, Australian Materials holding, SOUTH32 LTD with total effect -0.35%, and mainland China Communication Services holding, BAIDU INC-CLASS A with total effect -0.26%.

During this period, positions were initiated in KINSUS INTERCONNECT TECH, UNITED MICROELECTRONICS CORP, and UNIMICRON TECHNOLOGY CORP.

Positions were closed in INDUS TOWERS LTD, HCL TECHNOLOGIES LTD, UNITED TRACTORS TBK PT, CHINA RESOURCES CEMENT, and COMMONWEALTH BANK OF AUSTRAL.

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.

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

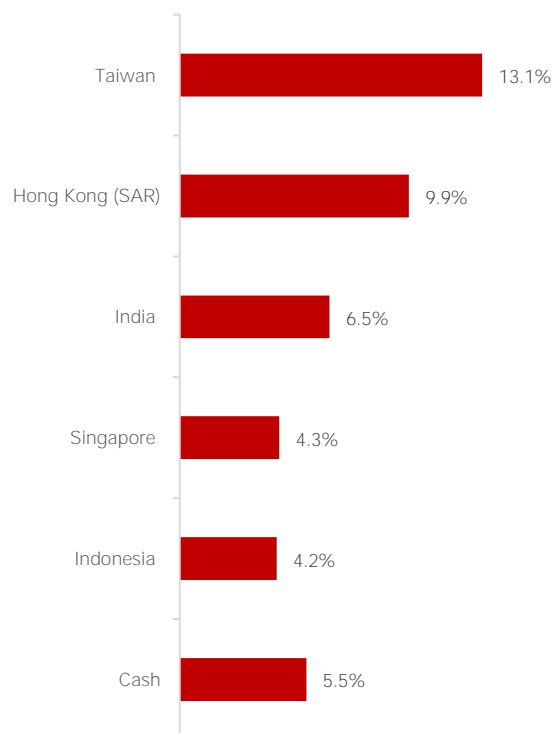
## Portfolio

Instrument	Weight (%)
TAIWAN SEMICONDUCTOR CO LTD	7.6%
SAMSUNG ELECTRONICS CO LTD	7.0%
KB FINANCIAL GROUP INC	4.5%
AIA GROUP LTD	4.5%
DBS GROUP HOLDINGS LTD	4.3%
TELKOM INDONESIA PERSERO TBK	4.2%
BAIDU INC-CLASS A	4.0%
NATIONAL AUSTRALIA BANK LTD	3.9%
CHINA CONSTRUCTION BANK-H	3.8%
TINGYI (CAYMAN ISLN) HLDG CO	3.8%
SK TELECOM	3.7%
PING AN INSURANCE GROUP CO-H	3.6%
SANTOS LTD	3.5%
HONG KONG EXCHANGES & CLEAR	3.1%
TELSTRA CORP LTD	3.1%
BHP GROUP LTD	2.8%
CHINA STATE CONSTRUCTION INT	2.8%
SOUTH32 LTD	2.7%
SK SQUARE CO LTD	2.7%
POWER GRID CORP OF INDIA LTD	2.4%
ALIBABA GROUP HOLDING LTD	2.4%
L'OCCITANE INTERNATIONAL SA	2.4%
MEDIATEK INC	2.3%
INFOSYS LTD	1.8%
IND & COMM BK OF CHINA-H	1.5%
KINSUS INTERCONNECT TECH	1.3%
MINDSPACE BUSINESS PARKS REI	1.3%
UNITED MICROELECTRONICS CORP	1.1%
INDIA GRID TRUST	1.0%
UNIMICRON TECHNOLOGY CORP	0.8%
PROSUS NV	0.4%
SHIMAO GROUP HOLDINGS LTD	0.2%
Cash	5.5%
<b>Total</b>	<b>100.00%</b>

## Sector Allocation (%)

Name	End Weight
Financials	29.2%
Information Technology	22.0%
Communication Services	15.0%
Consumer Staples	6.2%
Materials	5.5%
Industrials	5.4%
Energy	3.5%
Utilities	3.4%
Consumer Discretionary	2.8%
Real Estate	1.5%
<b>Cash</b>	<b>5.5%</b>

## Weighting - Country



# 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		96.58%
HSBC GIFAsia Pacific Fund	Overseas Mutual Fund	96.58%
Cash Equivalent		3.42%
TREPS*		2.29%
Net Current Assets:		1.13%
Total Net Assets as on 30-June-2023		100.00%

## Asset Allocation

International - Mutual Fund Units	96.58%
Reverse Repos/TREPS	2.29%
Net Current Assets	1.13%
Total Net Assets as on 30-June-2023	100.00%

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

HSBC Asia Pacific (Ex Japan) Dividend Yield Fund		
	<p><b>Fund of Funds (Overseas)</b> – 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"> <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>Benchmark Index: MSCI AC Asia Pacific ex Japan TRI</b></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 Asset Management India, data as on 30 June 2023

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