

**Important Information:**

- The Fund will be invested in fixed income securities, equities securities, money market and cash instruments and other instruments that are related to India.
- The Fund is subject to the geographic concentration and emerging market risks of investing in a single emerging market, as well as India market risks.
- The Fund may invest in other collective investment schemes, and need to bear the underlying funds' fees and expenses on top of the Fund's own fees and expenses.
- 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 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 credit, credit rating, currency, volatility, liquidity, general debt securities, non-investment grade and unrated debt securities, general equity market, investment strategy risk on multi-asset income, sovereign debt, risk associated with small/mid-capitalisation companies, tax and political risks. Investors may suffer substantial loss of their investments in the Fund.
- Base Currency Hedged Share Classes and RMB denominated Class are subject to higher currency and exchange rate risks.
- Investors should not invest solely based on this document and should read the offering documents for details.

HSBC Collective Investment Trust

# HSBC India Multi Income Fund

*Leading you to India's dynamic investment opportunities*



# Why India now?



## Potentially the world's fastest-growing major economy in 2024

Growth estimated at 6.5% in FY24 vs World at 3.1%<sup>1</sup>



## Multiple growth drivers

Economic reforms across sectors including manufacturing, infrastructure and digitalisation to drive growth



## World's biggest population<sup>2</sup> and young workforce

1.43 bn population, 2/3 are working age<sup>2</sup>



## Relatively high bond yields

With a 7% yield, India government bonds enjoy a yield premium over most investment grade peers<sup>3</sup>



## Potential for strong inflows into the bond market

Indian bonds to be added to JPMorgan emerging market indices in 2024<sup>4</sup>



## Investment opportunity from equities

World's 4th largest equity market<sup>5</sup>

## Why invest in India with HSBC Asset Management



Specialist expertise in India investment capabilities with nearly 30 years of experience



One of the few global asset managers with investment teams in Mumbai, Singapore and Hong Kong



Disciplined risk management, supported by an award-winning team<sup>6</sup>

Source: 1. IMF database, GDP data from January 2024 World Economic Outlook Update. 2. United Nations Population Fund's State of World Population Report, April 2023. 3. Refers to 10-year India government bond, which is investment-grade. India's major investment grade peers include Indonesia, Chile, New Zealand, USA, Australia, UK, Malaysia, Canada, Singapore, France, Thailand, Germany, China and Japan; source is Bloomberg, March 2024. 4. On 21 September 2023, JPMorgan announced that it would be including 23 India government bonds in its emerging market indices, including EMBI (Emerging Market Bond Index), GBI-EM (Government Bond Index-Emerging Markets) and CEMBI (Corporate Emerging Market Bond Index) series. 5. Bloomberg, 23 January 2024. 6. Refers to the investment team winning a Gold Award at the Fund Selector Asia Fund Awards Hong Kong 2023 in the Emerging Market Bond category. Source: FSA Fund Awards Hong Kong 2023, February 2023.

**Investment involves risks. Past performance is not indicative of future performance.** 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 forecasts, projections or targets. For illustrative purposes only.

# HSBC India Multi Income Fund

## Embrace opportunities with various Indian assets

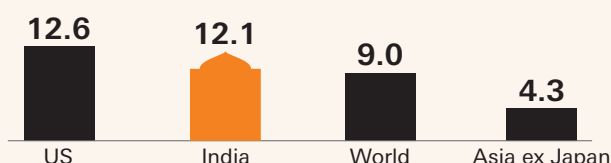
- ◆ One of the first **India multi-asset funds** in Hong Kong
- ◆ Invests across a **broad range of India asset classes** striving to deliver both income and moderate capital growth potential



### ◆ CAPITAL gain potential via India equities

- ◆ The Fund provides access to Indian equities of different market cap categories, including mid-and small-cap stocks that offer exposure to emerging business opportunities typically inaccessible to foreign investors

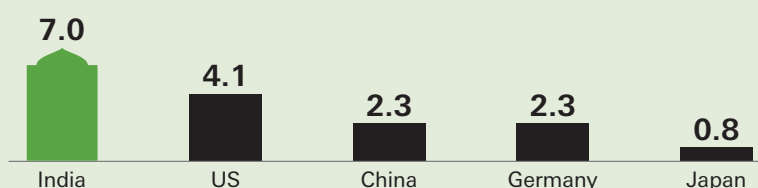
Equity market 10-year annualised returns (% , USD based)<sup>7</sup>



### ◆ INCOME potential from Indian bonds

- ◆ The Fund invests across India government, investment-grade and high-yield corporate bonds for their attractive yields

10-year government bond yield of the top 5 economies in the world (%)<sup>8</sup>



### ◆ CURRENCY opportunities by flexible strategy

- ◆ The flexibility of the Fund enables investment in both INR and non-INR India bonds to seize currency opportunities
- ◆ The INR has demonstrated relative strength in recent years, supported by build up of FX reserves, improved current account, and the attractiveness of India's capital markets

INR's comparatively low volatility

Currency vs USD	JPY	GBP	EUR	CNY	INR
Annualised volatility since Jan 2022	10.2%	9.0%	7.8%	5.2%	3.8%

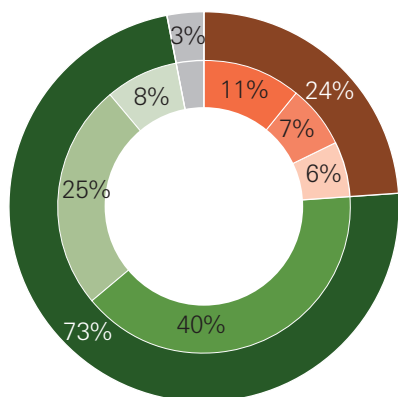
Based on weekly data. Source: Bloomberg, HSBC Asset Management, data as of March 2024

7. Source: MSCI, HSBC Asset Management, data as of 11 March 2024. The price performance is calculated based on USD. Indices used: US: MSCI US Price Return USD Index, India: NSE Nifty 100 Index, World: MSCI ACWI Index, Asia ex Japan: MSCI AC Asia Ex. Japan Index. 8. Source: Bloomberg, 11 March 2024.

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# HSBC India Multi Income Fund

## Portfolio allocation (as at 29 February 2024)<sup>9</sup>



Aims to **generate income** while capturing **moderate growth opportunities**

### India equities (24%)

- India large-cap equities (11%)
- India mid-cap equities (7%)
- India small-cap equities (6%)

### India bonds (73%)

- India INR aggregate bonds (40%)
- India USD investment-grade corporate bonds (hedge to INR) (25%)\*
- India USD high-yield corporate bonds (hedge to INR) (8%)\*

### Cash (3%)

\* Actively managed currency overlay



To capture income and growth opportunities in the India market, the portfolio flexibly invests across different vehicles, ranging from direct investments (e.g. direct bonds and equities) to indirect investments such as mutual funds, ETFs and REITs.

## Investment objective

The Fund aims to provide income and moderate growth through an active asset allocation in a diversified portfolio of fixed income securities and equity securities, money market and cash instruments and other instruments that are related to India.

## Fund details

**Inception date:** 12 January 2024

**Share class:** AM2 – USD / AM2 – HKD / AM30 – AUD / AM30 – CAD / AM30 – EUR / AM30 – GBP / AM30 – RMB / AM30 – SGD

**Base currency:** USD

**Share class currency:** USD / HKD / AUD / CAD / EUR / GBP / RMB / SGD

**Minimum investment:** USD1,000 / HKD10,000 / AUD1,500 / CAD1,000 / EUR850 / GBP650 / RMB10,000 / SGD1,000

**Subscription fee:** Up to 3% of the total subscription amount

**Management fee:** 1.60% per annum

**Switching fee:** Up to 1% of the switch-out proceeds

**Dealing:** Daily (on dealing day)

**Dividend policy<sup>10</sup>:** Monthly, if any (AM classes, dividend is not guaranteed and may be paid out of capital)

9. Source: HSBC Asset Management, data as of February 2024. Allocation is subject to change. Data displayed above is shown on a look-through basis. This means that the fund may not directly hold these securities and the investment in these securities may be via other funds. Investor should always refer to the fund's offering documents for fund information. 10. 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.

# HSBC India Multi Income Fund

## Key potential risks

- ◆ **Investment risk and volatility risk:** the Fund's investment portfolio may fall in value and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal. Volatility is not constant and may increase or decrease over time. Investors may suffer losses due to high volatility
- ◆ **General debt securities risks:** including credit risk, credit rating risk, interest rate risk and valuation risk
- ◆ **Emerging markets risk:** the Fund invests in emerging markets (including India) which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as greater liquidity risks, currency risks/control, relevant license requirements/investment limit/quota restriction risk (such as the inability to obtain/renew or loss of FPI (Foreign Portfolio Investors) license and the investment limitation applicable to investing in Indian securities), political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a higher degree of volatility
- ◆ **Geographic concentration risk:** the Fund's investments are concentrated in India. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting India
- ◆ **India market risks:** in addition to the applicable Emerging markets risks, the India market is also exposed to greater risks related to India tax and INR currency and exchange
- ◆ **Risk of investing in other collective investment schemes:** the Fund may invest in Underlying Funds (which may not be regulated by the SFC). The Fund does not have any control of the investments of Underlying Funds and will be subject to the risks and returns associated with the Underlying Funds' investments as well as the prospectus terms and conditions of the Underlying Funds. There is no assurance that the investment objective and strategy of the Underlying Funds will be successfully achieved which may have a negative impact to the net asset value of the Fund
- ◆ **Investment strategy risk: multi-asset income:** the 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 Sub-Fund may incur greater transaction costs than a fund employing a buy-and-hold allocation strategy
- ◆ **Derivative instrument risk:** risks associated with financial derivative instruments include counterparty/credit risk, greater liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk
- ◆ **Risk associated with distribution out of/effectively out of capital:** for certain Classes, dividends may be paid out of capital or effectively out of capital which represents a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any payment of dividends may result in an immediate reduction in the net asset value per unit of the Class
- ◆ **Other risks:** general liquidity risk, currency risk, general equity market risk, non-investment grade and unrated debt securities risks, sovereign debt risks, risk associated with small/mid-capitalisation companies, risk of base currency hedged classes, and RMB denominated class risk

For details of risk factors, please refer to the offering documents.

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