

## HSBC Global Investment Funds

# HONG KONG EQUITY

Monthly report 29 February 2024 | Share class PD

Fund center



### Risk Disclosure

- The Fund invests mainly in Hong Kong equities.
- The Fund is subject to the geographic concentration risks of investing in a single market.
- The Fund may invest in financial derivative instruments for investment purpose which may lead to higher volatility to its net asset value.
- The Fund's investments may involve currency, volatility, liquidity, equity market risks, risk associated with small/mid-capitalisation companies, tax and political risks. Investors may suffer substantial loss of their investments in the Fund.
- Investors should not invest solely based on factsheet and should read the offering documents for details.

### Investment objective

The Fund aims to provide long term capital growth by investing in a portfolio of Hong Kong SAR shares, while promoting environmental, social and governance (ESG) characteristics. The Fund qualifies under Article 8 of SFDR.

### Investment strategy

The Fund is actively managed. In normal market conditions, the Fund will invest at least 90% of its assets in shares (or securities similar to shares) of companies of any size that are based in or carry out the larger part of their business activities in, Hong Kong SAR. The Fund includes the identification and analysis of a company's ESG Credentials as an integral part of the investment decision making process to reduce risk and enhance returns. The Fund will not invest in companies with involvement in specific excluded activities, such as: companies involved in the production of controversial weapons and tobacco; companies with more than 10% revenue generated from thermal coal extraction; and companies with more than 10% revenue generated from coal-fired power generation. The Fund can invest up to 20% in China A and China B-shares, up to 10% in other funds and up to 10% Real Estate Investment Trusts. See the Prospectus for a full description of the investment objectives and derivative usage.

### Share Class Details

Key metrics	
NAV per Share	<b>USD 91.79</b>
Volatility 3 years	<b>24.54%</b>
Fund facts	
UCITS V compliant	<b>Yes</b>
Dividend treatment	<b>Distributing</b>
Distribution Frequency	<b>Annually</b>
Dividend ex-date	<b>31 May 2023</b>
Dividend annualised yield*	<b>1.58%</b>
Dividend Amount	<b>1.528724</b>
Dealing frequency	<b>Daily</b>
Share Class Base Currency	<b>USD</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>16 January 1987</b>
Fund Size	<b>USD 124,740,637</b>
Reference benchmark	<b>100% FTSE MPF Hong Kong</b>
Managers	<b>Caroline Yu Maurer</b>
Fees and expenses	
Minimum initial investment (HK) <sup>1</sup>	<b>USD 1,000</b>
Maximum initial charge (HK)	<b>4.500%</b>
Management fee	<b>1.000%</b>
Codes	
ISIN	<b>LU0011817854</b>
Bloomberg ticker	<b>HSBHKEI LX</b>

<sup>1</sup>Please note that initial minimum subscription may vary across different distributors

**Past performance does not predict future returns. The figures are calculated in the share class base currency, NAV to NAV basis with dividend reinvested, net of fees. If investment performance is not denominated in HKD or USD, HKD or USD based investors are exposed to exchange rate fluctuations. \*The fund may pay dividends out of capital or gross of expenses.**

**Reference Performance Benchmark: FTSE MPF Hong Kong Net since 1 Dec 2011.**

**From 1 Jan 1990 – 30 Nov 2011, the benchmark was Hang Seng Gross.**

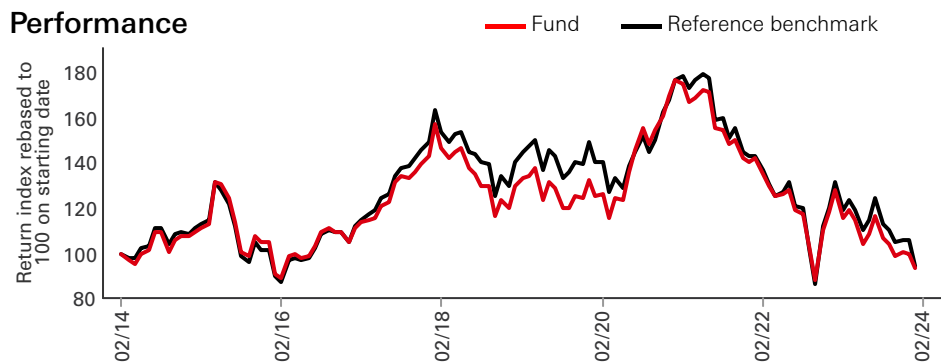
**Prior to that was Hang Seng Price.**

**Fund change that may have material impact on performance: 20 Jun 2016 – investment objective changed. 16 Nov 2018 - Change in the manner of charging sales charge / switching charge.**

**For definition of terms, please refer to the Glossary QR code.**

**Source: HSBC Asset Management, data as at 29 February 2024**

Performance



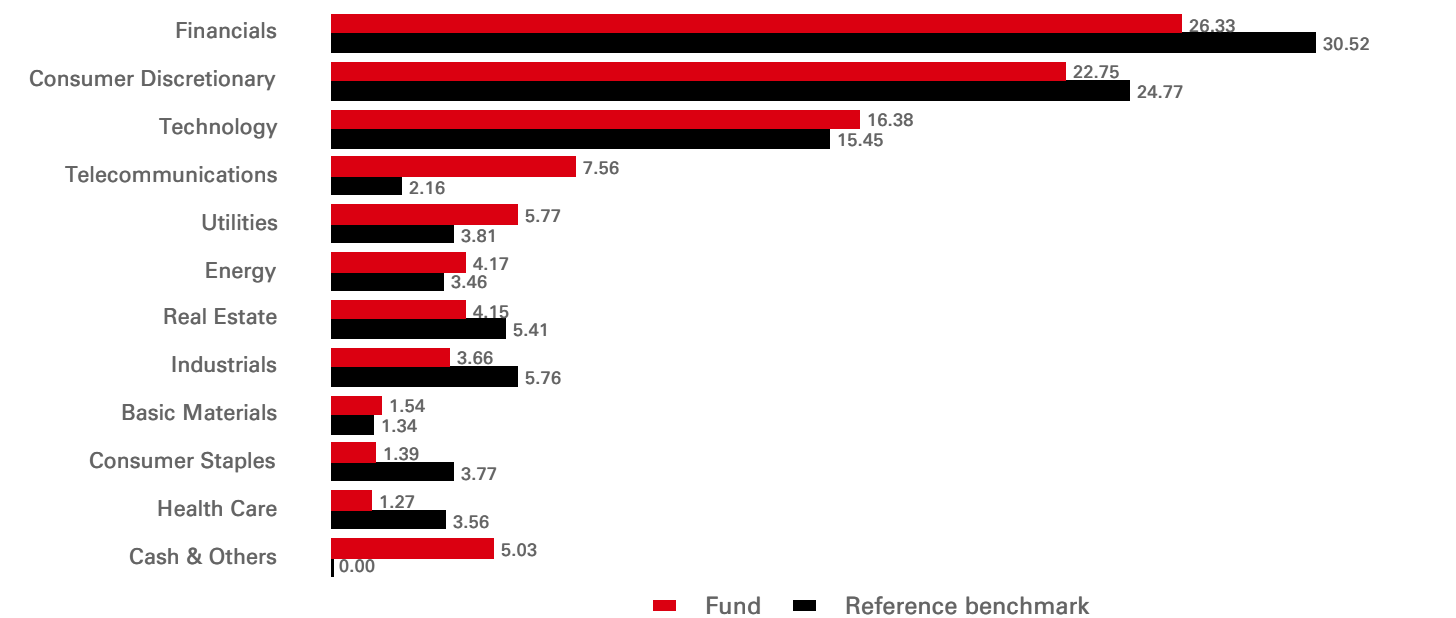
Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years	5 years
PD	-0.73	5.44	-1.80	-7.69	-14.62	-43.57	-25.96
Reference benchmark	-3.68	7.15	-3.85	-10.31	-14.46	-42.86	-29.84

Calendar year performance (%)	2019	2020	2021	2022	2023
PD	10.07	28.09	-17.01	-15.59	-16.11
Reference benchmark	14.90	12.23	-14.98	-16.03	-11.85

The calendar year return of the first year is calculated between share class inception date and calendar year end of first year if the share class has less than 5-year history. Results are cumulative

Equity characteristics	Fund	Reference benchmark	3-Year Risk Measures	PD	Reference benchmark
No. of holdings ex cash	51	339	Volatility	24.54%	27.75%
Average Market Cap (USD Mil)	125,156	80,352	Information ratio	-0.07	--
			Beta	0.87	--

Sector Allocation (%)



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Top 10 Holdings	Sector	Weight (%)
HSBC Holdings PLC	Financials	9.15
Alibaba Group Holding Ltd	Consumer Discretionary	8.92
Tencent Holdings Ltd	Technology	8.86
China Construction Bank Corp	Financials	7.48
NetEase Inc	Consumer Discretionary	5.25
AIA Group Ltd	Financials	4.75
China Mobile Ltd	Telecommunications	4.31
CNOOC Ltd	Energy	4.17
Taiwan Semiconductor Co Ltd	Technology	3.75
Power Assets Holdings Ltd	Utilities	3.49

## Monthly performance commentary

Stock selection was negative for the month. Positive performance came from Energy and Consumer Discretionary, though this was offset by negative stock selection in Technology and Telecommunications.

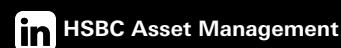
Consumer Discretionary security, New Oriental Education & Technology with total effect 0.31% is the top contributor. Additionally, Consumer Discretionary security, NetEase was the second largest contributor with total effect 0.24%. Energy security, CNOOC also contributed with total effect 0.15%.

On the other side, detractors include Technology security Meituan with total effect -0.41%, Telecommunications holding China Mobile with total effect -0.38%, and Consumer Discretionary holding Li Auto with total effect -0.20%.

During this period, positions were initiated in ZTE Corp. Positions in WuXi AppTec and JD.com were closed.

Sector allocation effects are residual to stock selection. At the sector level, effects were negative, given an underweight exposure to Health Care.

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#### Glossary



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## Benchmark disclosure

The Investment Advisor will use its discretion to invest in securities not included in the reference benchmark based on active investment management strategies and specific investment opportunities. It is foreseen that a significant percentage of the Fund's investments will be components of the reference benchmark. However, their weightings may deviate materially from those of the reference benchmark. Any deviations with respect to the benchmark are monitored within a comprehensive risk framework, which includes monitoring at security and sector level. The deviation of the Fund's performance relative to the benchmark is monitored, but not constrained, to a defined range. The reference benchmark has a high level of concentration. This means that a small number of securities make up a significant proportion of the benchmark.

## Important Information

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**Source: HSBC Asset Management, data as at 29 February 2024**

## Supplemental information sheet

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Dividend Amount	Annualised Yield based on ex-dividend date
AC	USD	--	--	--	--
ACHKD	HKD	--	--	--	--
AD	USD	Annually	31 May 2023	0.979295	0.99%
ADHKD	HKD	Annually	31 May 2023	0.088490	0.99%
PD	USD	Annually	31 May 2023	1.528724	1.58%

The above table cites the last dividend paid within the last 12 months only.

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. Past distribution yields and payments do not represent future distribution yields and payments. Historical payments may be comprised of both distributed income and capital.

The calculation method of annualised yield from August 2019 is the compound yield calculation:  $((1 + (\text{dividend amount} / \text{ex-dividend NAV}))^n) - 1$ , n depends on the distributing frequency. Annually distribution is 1; semi-annually distribution is 2; quarterly distribution is 4; monthly distribution is 12.

The annualised dividend yield is calculated based on the dividend distribution on the relevant date with dividend reinvested, and may be higher or lower than the actual annual dividend yield.

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Source: HSBC Asset Management, data as at 29 February 2024