

HSBC Managed Growth Fund

Monthly report 30 November 2021 | 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 Fund's potential risks can be found in the Key Investor Information Document and Prospectus.

Share Class Details

Key metrics

NAV per Share	HKD 33.89
Performance 1 month	-3.80%
Sharpe ratio 3 years	0.50

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 1,382,603,748
Managers	Jessica Cheung

Fees and expenses

Maximum initial charge (HK)	3.000%
Management fee	0.750%

Codes

ISIN	HK0000434339
Bloomberg ticker	HSBMNGP HK

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. *The fund may pay dividends out of capital or gross of expenses.

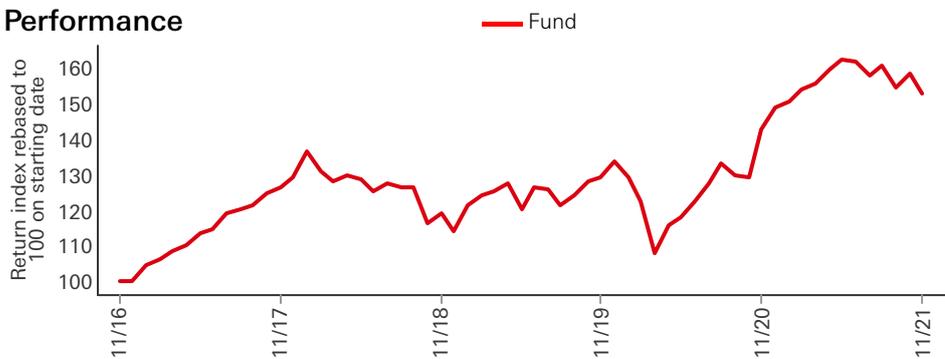
Fund change that may have material impact on performance: 1 Jul 2017 - trustee fee reduced. 29 Aug 2017- investment objective and policy changed, Investment Sub-Adviser removed. 9 Apr 2018 - investment objectives and policies changed. 16 Nov 2018 - Change in the manner of charging preliminary charge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

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

Source: HSBC Asset Management, data as at 30 November 2021

For Professional investors only. Not for further distribution.

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years	5 years
P	2.29	-3.80	-4.94	-5.97	6.94	27.98	52.59

Calendar year performance (%)	2016	2017	2018	2019	2020
P	4.79	28.52	-11.65	17.46	11.40

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	12.42	13.00	12.00	1.00
European Equity	20.15	19.00	18.00	1.00
Hong Kong (SAR) & mainland China Equity	28.00	29.00	30.00	-1.00
Japanese Equity	14.10	14.00	12.00	2.00
North America Equity	18.97	18.00	18.00	0.00
Asian Corporate Bond	3.06	5.00	0.00	5.00
Asian Local Currency Bonds	2.06	2.00	0.00	2.00
Global Government Bond	0.00	0.00	7.00	-7.00
Liquidity	1.25	0.00	3.00	-3.00

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	2.70
ALIBABA GROUP HOLDING LTD	2.26
AIA Group Ltd	1.64
HSBC Holdings Plc Dec21	1.46
MEITUAN-CLASS B	1.43
Taiwan Semiconductor Co Ltd	1.27
Apple Inc	1.17
MICROSOFT CORP	1.12
HONG KONG EXCHANGES & CLEAR	0.85
Samsung Electronics Co Ltd	0.82

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. *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 November 2021

For Professional investors only. Not for further distribution.

Monthly performance commentary

Market overview

The emergence of a new strain of COVID-19, named Omicron, in late November turned earlier market performances around. Global and Asia stock markets had been in positive territory into the second half of the month but saw sharp declines as the news of the variant came to light. As a result, equities in Asia Pacific ex Japan fell more than the broader market, perhaps because the stricter attitude towards controlling the virus in many Asian countries, particularly China, means that a new outbreak will have greater economic effects there. Apart from the virus developments the macro background continues to be one of ongoing growth with pent-up demand in certain areas causing price pressures which may require a policy response, for the time being company earnings remain on a positive trajectory. On the other hand, bond market performance was mixed with government bonds getting a boost from the emergence of Omicron. Asian high yield bonds continued to be buffeted by development in the Chinese real estate sector, while Asian investment grade bonds fared better against this backdrop. In currency markets the US dollar was generally strong, though it was notable that both the Japanese Yen and Chinese renminbi not only matched but slightly beat the US dollar over the month. November saw some easing of commodity prices which could help to reduce inflation pressures over the medium term; oil, natural gas, copper, aluminum and iron ore all saw declines.

Portfolio Review

The emergence of a new strain of COVID-19, named Omicron, in late November turned earlier market performances around. Global and Asia stock markets had been in positive territory into the second half of the month but saw sharp declines as the news of the variant came to light. As a result, equities in Asia Pacific ex Japan fell more than the broader market, perhaps because the stricter attitude towards controlling the virus in many Asian countries, particularly China, means that a new outbreak will have greater economic effects there. Apart from the virus developments the macro background continues to be one of ongoing growth with pent-up demand in certain areas causing price pressures which may require a policy response, for the time being company earnings remain on a positive trajectory. On the other hand, bond market performance was mixed with government bonds getting a boost from the emergence of Omicron. Asian high yield bonds continued to be buffeted by development in the Chinese real estate sector, while Asian investment grade bonds fared better against this backdrop. In currency markets the US dollar was generally strong, though it was notable that both the Japanese Yen and Chinese renminbi not only matched but slightly beat the US dollar over the month. November saw some easing of commodity prices which could help to reduce inflation pressures over the medium term; oil, natural gas, copper, aluminum and iron ore all saw declines.

Asset allocation strategy and outlook

The macro background is one of ongoing economic growth. Consumer spending is supported by strong labour markets, wages growth, and accumulated savings. Spending may be switched from goods to services if virus developments allow, how the latest variant evolves will determine whether this happens quickly or more gradually. There are still shortages and bottlenecks in some areas and this will be supportive of capital spending as companies look to build capacity to meet demand. Company profits and balance sheets are in good shape allowing companies to pursue capital spending, and increase wages. How services providers respond once demand returns for travel and entertainment will be interesting. Inflation rates are high in some countries and this may require some policy tightening in the months ahead. However, it is likely that inflation will eventually prove to be transitory as policy makers believe. There are a number of risks around this generally positive background. Growth in China is modest and could be threatened further if property market weakness becomes more pronounced and widespread. Both fiscal and monetary policy is being tightened in a number of countries, looking to get fiscal positions on a more sustainable path and, in some cases, to bring inflation under control. Although inflation is low in many Asian countries it remains a risk; if inflation remains high in major economies that could produce a policy tightening that would harm growth globally. Latest developments with the Omicron variant show that COVID-19 is still with us as an economic factor, and will be for some time. Despite these risks we believe the company earnings background favours equities and corporate bonds, particularly in Asia, and we overweight both in portfolios.

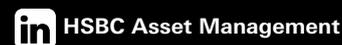
The stocks mentioned are for illustrative purposes only and are not investment advice, investments have risks.

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

Source: HSBC Asset Management, data as at 30 November 2021

For Professional investors only. Not for further distribution.

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

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 2021. 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 30 November 2021**

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	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.

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

Source: HSBC Asset Management, data as at 30 November 2021

For Professional investors only. Not for further distribution.