

# HSBC Managed Growth Fund

Monthly report 31 March 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 32.67</b>
Performance 1 month	<b>-0.55%</b>
Sharpe ratio 3 years	<b>0.31</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 1,239,936,455</b>
Managers	<b>Jessica Cheung</b>

### Fees and expenses

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

### Codes

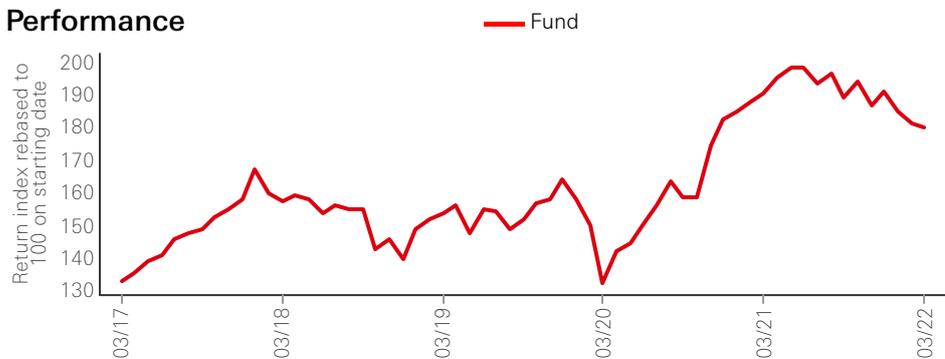
ISIN	<b>HK0000434339</b>
Bloomberg ticker	<b>HSBMNGP HK</b>

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 March 2022

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## Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years	5 years
P	-5.82	-0.55	-5.82	-4.97	-5.44	17.26	35.45

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	12.75	12.00	12.00	0.00
European Equity	19.32	18.00	18.00	0.00
Global Equity	1.19	0.00	0.00	0.00
Hong Kong (SAR) & mainland China Equity	26.74	30.00	30.00	0.00
Japanese Equity	11.72	12.00	12.00	0.00
North America Equity	19.49	18.00	18.00	0.00
Asian Corporate Bond	1.55	5.00	0.00	5.00
Asian Local Currency Bonds	2.28	2.00	0.00	2.00
Global Government Bond	0.00	0.00	7.00	-7.00
Energy ETF	--	1.00	0.00	1.00
Liquidity	4.97	2.00	3.00	-1.00

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 (%)
ALIBABA GROUP HOLDING LTD	2.59
Tencent Holdings Ltd	2.45
HSBC Holdings Plc Jun22	1.89
AIA Group Ltd	1.71
Taiwan Semiconductor Co Ltd	1.23
Apple Inc	1.22
iShares Global Energy ETF	1.14
MICROSOFT CORP	1.05
MEITUAN-CLASS B	0.99
CHINA CONSTRUCTION BANK-H	0.98

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## Monthly performance commentary

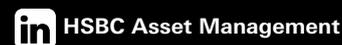
### Market overview

The market see-sawed at the start of the month as risk appetite fluctuated on news flows related to the situation in Ukraine. However, apparent progress in Russia-Ukraine talks towards the end of the month, boosted investor sentiment. The rally was mostly driven by developed markets, mainly the US, Australia, Singapore and Japan. On the other hand, emerging market underperformed with China being one of the worst performers, driven by rising COVID-19 cases and renewed lockdowns in major Chinese cities including Shanghai. Asian equities also saw negative returns. Global Government bonds delivered negative returns over the period. Notably both the US and UK increased interest rates by 0.25%, resulted in rising yields and flattening curves in the regions. The Bank of Japan underscored its commitment to Yield Curve Control in the last week of the month, with the central bank buying JGBs as the yield on the 10Y approached the bank's stated upper band. Chinese government bonds continued their divergence from other major markets, with yields falling over March. Most emerging markets saw yields rise. The dollar experienced strength over the month, benefiting from both increasingly hawkish monetary policy and its safe haven status during a volatile market. Commodity prices are well supported by OPEC+'s decision not to accelerate production increases, the situation in Ukraine, and Russian oil imports are banned in some major countries.

### Asset allocation strategy and outlook

Recent geopolitical events worsen the outlook for growth and inflation. The eurozone is particularly vulnerable to Russian energy supplies and, amid confidence effects, the bloc is likely to fall into technical recession. However, global supply-side constraints may have peaked which would ease inflationary pressure and support growth. Historically, markets have rebounded quickly from geopolitical shocks, and market activity in March is in line with this expectation. However, we are not out of the woods yet and investors should brace for continued market volatility, be realistic about investment market returns, and focus on the long-run. Central bank tightening in 2022 will remain a key headwind to market performance, we expect the Fed to deliver 225bps of rate hikes this year. Importantly, global interest rates are likely to peak at levels well below previous high points, limiting the downside risk to markets. Notably we expect continued policy easing in China given current growth risks. The situation in China is somewhat different. Inflation is low and monetary policy has been eased in recent months. Monetary easing is likely to continue in the months ahead as part of a clear effort to get economic growth back on to an acceptable path. The key risk for markets now is a stalling in growth as a result of supply chain difficulties or elevated commodity prices triggering recession.

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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	30 July 2021	0.030773	0.11%
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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