

# HSBC GIF Asia Pacific ex Japan Equity High Dividend

Aiming for consistent higher income

March 2022



Management company	HSBC Investment Funds (Luxembourg) S.A.
Investment advisor	HSBC Global Asset Management (Hong Kong) Limited

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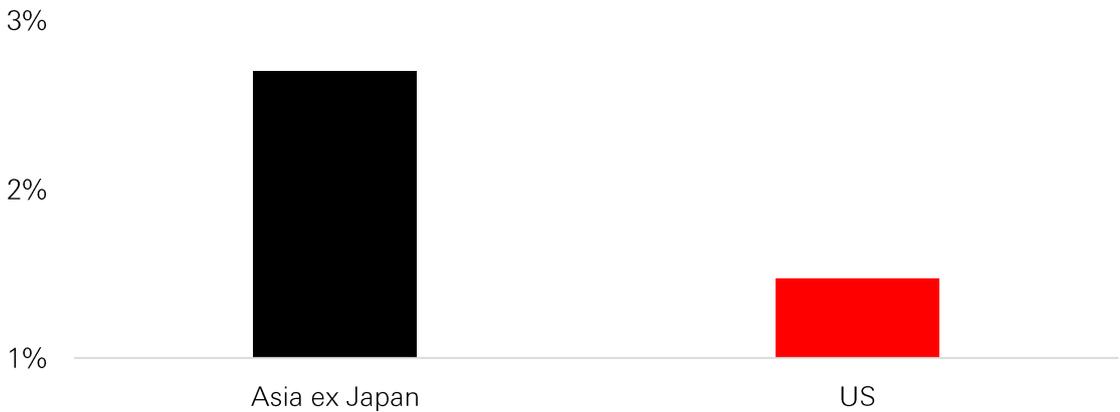
HSBC

Opening up a world of opportunity

# Why consider investing in Asia High Dividend?

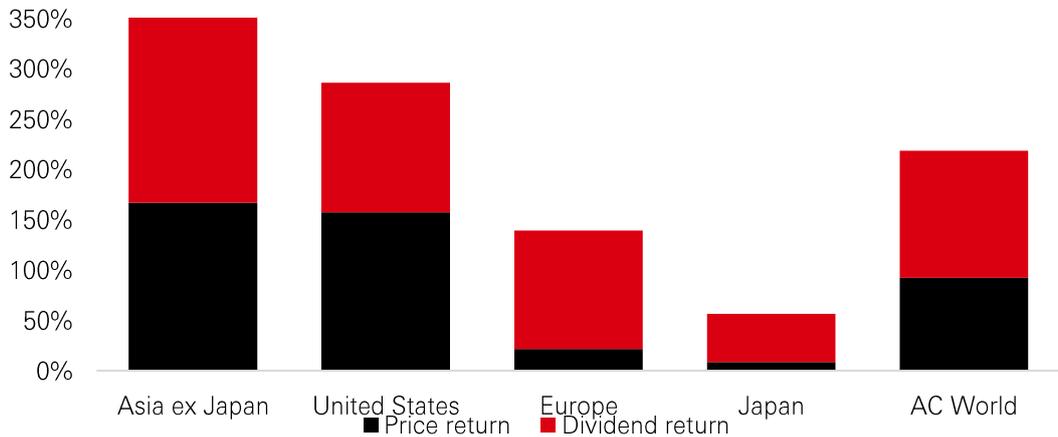
## Asia ex Japan offers higher yield than US<sup>(1)(4)</sup>

As of 31 December 2021 Historical dividend yield (%)

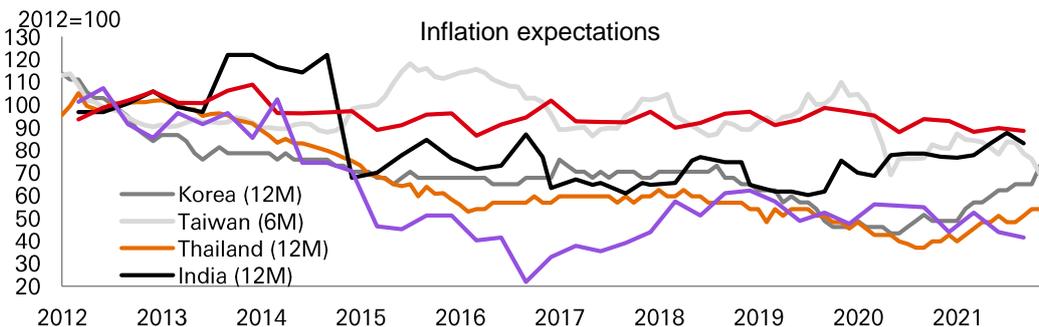


## Dividend<sup>(2)(4)</sup> accounts over half of total shareholder returns in Asia

Total return (price + dividends) since 2000



## Manageable inflation risks for Asian economies<sup>(3)</sup>



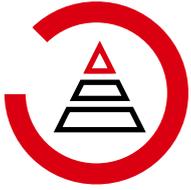
Source: Note 1: MSCI, HSBC Asset Management, data as of 31 December 2021. Asia ex Japan: MSCI Asia ex Japan Index, US: S&P 500 Index  
 Note 2: MSCI, Bloomberg, HSBC Asset Management, 31 December 2021. Asia ex Japan: MSCI Asia ex Japan Index, US: MSCI USA Index,  
 Europe: MSCI Europe Index, Japan: MSCI Japan, AC World: MSCI AC World  
 Note 3: CEIC, HSBC Asset Management, December 2021  
 Note 4: . 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.

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# Why consider investing in this Fund?



## Resilient performance<sup>(1)</sup> amid pandemic challenges

- ◆ Despite the challenges caused by the pandemic, the HGIF Asia Pacific ex Japan High Dividend Fund is ranked in the first quartile against its peers over the 3-year and 5-year periods, based on Morningstar ranking data as of December 2021<sup>1</sup>



## Attractive dividend yield<sup>(2)</sup> at 5.1%

(Dividend is not guaranteed and may be paid out of capital)

- ◆ The Fund has a dividend yield of 5.1% as of December 2021. The potential monthly yield is variable



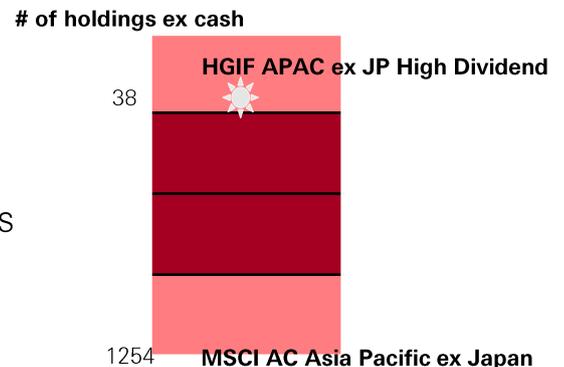
## Focus on long-term performance<sup>(3)</sup>

- ◆ As of December 2021, the Fund outperformed its benchmark by 1.9% and 3.9% over the 3-year and 5-year periods, respectively
- ◆ In 2021, the Fund outperformed its benchmark by 7.3%

## Contrarian, considered & conviction based portfolio



- ◆ Incorporated with environmental, social and governance principles, the Fund focuses on a combination of defensive, cyclical securities. It ensures diversification and improve the sustainability of its income, and offer potential growth for investors



Source: HSBC Asset Management, as of 31 December 2021

For illustration purposes only  
Source: Morningstar, Style Analytics

Notes: 1. The Morningstar quartile ranking ranks the fund's performance against its peers in the Morningstar category = Asia Pacific ex-Japan Equity Income, offshore territories; corresponding to the specified time horizon. The star rating is based on the performance of the IC share class of the fund. The Morningstar data covers the fund performance for the periods ended in 31 December 2021.

Note 2: 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.

Note 3: Based on IC Share class, data as of 31 December 2021.

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## Fund performance (IC share class) (%) December 2021<sup>(1)(2)</sup>

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund	19.70	2.20	1.75	-10.00	10.62	34.01	-11.15	21.55	13.15	4.37
MSCI AC Asia Pacific ex Japan Net Index	22.31	3.41	2.82	-9.37	6.75	36.99	-13.92	19.16	22.44	-2.90

	YTD	3M	1Y	3Y	5Y
Fund	4.37	1.91	4.37	43.55	70.92
MSCI AC Asia Pacific ex Japan Net Index	-2.90	-0.77	-2.90	41.67	67.05

For illustration purposes only

Source: MSCI, HSBC Asset Management, as of 31 December 2021

**The performance figures displayed in the document relate to the past and past performance should not be seen as an indication of 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.

### Fund's characteristics<sup>(3)</sup>

	Fund	MSCI AC Asia Pacific ex Japan
Dividend yield <sup>(4)</sup>	5.1%	-
Number of holdings ex Cash	38	1254

Source: HSBC Asset Management, as of 31 December 2021

Notes: 1. The Morningstar rating is a purely mathematical measure that shows how well a fund's past returns have compensated shareholders for the amount of risk it has taken on. The star rating is based on the performance of the IC share class of the fund. 2. 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 dividend yield does not imply a positive return. The historical dividend yield may be higher or lower than the actual annual dividend yield. 3. Investment involves risk. Past performance is not indicative of future performance. Please refer to the offering document for further details including the risk factors. 4. Any forecast, projection or target when provided is indicative only and is not guaranteed in anyway. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target. For illustrative purposes only.

### Fund details

Inception date:	5 November 2004
Fund size:	USD 352 million
Base currency:	USD
Minimum investment:	USD1,000
Dealing Frequency:	Daily
Initial charge:	Up to 4.50% of the total subscription amount
Management fee:	1.50%/0.75% per annum (Retail/Institutional)
Switching fee:	Up to 1% of the switch-out proceeds
Fund manager:	Sanjiv Duggal, Vandana Luthra
Investment adviser:	HSBC Global Asset Management (Hong Kong) Limited

Source: HSBC Asset Management, as of 31 December 2021

The calculation method of annualised yield prior to August 2019 is the simple yield calculation: (dividend amount / NAV per share or units as of ex-dividend date) x n; The calculation method of annualised yield from August 2019 is the compound yield calculation: ((1 + (dividend amount / 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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## Key risks

**The value of an investment in the portfolios and any income from them can go down as well as up and as with any investment you may not receive back the amount originally invested.**

- ◆ **Concentration Risk:** The Fund may be concentrated in a limited number of securities, economic sectors and/or countries. As a result, it may be more volatile and have a greater risk of loss than more broadly diversified funds.
- ◆ **Counterparty Risk:** The possibility that the counterparty to a transaction may be unwilling or unable to meet its obligations.
- ◆ **Derivatives Risk:** Derivatives can behave unexpectedly. The pricing and volatility of many derivatives may diverge from strictly reflecting the pricing or volatility of their underlying reference(s), instrument or asset.
- ◆ **Emerging Markets Risk:** Emerging markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.
- ◆ **Exchange Rate Risk:** Changes in currency exchange rates could reduce or increase investment gains or investment losses, in some cases significantly.
- ◆ **Index Tracking Risk:** To the extent that the Fund seeks to replicate index performance by holding individual securities, there is no guarantee that its composition or performance will exactly match that of the target index at any given time ("tracking error").
- ◆ **Investment Fund Risk:** Investing in other funds involves certain risks an investor would not face if investing in markets directly. Governance of underlying assets can be the responsibility of third-party managers.
- ◆ **Investment Leverage Risk:** Investment Leverage occurs when the economic exposure is greater than the amount invested, such as when derivatives are used. A Fund that employs leverage may experience greater gains and/or losses due to the amplification effect from a movement in the price of the reference source.
- ◆ **Liquidity Risk:** Liquidity Risk is the risk that a Fund may encounter difficulties meeting its obligations in respect of financial liabilities that are settled by delivering cash or other financial assets, thereby compromising existing or remaining investors.
- ◆ **Operational Risk:** Operational risks may subject the Fund to errors affecting transactions, valuation, accounting, and financial reporting, among other things.
- ◆ **Real Estate Investments Risk:** Real estate and related investments can be negatively impacted by any factor that makes an area or individual property less valuable.

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