

HSBC Global Investment Funds - Thai Equity

Share Class AD

30 Sep 2019

Risk Disclosure

- The Fund invests mainly in Thailand equities.
- The Fund is subject to the concentration and emerging market risks of investing in a single emerging market.
- 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 Objective and Strategy

Investment Objective

The Fund seeks long-term total return (meaning capital growth and income) by investing primarily in a diversified portfolio of shares (or securities that are similar to shares) of Thai companies. The companies issuing these shares have a registered office and official stock-market listing in Thailand, or carry out most of their business there.

Investment Strategy

The Fund can also invest up to 10% of its assets in collective investment schemes. There aren't restrictions on the market values of the companies held in the Fund. Please see the Prospectus for a full description of the investment objectives and derivative usage.

Performance (%)	YTD	1M	3M	1Y	3Y ¹	5Y ¹
AD	10.65	-0.83	-5.06	0.66	27.42	11.81
Reference Benchmark	11.02	-1.47	-5.99	2.21	35.14	29.32

Calendar Year Performance (%) ²	2014	2015	2016	2017	2018
AD	16.29	-24.57	18.96	29.78	-7.71
Reference Benchmark	21.31	-20.98	24.16	31.56	-5.17

3-Year Risk Measures	AD	Reference Benchmark
Volatility	14.04%	13.83%
Information Ratio	-1.11	-
Beta	1.01	-

Characteristics	Fund	Reference Benchmark
Number of Holdings ex Cash	27	37
Avg Market Cap (USD mil)	13,353	13,740

Share Class Details

UCITS V Compliant	Yes
Distribution Type	Distributing
Distribution Frequency	Annually
Dealing Frequency	Daily
Min. Initial Investment	USD 1,000
Max. Initial Charge	4.50%
Management Fee	1.50%
Share Class Base Currency	USD
Domicile	Luxembourg
ISIN	LU0210637038
Fund Launch Date	11 Feb 2005
NAV per Share	USD 18.50
Fund Size	USD 51,691,082
Bloomberg Ticker	HSBTHEI LX
Reference Benchmark	MSCI Thailand 10/40 Net
Manager	Arwen Y Liu Nilang Mehta

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 30 September 2019

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

²The 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.



Reference Performance Benchmark: MSCI Thailand 10/40 Net since 1 Dec 2011. From 31 Dec 2001 - 30 Nov 2011, was BANGKOK S.E.T Gross. Before that was BANGKOK S.E.T Price.
Fund change that may have material impact on performance: 16 Nov 2018 - Change in the manner of charging sales charge / switching charge.
To download the offering documents from
http://services.assetmanagement.hsbc.com.hk/site/media/pdf/documents/English/AMHK_HGIF.pdf

Monthly Performance Commentary

Market review

The MSCI Thailand 10/40 index was down by 1.47% in USD terms in September, underperforming MSCI Asia ex Japan index, which gained 1.44% during the month. August headline CPI rose just 0.5%yoy in August led by sequential declines in food and oil prices, well below market expectations and Bank of Thailand's 1-4% inflation target. Growth remains slow given domestic demand remains subdued. However in the BoT's policy meeting later in the month it kept its policy rate unchanged at 1.50% (after the surprise rate cut in August), though the Bank revised down its growth and inflation forecasts for 2019. Strength of the Thai Baht also remains a concern as the Baht has appreciated against USD by over 3% over the last 3 months.

Performance review

The fund outperformed the benchmark in September, led by positive stock selection in communication and energy, partially offset by the negative stock selection effect in healthcare. The fund's underweight in True Corp contributes greatly to the overall fund performance as market is concerned with its ambitious service revenue growth target and there is a lack of clarity on the timing of the next spectrum auction, which drives uncertainty in spectrum investment. BGrimm is the other positive stock contributor to overall fund performance as it is perceived to benefit from a lower interest rate environment given lower cost of debt for its projects. On the other hand, our overweight in CP Foods is a detractor to overall fund performance due to pork price concerns and the strength in the Baht would make their Thai chicken exports less competitive.

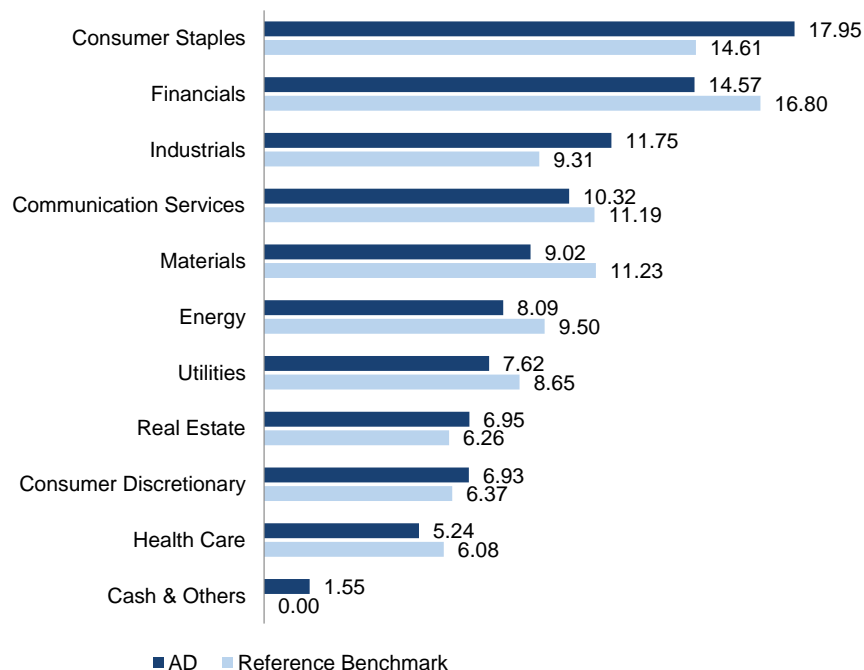
Outlook

Thailand remains an attractive destination for foreign direct investment given its competitive labour costs and exposure to a burgeoning trade and access to the ASEAN economic block. Compelling demographics and rising incomes also provide a tailwind for economic growth, particularly in consumption patterns.

Thailand stands to benefit from the solid global economic growth. While market volatility may increase as the US-China trade conflicts continue, Thailand is arguably a relative beneficiary as trade flows may be diverted to third countries including Thailand.

Overall, we expect a steady earnings growth in Thailand against the backdrop of an overall solid global economy.

Sector Allocation (%)



Top 10 Holdings (%)	Sector	Weight (%)
CP ALL Public Co Ltd	Consumer Staples	9.45
Siam Cement PCL/The	Materials	9.02
Intouch Holdings PCL	Communication Services	5.95
Electricity Generating PCL	Utilities	5.84
Airports of Thailand Co Ltd	Industrials	5.40
Minor International Pub Co Ltd	Consumer Discretionary	4.97
Central Pattana PCL	Real Estate	4.97
Bts Group Holdings Public Company Limited	Industrials	4.91
PTT PCL	Energy	4.74
Charoen Pokphand Foods PCL	Consumer Staples	4.68

Source: HSBC Global Asset Management, data as at 30 September 2019

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Supplement Information Sheet

30 Sep 2019

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)
AD	USD	Annually	11 Jul 2019	0.103510	0.53%

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