

# HSBC Managed Stable Growth Fund

Monthly report 30 April 2022 | Share class P

## Investment objective

The objective of the Fund is to achieve long-term capital growth by investing in a diversified portfolio with a mixture of global equities and global bonds and fixed income instruments through direct investment and/or other collective investment schemes that the Fund may invest in.

## Main risks

- The Fund invests mainly in global equities and bonds. The Fund may get the exposure through direct investments and/or collective investment schemes.
- Debt instruments with loss-absorption features are subject to additional risks and volatility.
- The Fund may have asset allocation strategy risk. The investments of the Fund may be periodically rebalanced and therefore the Fund may incur greater transaction costs.
- The Fund may invest in other collective investment schemes and needs to bear the underlying funds' fees and expenses on top of the Fund's own fees and expenses.
- Because the Fund's base currency, investments and classes may be denominated in different currencies, investors may be affected adversely by exchange controls and exchange rate fluctuations.
- 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 substantial credit, currency, volatility, liquidity, interest rate, general equity market risk, general debt securities risks, sovereign debt risk, emerging markets risk, tax and political risks. Investors may suffer substantial loss of their investments in the Fund.
- Unit trusts are NOT equivalent to time deposits. Investors should not invest in the Fund solely based on the information provided in this document and should read the offering document of the Fund for details.
- Further information on the potential risks can be found in the Key Investor Information Document (KID) and/or the Prospectus or Offering Memorandum.

## Share Class Details

### Key metrics

NAV per Share	<b>HKD 22.08</b>
Performance 1 month	<b>-4.91%</b>
Sharpe ratio 3 years	<b>0.03</b>

### Fund facts

UCITS V compliant	<b>No</b>
Dividend treatment	<b>Accumulating</b>
Dealing frequency	<b>Daily</b>
Share Class Base Currency	<b>HKD</b>
Domicile	<b>Hong Kong SAR</b>
Inception date	<b>18 July 2003</b>
Fund Size	<b>HKD 98,397,520</b>
Managers	<b>Jessica Cheung</b>

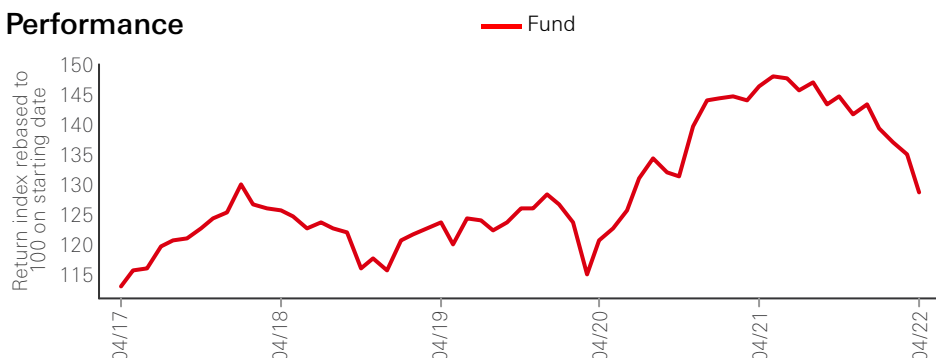
### Fees and expenses

Maximum initial charge (HK)	<b>3.000%</b>
Management fee	<b>0.750%</b>

### Codes

ISIN	<b>HK0000434362</b>
Bloomberg ticker	<b>HSBMSGP HK</b>

## Performance



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.

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

Source: HSBC Asset Management, data as at 30 April 2022

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Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years	5 years
P	-10.24	-4.91	-7.73	-11.15	-12.21	3.95	13.64

Calendar year performance (%)	2017	2018	2019	2020	2021
P	18.07	-7.88	10.93	12.30	-0.57

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

Asset allocation (%)	Actual	Target	Strategic	Overweight/Underweight between Target & Strategic Asset Allocation
European Equity	9.96	7.50	10.00	-2.50
Global Equity	1.16	0.00	0.00	0.00
Hong Kong (SAR) & mainland China Equity	15.04	17.00	17.00	0.00
Japanese Equity	5.52	5.50	6.50	-1.00
North America Equity	8.76	9.00	10.00	-1.00
UK Equity	--	2.50	0.00	2.50
Asia Pacific ex Japan HK (SAR) & mainland China Equity	8.86	6.50	6.50	0.00
Euro Government Bond	--	3.50	0.00	3.50
Global Government Bond	22.02	25.00	45.00	-20.00
Asian Corporate Bond	14.90	15.00	0.00	15.00
Asian Local Currency Bonds	4.94	5.00	0.00	5.00
Energy ETF	--	1.00	0.00	1.00
Liquidity	5.37	2.50	5.00	-2.50
Vanguard Long Term	3.47	0.00	0.00	0.00

The strategic allocation is the portfolio's reference or neutral allocation set by HSBC Asset Management. The management team also adjusts target exposure higher (overweight) or lower (underweight) to an asset type - relative to the strategic asset allocation - depending on the team's current market outlook. Positive values (overweights) in the chart reflect asset types the portfolio management team have a positive outlook on. Negative values (underweights) reflect asset types the portfolio management team have a negative outlook on. The actual exposure is a screen shot of the portfolio at the end of the month based on market value in each asset type.

Top 10 Holdings	Weight (%)
Lyxor Euro Govt Bd 7-10Y (DR) ETF Acc	3.47
US Treasury N/B 0.125 15/10/2023	2.69
Tencent Holdings Ltd	1.61
ALIBABA GROUP HOLDING LTD	1.41
iShares Global Energy ETF	1.16
HSBC HOLDINGS PLC	1.11
AIA Group Ltd	1.02
US Treasury N/B 1.750 31/01/2029	0.96
BUONI POLIENNALI DEL TES 0.900 01/08/2022	0.88
BUNDESREPUB. DEUTSCHLAND 0.000 15/02/2031	0.88

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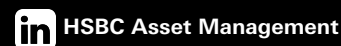
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## Monthly performance commentary

### Portfolio Review

Equity market volatility continued in April, as global equities retraced some of the gains seen in March. Growing risks of sustained monetary tightening by central banks, heightened concerns around slowing global growth and China's economic outlook, and the ongoing conflict in Ukraine have all led to sharp risk-off sentiment amongst investors. Inflation expectation remains high, with China lockdown fuelling further supply chain constraint. The negative returns were generally seen in the majority of major markets. Growth-oriented sectors continued to take the brunt of market falls as bond yields rise, while relatively defensive and value-inclined sectors outperformed. Fixed income markets continue to function affectively as volatility reducers in portfolios, protecting investors from the worst of the market falls, although absolute returns were negative over the period. The majority of the rise in yields was seen at the start of the month, with bonds recovering slightly in the final weeks of April. The negative price action was driven by rising inflation and hawkish rhetoric from Fed Chair Powell who proposed a 50bp hike at the May FOMC meeting. The convergence between China and US 10Y yields continued as the PBoC continued to loosen monetary policy with RRR cut by 25bp in April. Oil price seesawed over the month. The dollar was boosted by a broad-based surge in US Treasury yields as Fed Chair Powell explicitly endorsed a 50bp rate hike in May and signalled further large moves to come.

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Website:

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#### Glossary



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## Supplemental information sheet

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Dividend Amount	Annualised Yield based on ex-dividend date
P	HKD	--	--	--	--

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:  $((1 + (\text{dividend amount} / \text{ex-dividend NAV}))^n)^{1/n} - 1$ , 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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