

HSBC Managed Growth Fund

Share Class P

31 Mar 2021

Fund Objective and Strategy

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.

Performance (%)	YTD	1M	3M	1Y	3Y ¹	5Y ¹	Vol ²	S.R. ³
P	4.29	1.14	4.29	44.26	21.23	65.15	16.29	0.21

Calendar Year Performance (%) ⁴	2016	2017	2018	2019	2020
P	4.79	28.52	-11.65	17.46	11.40

Past performance is not an indicator 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.

Source: HSBC Global Asset Management, data as at 31 March 2021

Share Class Details

UCITS V Compliant	No
Distribution Type	Accumulating
Dealing Frequency	Daily
Min. Initial Investment	HKD 10,000
Max. Initial Charge	3.00%
Management Fee	0.75%
Share Class Base Currency	HKD
Domicile	Hong Kong
ISIN	HK0000434339
Share Class Inception Date	01 Apr 1997
NAV per Share	HKD 34.55
Fund Size	HKD 1,554,706,535
Bloomberg Ticker	HSBMNGP HK
Manager	Jessica Cheung

¹Result is cumulative when calculation period is over one year.

²Volatility since inception, a measure of how much a fund's price goes up or down as a percentage of its average performance.

³Sharpe ratio since inception, a measure for calculating risk-adjusted return, and this ratio has become the industry standard for such calculations.

⁴The 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.

Risk Disclosure

- 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.
- The Fund 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, 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.

Fund change that may have material impact on performance: 1 Jul 2017 - trustee fee reduced. 29 Aug 2017- investment objective and policy changed, Investment Sub-Adviser removed. 9 Apr 2018 - investment objectives and policies changed. 16 Nov 2018 - Change in the manner of charging preliminary charge / switching fee. 18 Jan 2019 - change of Domicile and Trustee of the Funds.



Monthly Performance Commentary**Portfolio Review**

The fund delivered a positive return in March. This was mainly contributed by good performance in US and European equities, thanks to hopes of alleviation of COVID amidst vaccine rollout and ongoing pro-growth policies. This more than offset the negative returns in Asian equities, of which most can be attributed to China, where the market seems to have suffered from the relatively prudent policy approach. On the fixed income front, bond markets generally delivered negative returns over the month, since yields in the US in particular continued to rise in the face of aggressive fiscal stimulus and inflation concerns. The contagion from the yield pick-up in the US translated into the negative returns in Asian corporate and local currency bonds. Local currency bond market returns were dominated by currency movement with the US dollar showing broad strength, hence further weighing on performance in HK dollar terms.

Asset Allocation (%)	Actual	Target	Strategic	Overweight/Underweight between Target & Strategic Asset Allocation
Hong Kong (SAR) & mainland China Equity	27.90	30.00	30.00	0.00
Asia Pacific ex Japan HK (SAR) & mainland China Equity	13.22	13.00	12.00	1.00
North America Equity	18.68	18.00	18.00	0.00
Japanese Equity	12.04	12.00	12.00	0.00
European Equity	20.55	18.00	18.00	0.00
UK Equity		1.00	0.00	1.00
Global Government Bond	0.00	0.00	7.00	-7.00
Asian Corporate Bond	3.51	5.00	0.00	5.00
Asian Local Currency Bonds	2.01	2.00	0.00	2.00
Liquidity	2.10	1.00	3.00	-2.00

The strategic allocation is the portfolio's reference or neutral allocation set by HSBC Global 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 (%)	
ALIBABA GROUP HOLDING LTD	2.62
Tencent Holdings Ltd	2.54
HSBC US Dollar Liquidity Y	1.80
AIA Group Ltd	1.66
MEITUAN-CLASS B	1.61
HSBC Holdings Plc Jun21	1.39
Taiwan Semiconductor Co Ltd	1.30
HSBC FTSE 250 UCITS ETF	1.07
Samsung Electronics Co Ltd	0.98
CHINA CONSTRUCTION BANK-H	0.98

Source: HSBC Global Asset Management, data as at 31 March 2021

Important Information

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Terms of Glossary

Accumulation Share: a type of share where the income earned by the Fund is retained in the Fund**ACD:** HSBC Global Asset Management (UK) Limited, the Authorised Corporate Director of the Company**Actively Managed:** where the fund manager uses their expertise to pick investments to achieve the fund's objectives□**Bond(s):** a loan, usually to a company or government, that pays interest**Bond Index Futures:** a contract stating that the holder agrees to purchase a bond index at a particular price on a specified future date**Collective Investment Scheme:** a fund that more than one person contributes to with the aim of increasing the value of their investments or receiving income from a pooled investment. A fund manager will invest the pooled money into one or more types of asset, such as stocks, bonds or property**Credit Rating:** an assessment of the credit risk of a company, government or other organisation. It seeks to measure how likely it is that the issuer of a bond will be able to continue to make interest payments and repay the money loaned to it**Developed Markets:** countries with relatively high levels of personal income and established economies**Duration:** a measure of how long it takes in years for an investor in a bond to recoup the price they paid for the bond from its interest payments. It provides an indication of how much bond prices are likely to change if and when interest rates change**Emerging Markets (EM):** countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body**Equities:** shares issued by a company**Futures:** a financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price**Growth:** the increase in the value of investments**Government Bond or Gilt:** a loan to a national government in return for regular payments (known as the coupon) and a promise that the original investment (principal) is paid back at a specified date. Gilts are loans to the UK government**Hedge Funds:** an investment fund that pools money from investors and invests in a variety of assets, often with complex investment strategies and risk management techniques**Hedge or Hedging:** using derivative type investments as a way to reduce risk**High yield bond:** a bond paying a higher level of interest but which has a lower credit rating than investment grade**Income:** money generated by a fund, such as interest from a bond or a dividend from a share, which can be paid out to its investors or paid back into the fund and reinvested**Income Share:** the type of Share where the income earned by the Fund is paid out to you**Investment Grade:** a credit rating that indicates the issuer of a bond has a relatively low risk of being unable to make interest payments and repay the money to it**Market Capitalisation:** the total dollar market value of a company's outstanding shares. Commonly referred to as "market cap", it is calculated by multiplying a company's shares outstanding by the current market price of one share□**Maturity:** the period of time left for a bond or gilt to remain outstanding before the original loan and any final interest is repaid to the lender**Net Asset Value (NAV):** the value of the scheme property of a fund less the liabilities of the fund**Ongoing Charges Figure:** a measure of what it costs to invest in a fund. It includes the fee paid to the ACD and other operating costs**Effective Duration:** a duration value based on the probability of early redemption call by the bond issuer**Option adjusted spread duration (OASD):** estimates the price sensitivity of a bond to a 100 basis-point movement (either widening or narrowing) in its spread relative to treasuries, taking into account the likelihood of early redemption**Price Earnings (P/E) Ratio:** the price paid for a share divided by the annual profit earned by the firm per share**Preference Shares:** shares of a company which entitle the holder to a fixed dividend, whose payment takes priority over that of ordinary share dividends. Preference shares may be convertible to the ordinary shares of a company**Property-related securities:** shares of property companies that own, manage or develop property and Real Estate Investment Trusts (REITs), which are investment companies that own buildings and land**Return(s):** the money made or lost on an investment**Share(s):** an equally valued holding in a fund of a company, representing part ownership of that fund, (including larger denomination shares and smaller denomination shares)**Sharpe ratio:** a measure for calculating risk-adjusted return, and this ratio has become the industry standard for such calculations**Volatility:** a measure of the size and frequency of changes in the value of an investment over a short space of time**Yield:** the income from an investment, usually stated as a percentage of the value of the investment**Yield to Maturity:** the total return anticipated on a bond if the bond is held until the end of its lifetime, excluding strategic currency hedges for Portfolio/Benchmark calculations. Number is shown in percentage**Portfolio Yield:** the lowest potential yield that can be received on a bond without the issuer actually defaulting, excluding strategic currency hedges for Portfolio/Benchmark calculations. Number is shown in percentage

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Supplement Information Sheet

31 Mar 2021

Share Class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Dividend Amount	Annualised Yield (Distribution is not guaranteed and may be paid out of capital)
P	HKD	-	-	-	-
A	HKD	Annually	31 Jul 2020	0.098657	0.44%

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