

HSBC Managed Growth Fund

Monthly report 31 December 2023 | 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.

Share Class Details

Key metrics

| | |
|----------------------|------------------|
| NAV per Share | HKD 31.42 |
| Performance 1 month | 2.95% |
| Sharpe ratio 3 years | -0.29 |

Fund facts

| | |
|---------------------------|--------------------------|
| UCITS V compliant | No |
| Dividend treatment | Accumulating |
| Dividend ex-date | 31 July 2002 |
| Dividend Amount | 0.140000 |
| Dealing frequency | Daily |
| Share Class Base Currency | HKD |
| Domicile | Hong Kong SAR |
| Inception date | 1 April 1997 |
| Fund Size | HKD 1,050,776,539 |
| Managers | Jessica Cheung |

Fees and expenses

| | |
|---------------------------------|-------------------|
| Minimum initial investment (HK) | HKD 10,000 |
| Maximum initial charge (HK) | 3.000% |
| Management fee | 0.750% |

Codes

| | |
|------------------|---------------------|
| ISIN | HK0000434339 |
| Bloomberg ticker | HSBMNGP HK |

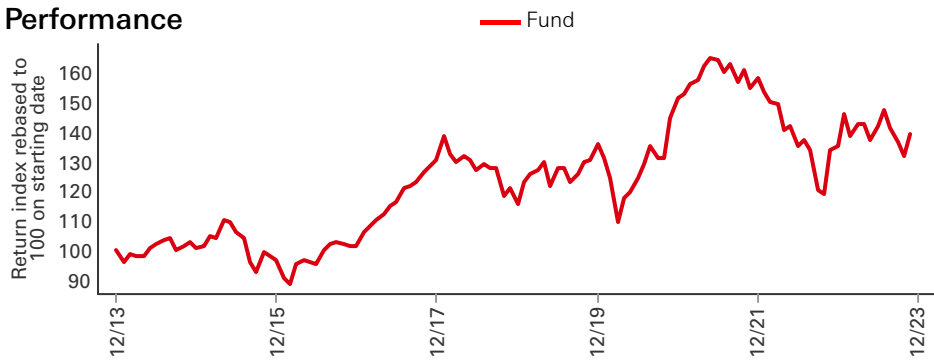
Past performance does not predict future returns. The figures are calculated in the share class base currency, NAV to NAV basis with dividend reinvested, net of fees. If investment performance is not denominated in HKD or USD, HKD or USD based investors are exposed to exchange rate fluctuations. *The 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 December 2023

For Professional investors only. Not for further distribution.

Performance



| Performance (%) | YTD | 1 month | 3 months | 6 months | 1 year | 3 years | 5 years |
|-----------------|------|---------|----------|----------|--------|---------|---------|
| P | 5.90 | 2.95 | 4.80 | 1.13 | 5.90 | -5.16 | 24.09 |

| Calendar year performance (%) | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------|-------|-------|------|--------|------|
| P | 17.46 | 11.40 | 4.71 | -14.47 | 5.90 |

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 | 16.57 | 10.20 | 12.00 | -1.80 |
| European Equity | 17.03 | 17.00 | 18.00 | -1.00 |
| Hong Kong (SAR) & mainland China Equity | 25.31 | 29.70 | 30.00 | -0.30 |
| India Equity | -- | 0.60 | 0.00 | 0.60 |
| Indonesia Equity | -- | 0.80 | 0.00 | 0.80 |
| Japanese Equity | 12.56 | 12.60 | 12.00 | 0.60 |
| North America Equity | 18.32 | 16.70 | 18.00 | -1.30 |
| EMD Local Currency Bond | -- | 1.00 | 0.00 | 1.00 |
| Euro Government Bond | -- | 1.30 | 0.00 | 1.30 |
| Global Government Bond | 8.18 | 3.30 | 7.00 | -3.70 |
| India Bond | -- | 1.10 | 0.00 | 1.10 |
| China Tech | -- | 0.70 | 0.00 | 0.70 |
| Energy ETF | -- | 0.40 | 0.00 | 0.40 |
| GEM Debt | 2.05 | 0.00 | 0.00 | 0.00 |
| Liquidity | -4.05 | 1.30 | 3.00 | -1.70 |
| Long Term Treasury | 4.01 | 0.00 | 0.00 | 0.00 |
| US Tech | -- | 0.60 | 0.00 | 0.60 |
| US Treasury | -- | 2.70 | 0.00 | 2.70 |

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 (%) |
|-----------------------------------|------------|
| Tracker Fund of Hong Kong | 4.03 |
| TENCENT HOLDINGS LTD | 2.32 |
| HSBC HOLDINGS PLC | 2.16 |
| ALIBABA GROUP HOLDING LTD | 2.13 |
| Amundi Euro Govt Bd 7-10Y ETF Acc | 1.35 |
| AIA GROUP LTD | 1.22 |
| APPLE INC | 1.13 |
| CHINA CONSTRUCTION BANK-H | 1.11 |
| MICROSOFT CORP | 1.08 |
| iShares Global Energy ETF | 1.00 |

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 December 2023

For Professional investors only. Not for further distribution.

Monthly performance commentary

Portfolio Review

Global Equities continued rallying in December, driven by expectations for central banks to cut rates sooner than expected. Inflation prints across both US and Europe were softer over the month, and the Fed meeting in December signalled expectation of multiple policy rate cuts over 2024. As a result, US and European ex-UK equities outperformed over the month, encouraged by the softening inflation data, resilient labour markets and continuous fall in energy prices. Emerging markets delivered positive, albeit weaker returns compared to developed markets, influenced by China, which was down over the month on continued growth concerns. Global Government Bonds posted strong returns in December, as yields continued falling on dovish rate projections for 2024 from the Fed. Gilts were the strongest performing market driven by a softer than expected inflation print and wage gains. Japanese yields also fell on the Bank of Japan's December decision to keep monetary policy unchanged. The US dollar weakened further over the month, on the back of the softer inflation prints and more dovish central bank compared to other G10 central banks. Euro gained against the dollar given a slightly hawkish ECB and more positive risk sentiment. Sterling gained against the dollar as Bank of England maintained a more hawkish tone, but currency still underperformed most other G10 currencies as data from the UK was weaker. In the commodity markets, oil fell over the month on concerns of oversupply from non-OPEC sources. OPEC+ hints that it would maintaining production cuts beyond the first quarter of 2024 were not enough to support the market. Gold ended the month higher, encouraged by the dovish Fed stance and the weaker US dollar.

Follow us on:



Website:

www.assetmanagement.hsbc.com/hk

Glossary



<https://>

[www.assetmanagement.hsbc.com/hk/
api/v1/download/document/
lu0164865239/hk/en/glossary](https://www.assetmanagement.hsbc.com/hk/api/v1/download/document/lu0164865239/hk/en/glossary)

Important Information

The material contained herein is for marketing purposes and is for your information only. This document is not contractually binding nor are we required to provide this to you by any legislative provision. It does not constitute legal, tax or investment advice or a recommendation to any reader of this material to buy or sell investments. You must not, therefore, rely on the content of this document when making any investment decisions.

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.

This document is prepared for general information purposes only and does not have any regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive it. Any views and opinions expressed are subject to change without notice. This document does not constitute an offering document and should not be construed as a recommendation, an offer to sell or the solicitation of an offer to purchase or subscribe to any investment. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target. HSBC Asset Management has based this document on information obtained from sources it reasonably believes to be reliable. However, HSBC Asset Management does not warrant, guarantee or represent, expressly or by implication, the accuracy, validity or completeness of such information. Investment involves risk. Past performance is not indicative of future performance. Please refer to the offering document for further details including the risk factors. This document has not been reviewed by the Securities and Futures Commission. Copyright © HSBC Global Asset Management (Hong Kong) Limited 2023. All rights reserved. This document is issued by HSBC Global Asset Management (Hong Kong) Limited.

For definition of terms, please refer to the Glossary QR code.
Source: HSBC Asset Management, data as at 31 December 2023

For Professional investors only. Not for further distribution.

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 | -- | -- | -- |
| 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.
For definition of terms, please refer to the Glossary QR code.
Source: HSBC Asset Management, data as at 31 December 2023
For Professional investors only. Not for further distribution.