

**HSBC OpenFunds**

# World Selection - Dividend Distribution Portfolio

Monthly report 31 May 2024 | Share class Inc C


**Investment objective**

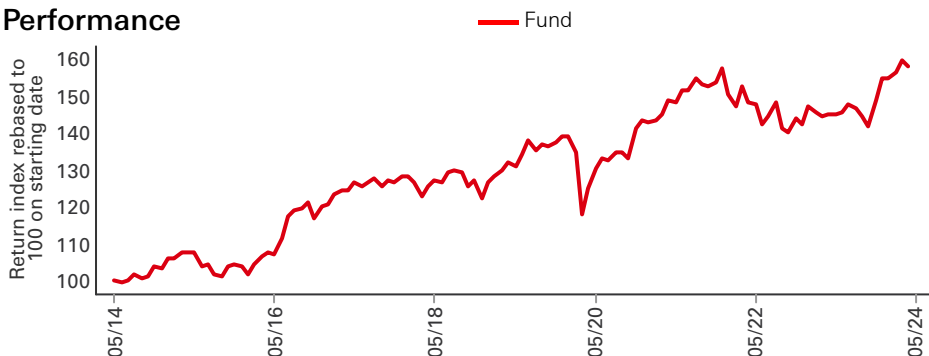
The Fund aims to provide a high level of income in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 3 where 1 is a lower level of risk and 5 is a higher level of risk. Please see the Prospectus for an explanation of the HSBC risk levels.


**Investment strategy**

This is one of a range of actively managed World Selection Portfolios offered at different risk levels. The asset allocation of each fund in the range reflects the risk level. The Fund is managed with the aim of providing income in line with its agreed long term risk profile therefore any potential returns are likely to be limited by the risk profile of the Fund. The exposure to each asset class may be achieved by investing in collective investment schemes, investing directly in asset classes and investing in derivatives. The Fund is not managed with reference to a benchmark.


**Main risks**

- The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- The Fund invests in bonds whose value generally falls when interest rates rise. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality. The issuers of certain bonds, could become unwilling or unable to make payments on their bonds and default. Bonds that are in default may become hard to sell or worthless. The value of investible securities can change over time due to a wide variety of factors, including but not limited to: political and economic news, government policy, changes in demographics, cultures and populations, natural or human-caused disasters etc.

**Performance**

**Share class details**
**Key metrics**

NAV per share	<b>GBP 1.18</b>
Performance 1 month	<b>1.29%</b>
Sharpe ratio 3 years	<b>-0.06</b>

**Fund facts**

UCITS V compliant	<b>No</b>
UK reporting fund status (UKRS)	<b>No</b>
ISA eligible	<b>Yes</b>
Dividend treatment	<b>Distributing</b>
Distribution frequency	<b>Quarterly</b>
Dividend ex-date	<b>16 April 2024</b>
Dividend yield <sup>1</sup>	<b>4.24%</b>
Last paid dividend	<b>0.012365</b>
Dealing frequency	<b>Daily</b>
Valuation time	<b>12:00 United Kingdom</b>

Share class base currency	<b>GBP</b>
Domicile	<b>United Kingdom</b>
Inception date	<b>3 September 2012</b>
Fund size	<b>GBP 345,676,778</b>
Managers	<b>Nicholas McLoughlin</b>

**Fees and expenses**

Minimum initial investment <sup>2</sup>	<b>GBP 1,000,000</b>
Ongoing charge figure <sup>3</sup>	<b>0.810%</b>

**Codes**

ISIN	<b>GB00B84BZW11</b>
Bloomberg ticker	<b>HSOGDCI LN</b>
SEDOL	<b>B84BZW1</b>

<sup>1</sup>Dividend Yield: represents the ratio of distributed income over the last 12 months to the fund's current Net Asset Value.

<sup>2</sup>Please note that initial minimum subscription may vary across different distributors

<sup>3</sup>Ongoing Charges Figure is an estimate due to a change of fee structure.

**Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.**

**This is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions. For definition of terms, please refer to the Glossary QR code and Prospectus.**

**Source: HSBC Asset Management, data as at 31 May 2024**

Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	10 years ann
Inc C	3.28	1.29	2.44	7.38	10.50	2.60	4.11	4.81

Rolling performance (%)	31/05/23-31/05/24	31/05/22-31/05/23	31/05/21-31/05/22	31/05/20-31/05/21	31/05/19-31/05/20	31/05/18-31/05/19	31/05/17-31/05/18	31/05/16-31/05/17	31/05/15-31/05/16	31/05/14-31/05/15
Inc C	10.50	-2.07	-0.20	13.48	-0.20	2.99	0.38	17.89	-0.09	7.37

**Currency Allocation (%)**

Pound Sterling	42.64
US Dollar	31.87
Euro	4.73
Japanese Yen	3.06
Australian Dollar	1.88
Zloty	1.84
Indian rupee	1.83
Norwegian Krone	1.58
New Taiwan Dollar	1.55
Mexican Peso	0.99
Other Currencies	8.04

■ Fund

**Asset allocation (%)**

Asset allocation (%)	Fund
<b>Global Equity</b>	<b>47.99</b>
Global Government Bond	9.42
Global Corporate Bond	7.31
Global High Yield Bonds	11.67
Global Asset Backed Bonds	3.54
Emerging Market Debt - Hard Currency	4.68
Emerging Market Debt - Local Currency	7.12
Global Inflation Linked Bonds	2.03
<b>Property</b>	<b>2.72</b>
<b>Infrastructure</b>	<b>4.34</b>
Listed Infrastructure	2.83
Cash/Liquidity	-3.66

**Top 10 holdings**

**Weight (%)**

HSBC UCITS Cn Cntl Dev Wld Eq Inc FacA1\$	20.84
HSBC GIF Global Sustainable Eq Inc ZQ1	15.01
HSBC GIF Global Hi Yld Bd ZQ1	7.67
HSBC GIF Global Corp Bd ZQ1	7.31
GS GLBL ENH EQ INC-E DIS USD	6.94
HSBC GIF Global EM Local Dbt ZQ1	6.63
Fidelity Emerg Mkts Qual Inc ETF USD Inc	4.70
HSBC GIF Global EM Bd ZQ1	4.68
HSBC GIF Asia High Yield Bond ZQ1	4.00
HSBC GIF Global Govt Bd ZQ1	3.88

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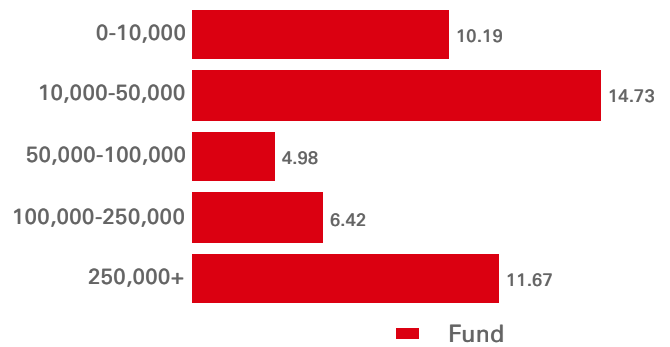
The data displayed in above sections is shown on a look-through basis. This means that the fund may not directly hold these securities and the investment in these securities may be via other funds.

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

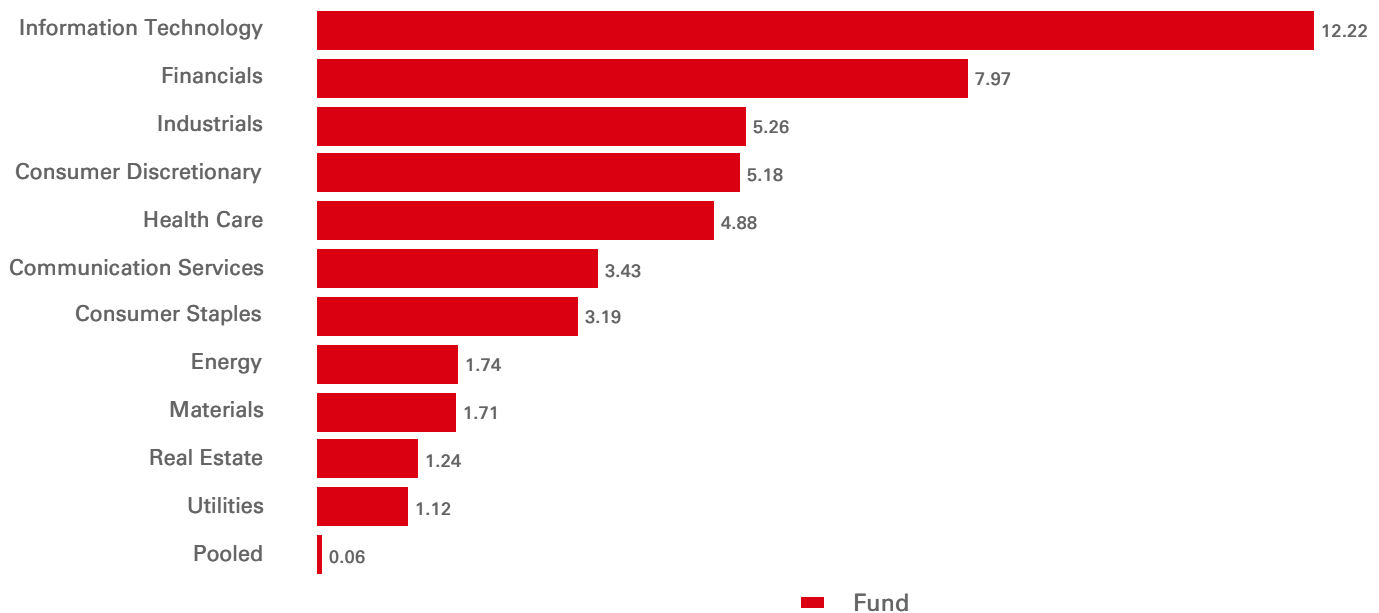
Equity top 10 holdings	Location	Sector	Weight (%)
Microsoft Corp	United States	Information Technology	2.18
NVIDIA Corp	United States	Information Technology	2.00
Apple Inc	United States	Information Technology	1.82
Alphabet Inc	United States	Communication Services	1.06
Amazon.com Inc	United States	Consumer Discretionary	0.90
Meta Platforms Inc	United States	Communication Services	0.51
Eli Lilly & Co	United States	Health Care	0.48
ASML Holding NV	Netherlands	Information Technology	0.45
Novo Nordisk A/S	Denmark	Health Care	0.45
Home Depot Inc/The	United States	Consumer Discretionary	0.41

Equity characteristics	Fund	Reference Benchmark
Average market cap (GBP Mil)	396,999	--
Price/earning ratio	15.68	--
Portfolio yield	2.78%	--

#### Market cap allocation (GBP Mil %)

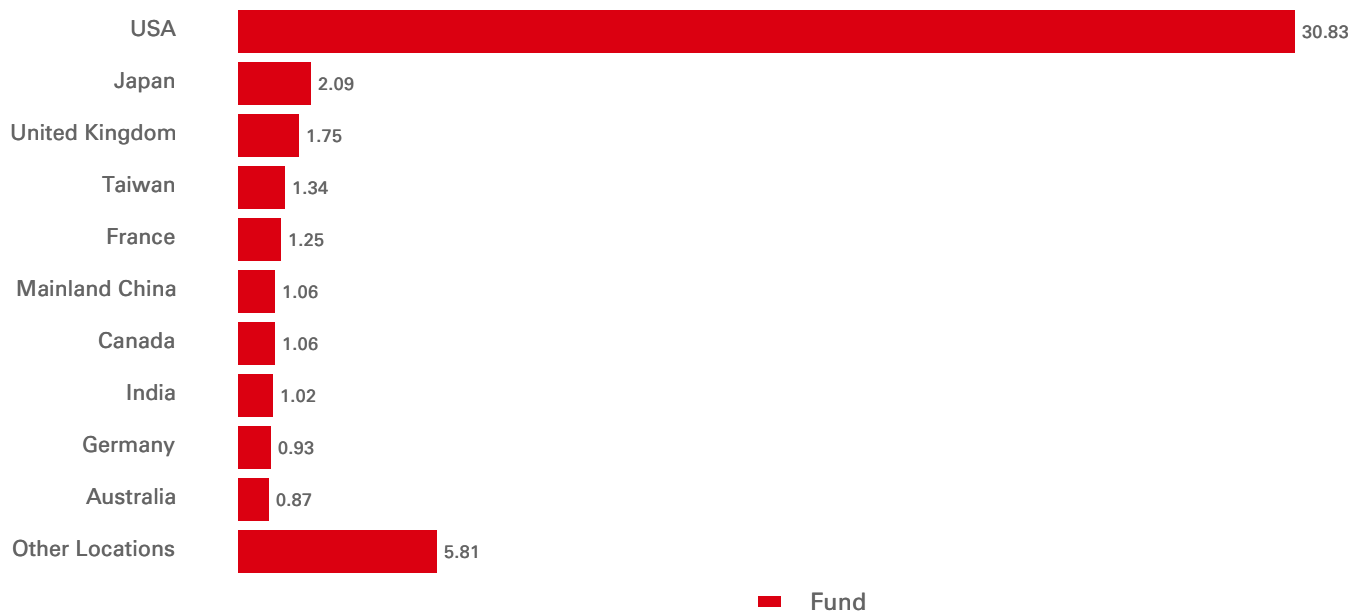


#### Equity sector allocation (%)



**Equity geographical allocation (%)**

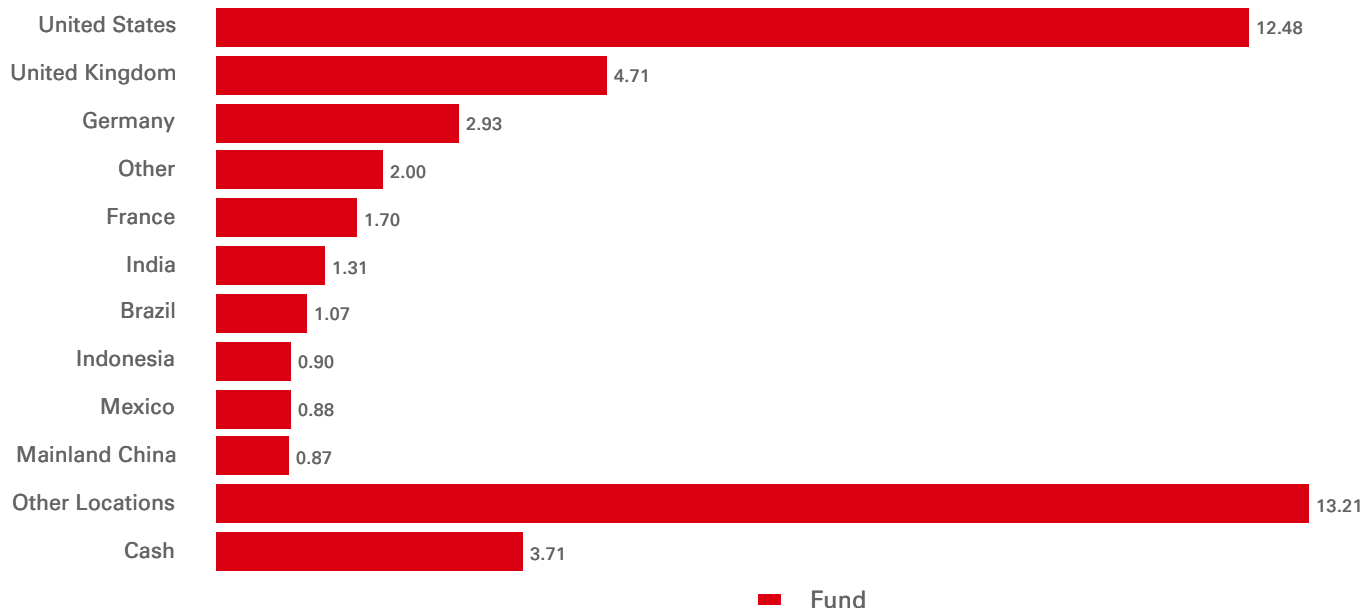
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Fixed Income Characteristics	Reference			Credit rating (%)	Reference		
	Fund	Benchmark	Relative		Fund	Benchmark	Relative
Yield to worst	6.55%	--	--	AAA	8.22	--	--
Yield to maturity	6.65%	--	--	AA	4.56	--	--
Option adjusted duration	4.97	--	--	A	5.01	--	--
Rating average	A-/BBB+	--	--	BBB	8.99	--	--
				BB	8.84	--	--
				B	4.67	--	--
				CCC	0.71	--	--
				CC	0.10	--	--
				C	0.03	--	--
				D	0.18	--	--
				NR	0.76	--	--
				Cash	3.71	--	--

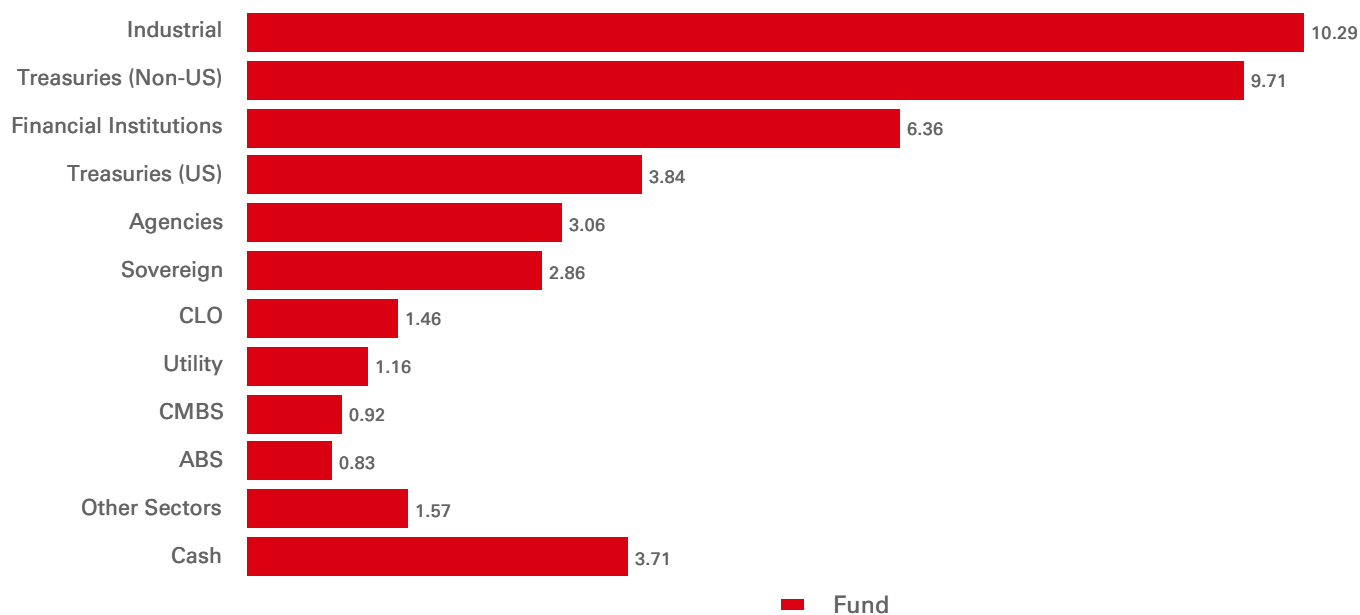
Fixed income top 10 holdings	Location	Instrument type	Weight (%)
TREASURY BILL 0.000 11/07/2024 USD	United States	Treasury Bill	0.66
TREASURY BILL 0.000 15/08/2024 USD	United States	Treasury Bill	0.61
TREASURY BILL 0.000 12/09/2024 USD	United States	Treasury Bill	0.59
TREASURY BILL 0.000 13/06/2024 USD	United States	Treasury Bill	0.52
KFW 2.750 20/02/2031 EUR	Germany	Euro Medium Term Note	0.30
KFW 2.375 05/08/2027 EUR	Germany	Euro Medium Term Note	0.25
EFSF 0.125 18/03/2030 EUR	SUPRANATIONAL	Government Bond	0.25
LETRA TESOURO NACIONAL 0.000 01/10/2024 BRL	Brazil	Treasury Bill	0.23
MGM CHINA HOLDINGS LTD 4.750 01/02/2027 USD	Macau SAR	Corporate Bond	0.22
REPUBLIC OF SOUTH AFRICA 9.000 31/01/2040 ZAR	South Africa	Government Bond	0.22

Fixed income geographical allocation (%)



Geographical allocation (Option adjusted duration)	Fund	Reference Benchmark	Relative
United States	1.51	--	--
United Kingdom	0.71	--	--
Germany	0.37	--	--
France	0.18	--	--
Indonesia	0.11	--	--
Mexico	0.11	--	--
India	0.10	--	--
Italy	0.10	--	--
Japan	0.10	--	--
Brazil	0.08	--	--
Other Locations	1.29	--	--
Cash	0.01	--	--

**Fixed income sector allocation (%)**



	3 year total return (%)	Amount based on GBP 1000 invested	3 Year Volatility (%)
<b>World Selection - Dividend Distribution Portfolio Accumulation C</b>	<b>2.61</b>	<b>1,080.37</b>	<b>7.88</b>
Peer Group Average - EAA Fund GBP Moderate Allocation	2.11	1,064.49	7.30
Lowest Returning Fund in Peer Group	-2.62	923.47	5.00
Highest Returning Fund in Peer Group	6.21	1,198.10	12.81
Cash	2.85	1,088.03	0.63

HSBC OpenFunds offer a choice of five different risk levels, to be selected by investors depending on factors like their financial goals, time horizon and capacity for loss. Typically, the more risk investors take, the more return they would expect to see. At HSBC Asset Management, we measure risk by volatility – how sharply a Portfolio’s share price moves in any given time period (up or down). The higher the volatility, the higher the risk. The table above shows the Portfolio’s return (for the primary share class or hedged currency share class) per year over the last three years (known as annualised) and the level of volatility over the same period. This can be compared against other funds in the peer group, as defined by an independent research company\*. An example of a good outcome would be that the HSBC Portfolio return is higher than the peer group’s average return and the volatility (risk taken) is lower. However investors should consider their own priorities when it comes to returns and the risk taken to achieve them. \*Morningstar Categories are used to define the peer group comprising funds they deem similar based on fund objectives and holdings. The average is a median.

## Risk disclosures

- Investing in other funds involves certain risks an investor would not face if investing in markets directly. Governance of underlying assets can be the responsibility of third-party managers.
- The Fund may invest in Emerging Markets, these markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.
- Derivatives may be used by the Fund, and these can behave unexpectedly. The pricing and volatility of many derivatives may diverge from strictly reflecting the pricing or volatility of their underlying reference(s), instrument or asset.
- Investment Leverage occurs when the economic exposure is greater than the amount invested, such as when derivatives are used. A Fund that employs leverage may experience greater gains and/or losses due to the amplification effect from a movement in the price of the reference source.
- Liquidity is a measure of how easily the Fund's holdings can be quickly converted to cash. The value of the Fund's holdings may be significantly impacted by liquidity risk during adverse market conditions.
- Further information on the potential risks can be found in the Key Information Document (KID) and/or the Prospectus or Offering Memorandum.

## Important information

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Further Information can be found in the prospectus and in our Key Investor Information Documents published in our Fund Centre at [www.assetmanagement.hsbc.co.uk](http://www.assetmanagement.hsbc.co.uk)"

**Source: HSBC Asset Management, data as at 31 May 2024**

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### Glossary

