

HSBC Collective Investment Trust

HSBC China Multi-Asset Income Fund

Monthly report 31 March 2024 | Share class AM30-AUD

Fund center



Risk Disclosure

- The Fund invests mainly in mainland China related equities, bonds and other related investments.
- The Fund is subject to the geographic concentration and emerging market risks of investing mainly in a single emerging market.
- Urban investment bonds issued by PRC local government financing vehicles (LGFVs), non-investment grade bonds and unrated bonds are subject to additional risks and volatility.
- The Fund's asset allocation strategy balancing income, long term expected returns and risk may not achieve the desired results under all circumstances and market conditions. 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 may pay dividends out of capital or gross of expenses. Dividend is not guaranteed and may result in capital erosion and reduction in net asset value.
- The Fund's investments may involve substantial credit, credit rating, currency, volatility, liquidity, interest rate, valuation, tax and political risks and risks related to equity market, equity linked notes, debt securities, sovereign debt, non-investment grade and unrated debt securities, convertible securities, investment in other collective investment schemes, mainland China market, China A-shares/B-shares and China A-share access products, mainland Chinese debt, China Interbank Bond Market and Bond Connect, mainland China tax, Qualified Foreign Investors regime. Investors may suffer substantial loss of their investments in the Fund.
- Base Currency Hedged Share Classes or RMB denominated class are subject to higher currency and exchange rate risks.
- Investors should not invest solely based on factsheet and should read the offering documents for details.



Investment objective

The Fund aims to provide income and moderate capital growth, through an active asset allocation in a diversified portfolio of a minimum of 70% of its net asset value in fixed income and equity securities as well as money market and cash instruments that are related to China.



Investment strategy

The Manager's approach is to carefully forecast long term expected returns for the different asset classes, and use these to decide the Fund's asset allocation, favouring assets with the best long term expected returns.

Share Class Details

Key metrics

NAV per Share	AUD 4.59
Sharpe ratio 3 years	-1.09

Fund facts

UCITS V compliant	No
Dividend treatment	Distributing
Distribution Frequency	Monthly
Dividend ex-date	28 March 2024
Dividend annualised yield*	5.94%
Dividend Amount	0.022100
Dealing frequency	Daily
Share Class Base Currency	AUD
Domicile	Hong Kong SAR
Inception date	22 January 2018
Fund Size	HKD 3,148,592,763
Managers	Gloria Jing Danni Zhang

Fees and expenses

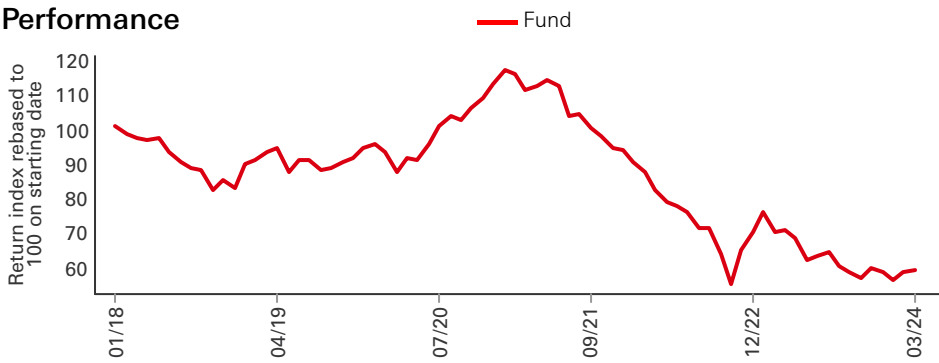
Minimum initial investment (HK) ¹	AUD 1,500
Maximum initial charge (HK)	3.000%
Management fee	1.350%

Codes

ISIN	HK0000378304
Bloomberg ticker	HSAM30A HK

¹Please note that initial minimum subscription may vary across different distributors

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years	5 years
AM30-AUD	1.03	0.42	1.03	1.13	-16.77	-46.89	-36.73

Calendar year performance (%)	2019	2020	2021	2022	2023
AM30-AUD	13.65	19.75	-16.74	-25.64	-16.57

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

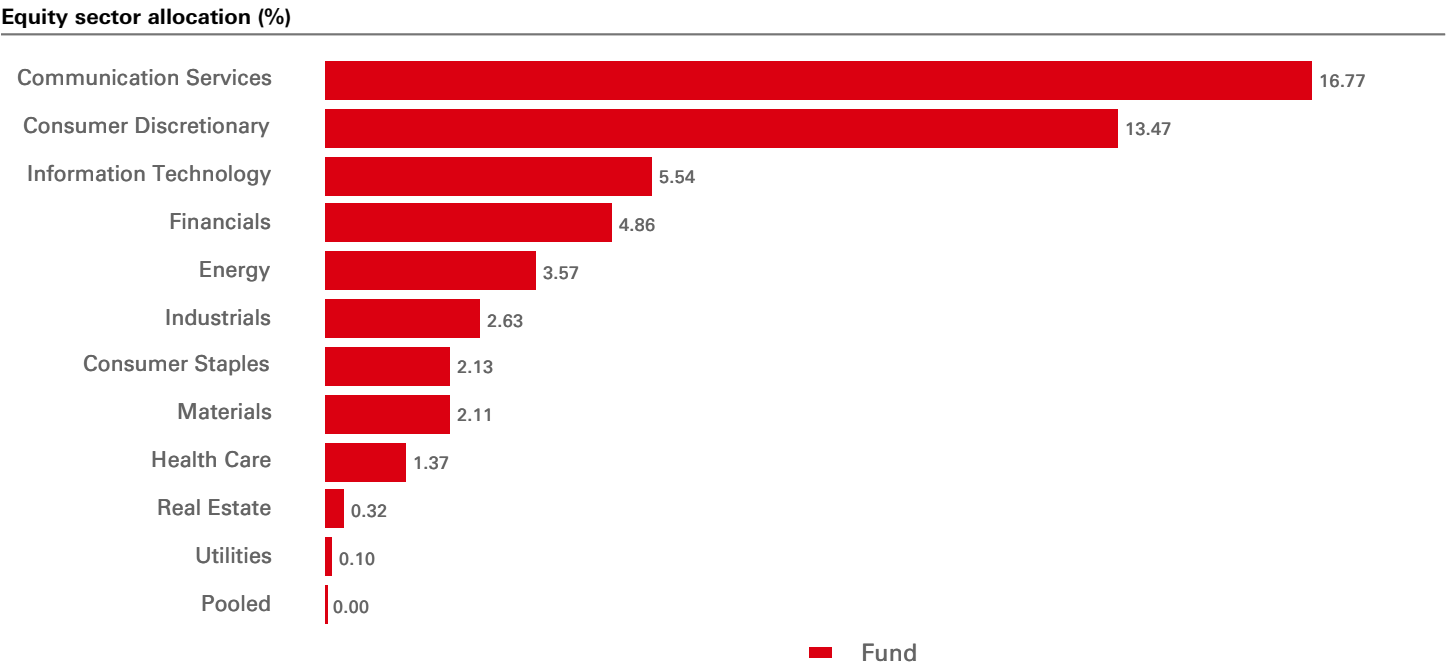
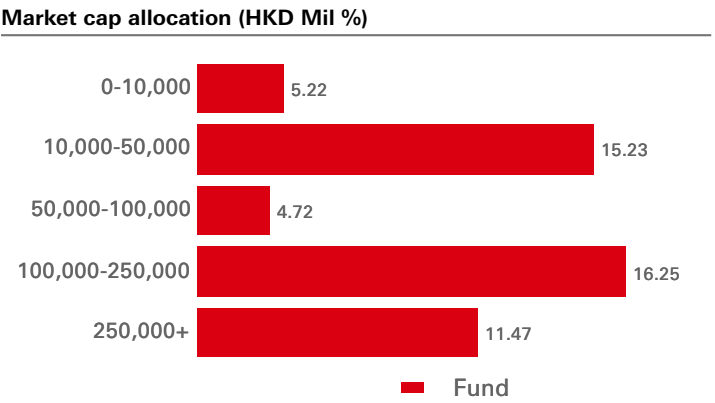
Currency Allocation (%)	Asset allocation (%)	Fund
Hong Kong Dollar	Cash & Forwards	0.40
Chinese Yuan	Chinese Bond - RMB	22.86
US Dollar	Chinese Bond - USD High Yield	23.85
New Taiwan Dollar	Chinese Equity	52.89
Euro		
Singapore dollar		
Australian Dollar		
Japanese Yen		

Top 10 Holdings	Weight (%)
TENCENT HOLDINGS LTD	8.48
ALIBABA GROUP HOLDING LTD	4.51
CNOOC LTD	3.47
NETEASE INC	3.37
IND & COMM BK OF CHINA CCB 3.200 24/03/2173 PERP	3.09
CHINA CONSTRUCTION BANK CORP	2.73
PDD HOLDINGS INC	2.63
KWEICHOW MOUTAI CO LTD	1.84
NEW ORIENTAL EDUCATION & TECHN	1.79
CHINA MOBILE LTD	1.53

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. The benchmark data is that of the reference benchmark of the fund, as this data is calculated at fund level rather than share class level. The reference benchmark of the fund is 18% Markit iBoxx Asia Local Bond Index China Offshore 25% JACI China High Yield (Hedged to RMB) 50% MSCI China Net 8% Markit iboxx Asia Local Bond Index China Onshore For definition of terms, please refer to the Glossary QR code. Source: HSBC Asset Management, data as at 31 March 2024

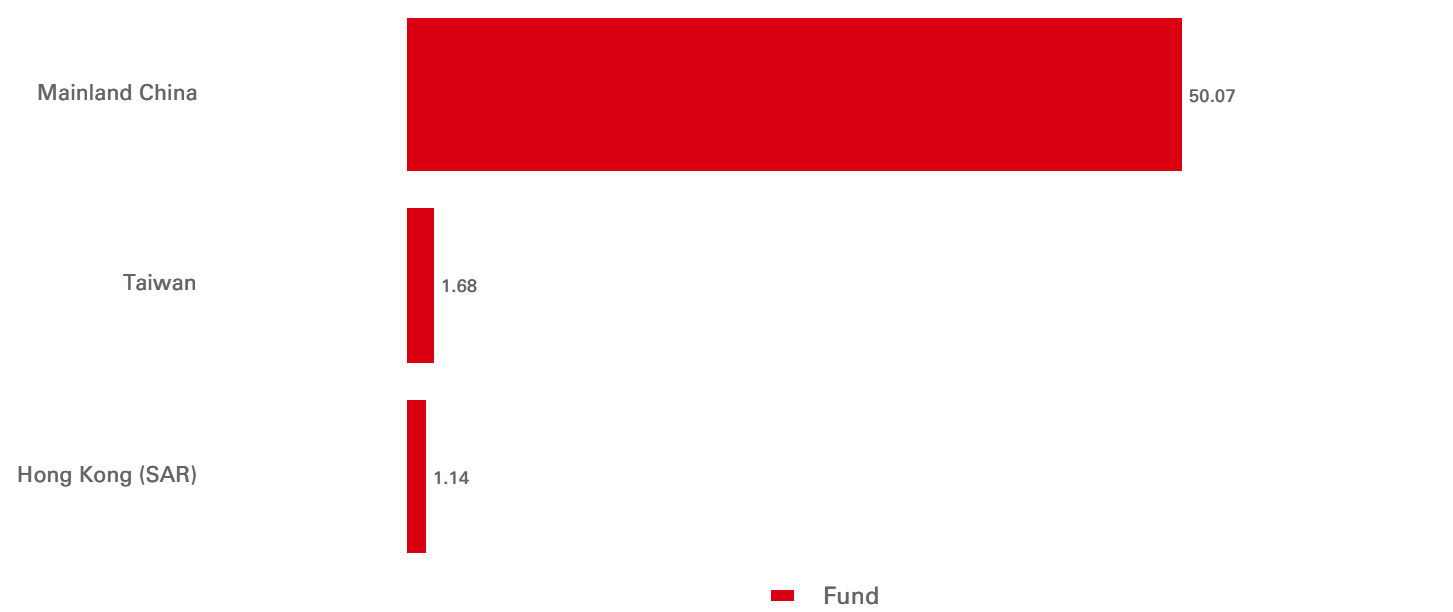
Equity top 10 holdings	Location	Sector	Weight (%)
Tencent Holdings Ltd	Mainland China	Communication Services	8.48
Alibaba Group Holding Ltd	Mainland China	Consumer Discretionary	4.51
CNOOC Ltd	Mainland China	Energy	3.47
NetEase Inc	Mainland China	Communication Services	3.37
China Construction Bank Corp	Mainland China	Financials	2.73
PDD Holdings Inc	Mainland China	Consumer Discretionary	2.63
Kweichow Moutai Co Ltd	Mainland China	Consumer Staples	1.84
New Oriental Education & Techn	Mainland China	Consumer Discretionary	1.79
China Mobile Ltd	Mainland China	Communication Services	1.53
Trip.com Group Ltd	Mainland China	Consumer Discretionary	1.40

Equity characteristics	Fund	Reference benchmark
Average Market Cap (HKD Mil)	141,679	--
Price/earning ratio	13.31	--
Portfolio yield	2.50%	--



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Equity geographical allocation (%)

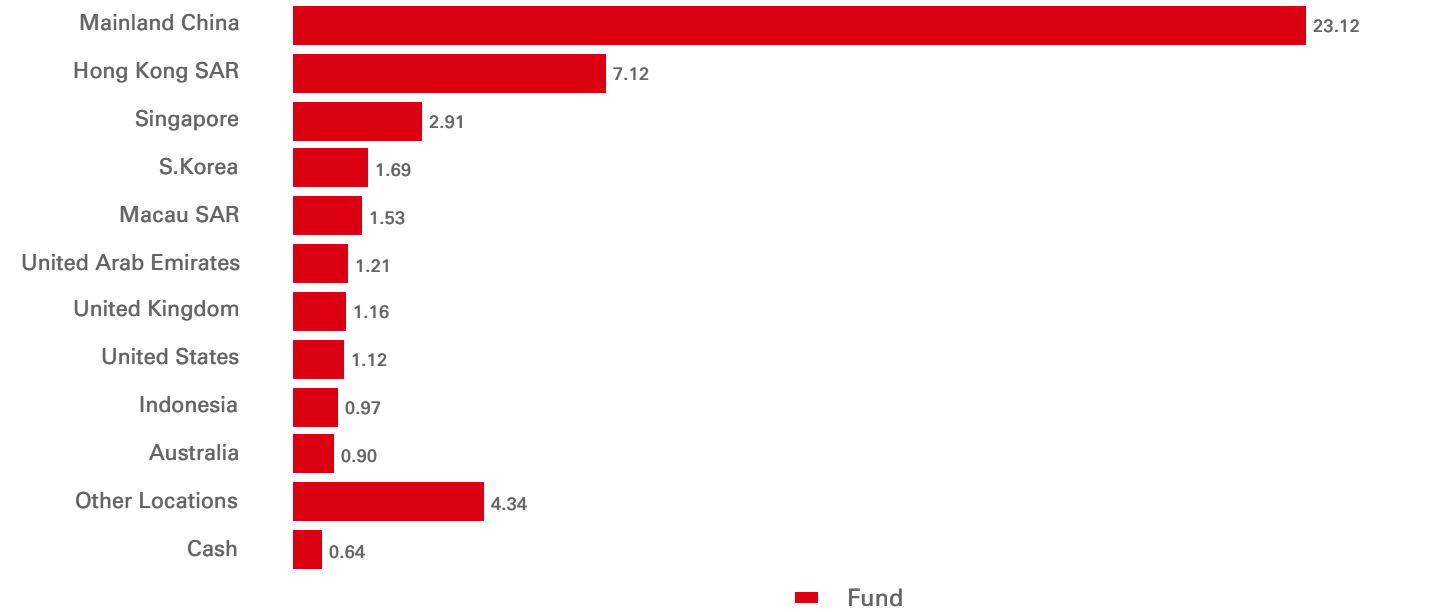


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Source: HSBC Asset Management, data as at 31 March 2024

Fixed Income Characteristics	Fund	Reference benchmark	Relative	Credit rating (%)	Fund	Reference benchmark	Relative
Portfolio yield	8.65%	--	--	AAA	1.21	--	--
Yield to maturity	8.80%	--	--	AA	4.99	--	--
Effective duration	3.14	--	--	A	13.59	--	--
Average Credit Quality	BBB+/BBB	--	--	BBB	5.20	--	--
				BB	14.87	--	--
				B	2.67	--	--
				CCC	0.55	--	--
				NR	2.98	--	--
				Cash	0.64	--	--

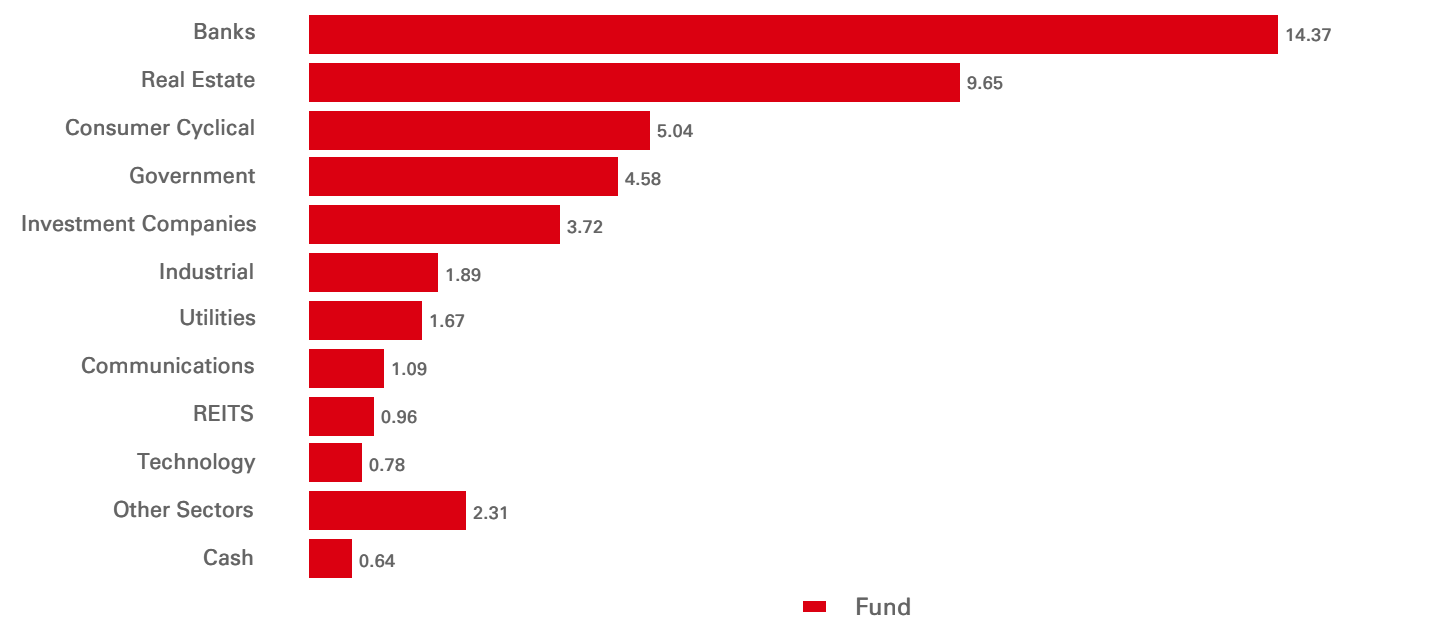
Fixed income top 10 holdings	Location	Instrument type	Weight (%)
IND & COMM BK OF CHINA CCB 3.200 24/03/2173 PERP	Mainland China	Convertible bond	3.09
BANK OF COMMUNICATIONS CCB 3.800 18/11/2172 PERP	Mainland China	Convertible bond	1.31
HUARONG FINANCE 2017 CO 4.750 27/04/2027 USD	Mainland China	Corporate Bond	1.02
FORTUNE STAR BVI LTD 5.950 19/10/2025 USD	Mainland China	Corporate Bond	1.00
HONG KONG 3.300 11/01/2028 CNY	Hong Kong (SAR)	Government Bond	0.77
DBS GROUP HOLDINGS LTD CCB 3.700 03/03/2031 EMTN	SINGAPORE	Convertible bond	0.76
LENOVO GROUP LTD 5.875 24/04/2025 USD	Mainland China	Euro Medium Term Note	0.76
HYUNDAI CAPITAL SERVICES 3.200 11/08/2024 CNY	South Korea	Euro Medium Term Note	0.74
ENN CLEAN ENERGY 3.375 12/05/2026 USD	Mainland China	Corporate Bond	0.73
EXIM BANK INDIA/LONDON 3.450 25/06/2026 CNY	India	Agency Bond	0.70

Fixed income geographical allocation (%)



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Fixed income sector allocation (%)



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Monthly performance commentary

Portfolio Review

Global equities delivered another month of strong returns in March; supported by encouraging economic data, sustained enthusiasm for Artificial Intelligence, and the prospect of interest rate cuts. Fixed income markets also experienced a positive month, with government bonds, corporate bonds and high yield bonds all rising in value. Within equities, developed markets outperformed emerging markets. The UK was the standout performer over the month, driven by positive GDP growth in January and the latest business sector survey in expansionary territory. European stocks also delivered strong returns, as inflation continued to fall and business confidence data remained firm. Japanese equities gained over the month as the Bank of Japan ended their negative interest rate policy after eight years. China's subdued performance acted as a drag on emerging markets returns, despite better than expected economic data, which investors took as a sign that any significant government stimulus may be delayed. In the bond markets, US Treasuries rose modestly, supported by dovish comments from Chairman Powell. In the UK, Gilts also experienced a modest rally following a softer than expected inflation print. Conversely, Japanese bond markets slipped marginally lower in March as the Bank of Japan removed their negative interest rate and yield curve control policies. The US dollar rallied over the month, driven by upward revisions in the US growth rate and some increase in support for interest rate cuts from other central banks. The Euro fell against the dollar given the relative strength of the US economic data and the persistent weakness in manufacturing data in the Eurozone. Sterling was flat against the dollar over the month. In the commodity markets, Gold rallied to all-time highs, driven by the prospect for rate cuts while Oil pushed higher, on elevated geopolitical tensions.

During the month of March, the fund generated positive returns amid mixed market performance, and outperformed the benchmark. Chinese equities held up and contributed positively to the performance driven by stronger-than-expected January-February activity data and 2023 Q4 results beats from index-heavy internet name. On the fixed income side, Chinese RMB bond fell slightly given the weakening RMB over the month. Our China high yield bonds sleeve outperformed the general China high yield bond market and contributed positively to fund performance. On a relative basis, asset allocation was marginally negative due to unfavourable allocation to China high yield bond. On the other hand, stock selection was positive thanks to favourable selection in Chinese equities especially in the Information Technology and Energy sector.

The likelihood of Western economies avoiding a recession this year is increasing, although markets remain 'priced for perfection', and disappointment remains a key risk. We are cognisant that geopolitical uncertainty, upcoming elections, and fiscal constraints might negatively impact markets later in the year. Economic performance within emerging economies is divergent. India will be the fastest growing economy in 2024, while the China outlook remains challenged by several growth headwinds. We expect the first interest rate cut from the Fed during the second half of 2024, and the ECB and Bank of England are likely to follow. Lower government spending looks set to be a slight drag on growth in 2024 in Western economies, but we do not expect a return to 2010s-style austerity measures. We anticipate that Emerging market central banks will continue monetary easing, with cuts in Latin America and Emerging Europe. Asia central banks are likely to start cutting interest rates during second half of 2024. Government support in China remains measured and targeted.

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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
AM2-HKD	HKD	Monthly	28 March 2024	0.030200	5.85%
AM2-HKD	HKD	Monthly	29 February 2024	0.029600	5.73%
AM2-HKD	HKD	Monthly	31 January 2024	0.029500	5.92%
AM2-HKD	HKD	Monthly	29 December 2023	0.031300	6.05%
AM2-HKD	HKD	Monthly	30 November 2023	0.031600	5.97%
AM2-HKD	HKD	Monthly	31 October 2023	0.031900	6.29%
AM2-HKD	HKD	Monthly	28 September 2023	0.032700	6.26%
AM2-HKD	HKD	Monthly	31 August 2023	0.033000	6.08%
AM2-HKD	HKD	Monthly	31 July 2023	0.035300	6.07%
AM2-HKD	HKD	Monthly	30 June 2023	0.033300	5.83%
AM2-HKD	HKD	Monthly	31 May 2023	0.034200	6.06%
AM2-HKD	HKD	Monthly	28 April 2023	0.036400	5.84%
AM2-HKD	HKD	Monthly	7 February 2022	0.057000	6.34%
AM2-RMB	CNH	Monthly	28 March 2024	0.035100	5.79%
AM2-RMB	CNH	Monthly	29 February 2024	0.034500	5.73%
AM2-RMB	CNH	Monthly	31 January 2024	0.034200	5.92%
AM2-RMB	CNH	Monthly	29 December 2023	0.036400	6.10%
AM2-RMB	CNH	Monthly	30 November 2023	0.037300	6.10%
AM2-RMB	CNH	Monthly	31 October 2023	0.037800	6.28%
AM2-RMB	CNH	Monthly	28 September 2023	0.038500	6.25%
AM2-RMB	CNH	Monthly	31 August 2023	0.038900	6.10%
AM2-RMB	CNH	Monthly	31 July 2023	0.040800	6.06%
AM2-RMB	CNH	Monthly	30 June 2023	0.038600	5.75%
AM2-RMB	CNH	Monthly	31 May 2023	0.038400	5.90%
AM2-RMB	CNH	Monthly	28 April 2023	0.040300	5.80%
AM2-RMB	CNH	Monthly	7 February 2022	0.058800	6.33%
AM2-USD	USD	Monthly	28 March 2024	0.029900	5.84%
AM2-USD	USD	Monthly	29 February 2024	0.029300	5.72%
AM2-USD	USD	Monthly	31 January 2024	0.029200	5.91%
AM2-USD	USD	Monthly	29 December 2023	0.031000	6.03%
AM2-USD	USD	Monthly	30 November 2023	0.031300	5.96%
AM2-USD	USD	Monthly	31 October 2023	0.031700	6.31%
AM2-USD	USD	Monthly	28 September 2023	0.032400	6.26%
AM2-USD	USD	Monthly	31 August 2023	0.032700	6.09%
AM2-USD	USD	Monthly	31 July 2023	0.035000	6.05%
AM2-USD	USD	Monthly	30 June 2023	0.033000	5.83%
AM2-USD	USD	Monthly	31 May 2023	0.033800	6.04%
AM2-USD	USD	Monthly	28 April 2023	0.036000	5.85%
AM2-USD	USD	Monthly	7 February 2022	0.056700	6.34%
AM30-AUD	AUD	Monthly	28 March 2024	0.022100	5.94%
AM30-AUD	AUD	Monthly	29 February 2024	0.021000	5.63%
AM30-AUD	AUD	Monthly	31 January 2024	0.017400	4.82%
AM30-AUD	AUD	Monthly	29 December 2023	0.018700	4.99%
AM30-AUD	AUD	Monthly	30 November 2023	0.020600	5.38%
AM30-AUD	AUD	Monthly	31 October 2023	0.019000	5.16%
AM30-AUD	AUD	Monthly	28 September 2023	0.025700	6.83%
AM30-AUD	AUD	Monthly	31 August 2023	0.019400	4.92%

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 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 March 2024

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Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Dividend Amount	Annualised Yield based on ex-dividend date
AM30-AUD	AUD	Monthly	31 July 2023	0.024000	5.70%
AM30-AUD	AUD	Monthly	30 June 2023	0.021800	5.25%
AM30-AUD	AUD	Monthly	31 May 2023	0.026700	6.54%
AM30-AUD	AUD	Monthly	28 April 2023	0.028400	6.30%
AM30-AUD	AUD	Monthly	7 February 2022	0.040300	6.09%
AM30-SGD	SGD	Monthly	28 March 2024	0.023800	5.48%
AM30-SGD	SGD	Monthly	29 February 2024	0.022700	5.22%
AM30-SGD	SGD	Monthly	31 January 2024	0.018200	4.32%
AM30-SGD	SGD	Monthly	29 December 2023	0.019700	4.50%
AM30-SGD	SGD	Monthly	30 November 2023	0.022700	5.09%
AM30-SGD	SGD	Monthly	31 October 2023	0.021400	4.99%
AM30-SGD	SGD	Monthly	28 September 2023	0.029400	6.71%
AM30-SGD	SGD	Monthly	31 August 2023	0.020100	4.38%
AM30-SGD	SGD	Monthly	31 July 2023	0.027200	5.56%
AM30-SGD	SGD	Monthly	30 June 2023	0.026500	5.51%
AM30-SGD	SGD	Monthly	31 May 2023	0.031800	6.72%
AM30-SGD	SGD	Monthly	28 April 2023	0.034800	6.67%
AM30-SGD	SGD	Monthly	7 February 2022	0.049600	6.54%

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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.
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