

# HSBC Managed Growth Fund

Monthly report 31 August 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 bias towards global equities 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, with a bias towards equities. The Fund may get the exposure through direct investments and/or collective investment schemes.
- 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 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, tax and political risks and risks related to general equity market, emerging markets and investment in other collective investment schemes. 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.
- 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 29.29</b>
Performance 1 month	<b>-2.56%</b>
Sharpe ratio 3 years	<b>0.13</b>

### Fund facts

UCITS V compliant	<b>No</b>
Dividend treatment	<b>Accumulating</b>
Dividend ex-date	<b>31 July 2002</b>
Dividend Amount	<b>0.140000</b>
Dealing frequency	<b>Daily</b>
Share Class Base Currency	<b>HKD</b>
Domicile	<b>Hong Kong SAR</b>
Inception date	<b>1 April 1997</b>
Fund Size	<b>HKD 1,087,021,674</b>
Managers	<b>Jessica Cheung</b>

### Fees and expenses

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

### Codes

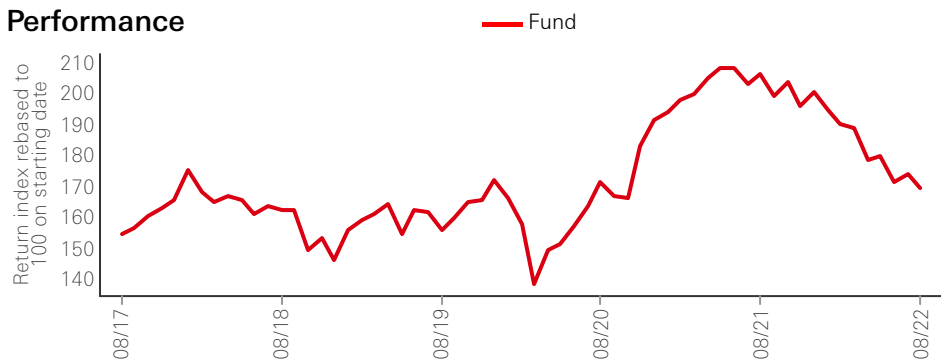
ISIN	<b>HK0000434339</b>
Bloomberg ticker	<b>HSBMNGP HK</b>

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 31 August 2022

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## Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years	5 years
P	-15.57	-2.56	-5.67	-10.84	-17.84	8.72	9.62

Calendar year performance (%)	2017	2018	2019	2020	2021
P	28.52	-11.65	17.46	11.40	4.71

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
Asia Pacific ex Japan HK (SAR) & mainland China Equity	11.67	0.00	0.00	0.00
European Equity	17.18	0.00	0.00	0.00
Global Equity	0.09	0.00	0.00	0.00
Hong Kong (SAR) & mainland China Equity	26.79	0.00	0.00	0.00
Japanese Equity	11.36	0.00	0.00	0.00
North America Equity	18.81	0.00	0.00	0.00
Asian Corporate Bond	4.58	4.50	0.00	4.50
Asian Local Currency Bonds	2.43	2.50	0.00	2.50
Global Government Bond	0.00	0.00	7.00	-7.00
Global Equities	--	86.00	90.00	-4.00
Liquidity	7.10	7.00	3.00	4.00

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 (%)
Tencent Holdings Ltd	2.61
ALIBABA GROUP HOLDING LTD	2.18
AIA Group Ltd	1.72
HSBC Holdings Plc Sep22	1.66
MEITUAN-CLASS B	1.40
Apple Inc	1.15
JD.COM INC - CL A	0.98
MICROSOFT CORP	0.97
Taiwan Semiconductor Co Ltd	0.95
CHINA CONSTRUCTION BANK-H	0.89

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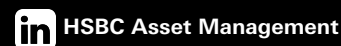
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## Monthly performance commentary

### Portfolio Review

After posting an impressive return in previous month, global equities fell in August. This coincided with rise in the measures of implied volatility across global equity markets, as major central banks continued their hawkish monetary policy stance to tame high inflation. Risks of rate hikes seemed to have raised recession fears and dented investors' confidence. Regionally, the global sell-off was driven by developed markets as both the Europe and the US underperformed. On the other hand, the emerging markets index rallied, as the key emerging markets of Brazil, Indonesia, India, Taiwan, and Mainland China, posted positive returns in August. Bond yields rose as central banks continued their hawkish narrative, typified by the Jackson Hole conference in the US. Jerome Powell reinforced the hawkish stance seen from the Fed in recent months by stating that interest rates are heading higher and will remain there for some time. Amid cooling recessionary fears, he also reiterated that the 2% inflation target is their overarching focus right now. In contrast to most other economies, China saw a surprise RRR cut and mid-term lending rate cut, with the PBoC on an alternative path to much of the world due to the deteriorating economic picture, particularly the fragile property market. CGB yields remained fairly stable, while central banks in the rest of EM Asia are priced in to continue hiking rates meaning only limited moves higher in most yields. The US dollar (DXY) ended August higher after reiteration of hawkish stance from the Fed. Fearing a global recession, oil prices fell 12.3% in August (Brent crude) as concerns of a global recession intensified.

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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
A	HKD	Annually	29 July 2022	0.077500	0.33%
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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