

Hong Kong Baptist University

1998 Superannuation Fund – Investment review

March 2025



HSBC
Asset Management

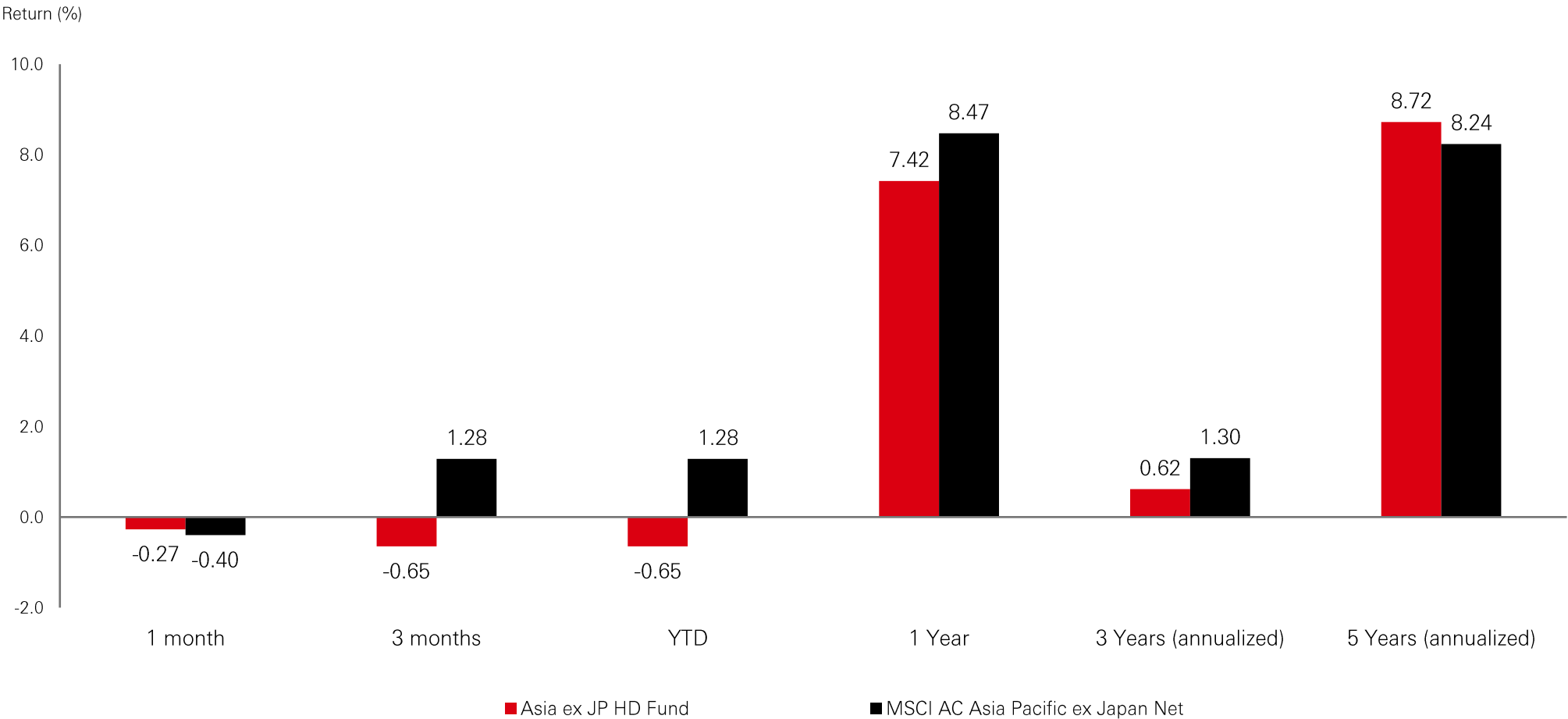
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Investment performance: HKBU 1998 – Asia ex JP HD Fund

(in HKD)

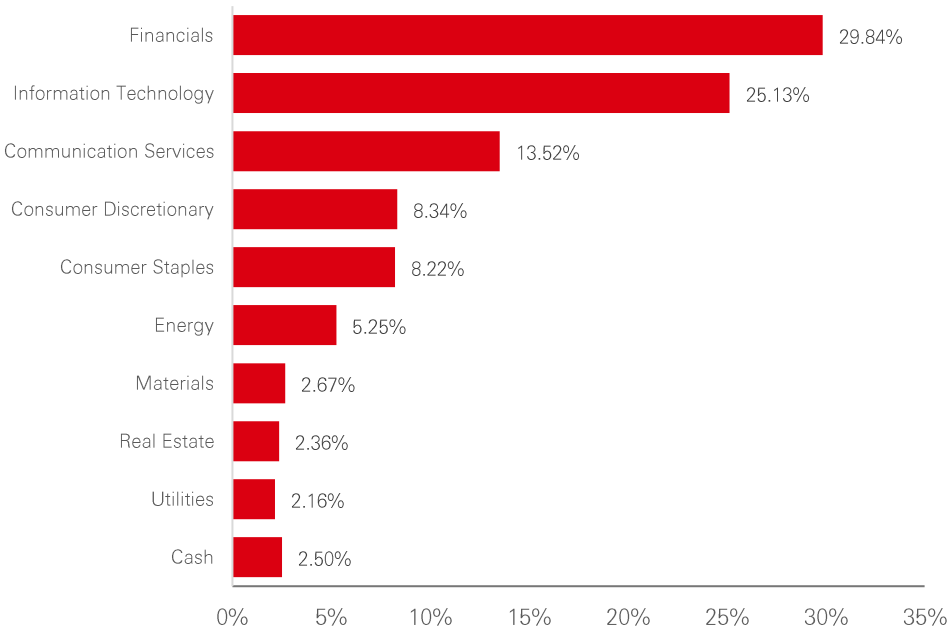


Notes:
Launch date: 28 September 2009
Performance is net of fees return in HKD
Past performance is not necessarily a guide to future performance
Data as of 31 March 2025
Source: HSBC Asset Management

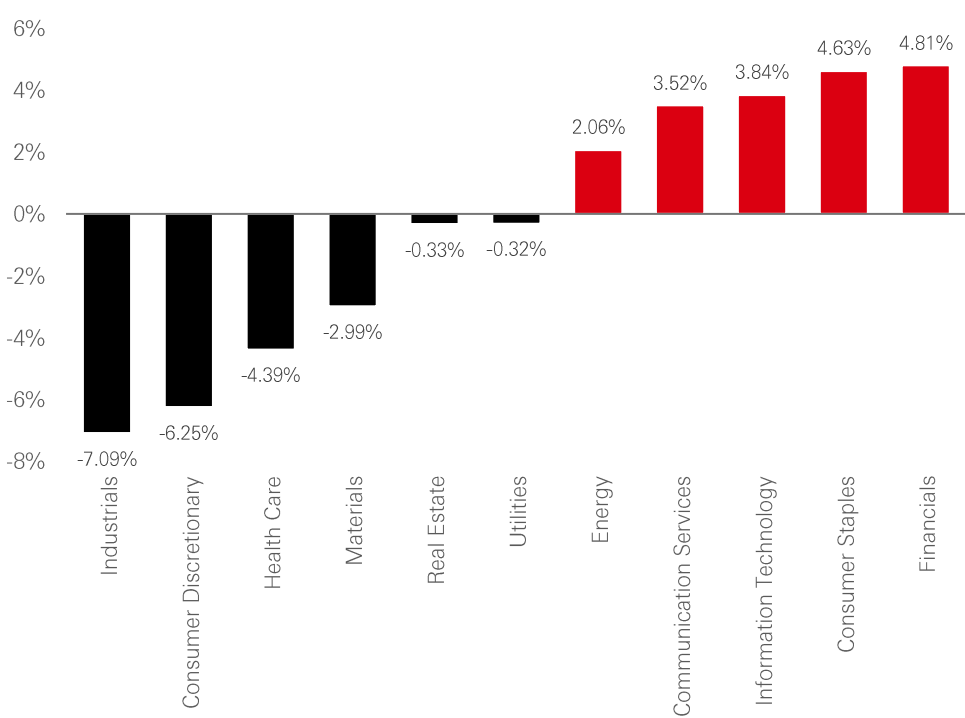
HGIF Asia Pacific ex Japan Equity High Dividend – Sector positioning

Representative account of GIPS composite
Supplemental information as of 31 March 2025

Sector weightings (%)



Active sector weightings (%)



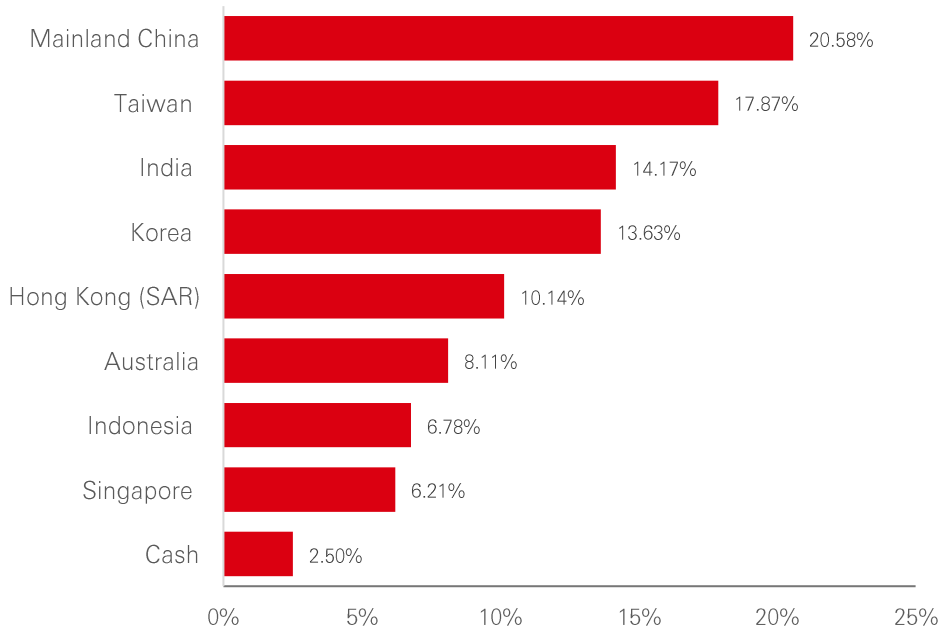
Source: HSBC Asset Management, data as of 31 March 2025

Notes:
1. HSBC Asset Management accepts no liability for any failure to meet this benchmark. Any portfolio characteristics shown herein, including average position sizes and sector allocations among others, are for illustrative purposes and reflects the representative account of the composite
2. The information should not be construed as a recommendation or solicitation to buy or sell any securities or sectors referenced. Holdings are subject to change daily. Each portfolio may differ due to individual client restrictions and guidelines. Accordingly individual results will vary
Information is given for illustrative purposes. Benchmark is the MSCI AC Asia Pacific ex Japan Net. This benchmark is indicative only and is not guaranteed in any way
This material is supplemental to GIPS compliance requirements and is provided for your information. This supplemental material complements the GIPS compliant composite presentation which is available in the appendix. Please refer to the GIPS disclosure statement in the appendix for the impact of investment advisory fees and expenses on performance and for benchmark definitions.
Fund changes that may have material impact on performance: 20 June 2016 – Investment objective changed
Investing in the fund means that investment in shares in a fund and not in a given underlying asset. The decision to invest in the fund should take account of all the characteristics or objectives as described in the prospectus. Any portfolio characteristics shown herein, including strategy and allocations among others, are for illustrative purposes only. The characteristics may differ by product, client mandate or market conditions.

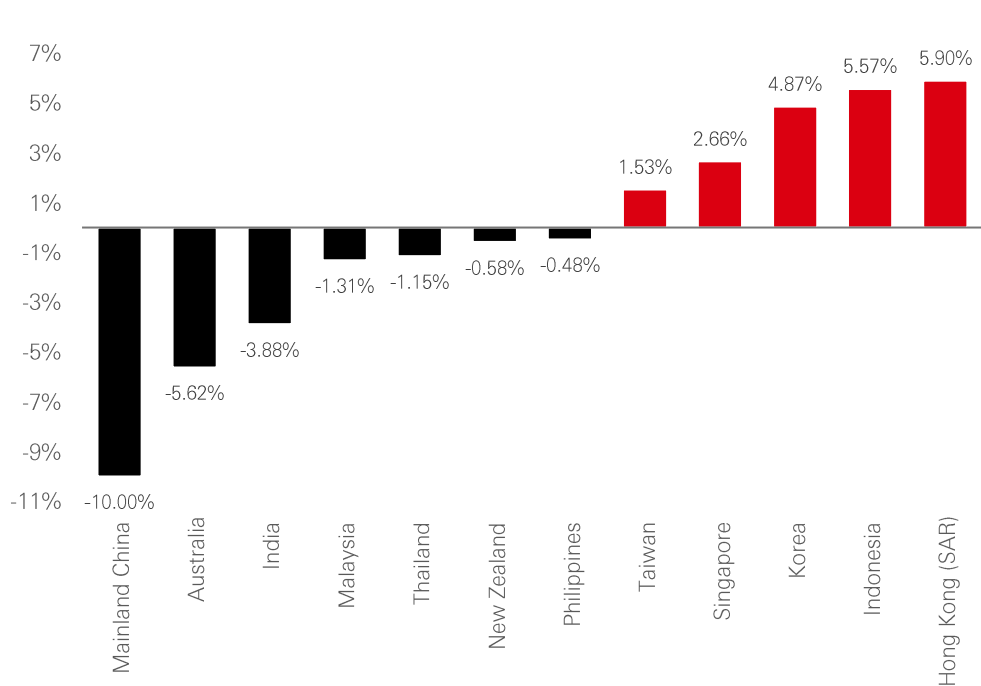
HGIF Asia Pacific ex Japan Equity High Dividend – Geographic positioning

Representative account of GIPS composite
Supplemental information as of 31 March 2025

Geographic weightings (%)



Active geographic weightings (%)

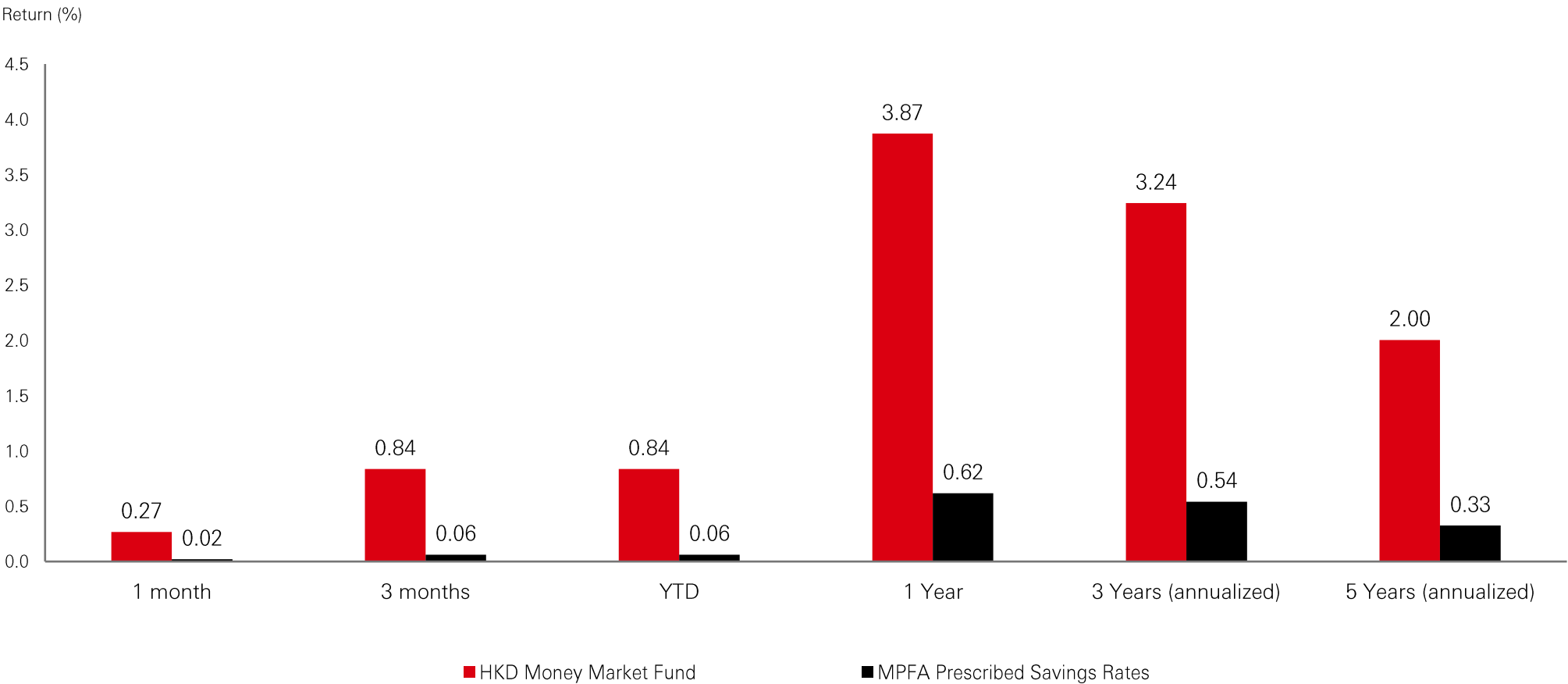


Source: HSBC Asset Management, data as of 31 March 2025

Notes:
1. HSBC Asset Management accepts no liability for any failure to meet this benchmark. Any portfolio characteristics shown herein, including average position sizes and sector allocations among others, are for illustrative purposes and reflects the representative account of the composite
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Information is given for illustrative purposes. Benchmark is the MSCI AC Asia ex Japan Small Cap Net. This benchmark is indicative only and is not guaranteed in any way
This material is supplemental to GIPS compliance requirements and is provided for your information. This supplemental material complements the GIPS compliant composite presentation which is available in the appendix. Please refer to the appendix concerning the impact of investment advisory fees and expenses on performance and for benchmark definitions.
Fund changes that may have material impact on performance: 20 June 2016 – Investment objective changed
Allocation is as at the date indicated, may not represent current or future allocation and is subject to change without prior notice.
Investing in the fund means that investment in shares in a fund and not in a given underlying asset. The decision to invest in the fund should take account of all the characteristics or objectives as described in the prospectus. Any portfolio characteristics shown herein, including strategy and allocations among others, are for illustrative purposes only. The characteristics may differ by product, client mandate or market conditions.

Investment performance: HKBU 1998 – HKD Money Market Fund

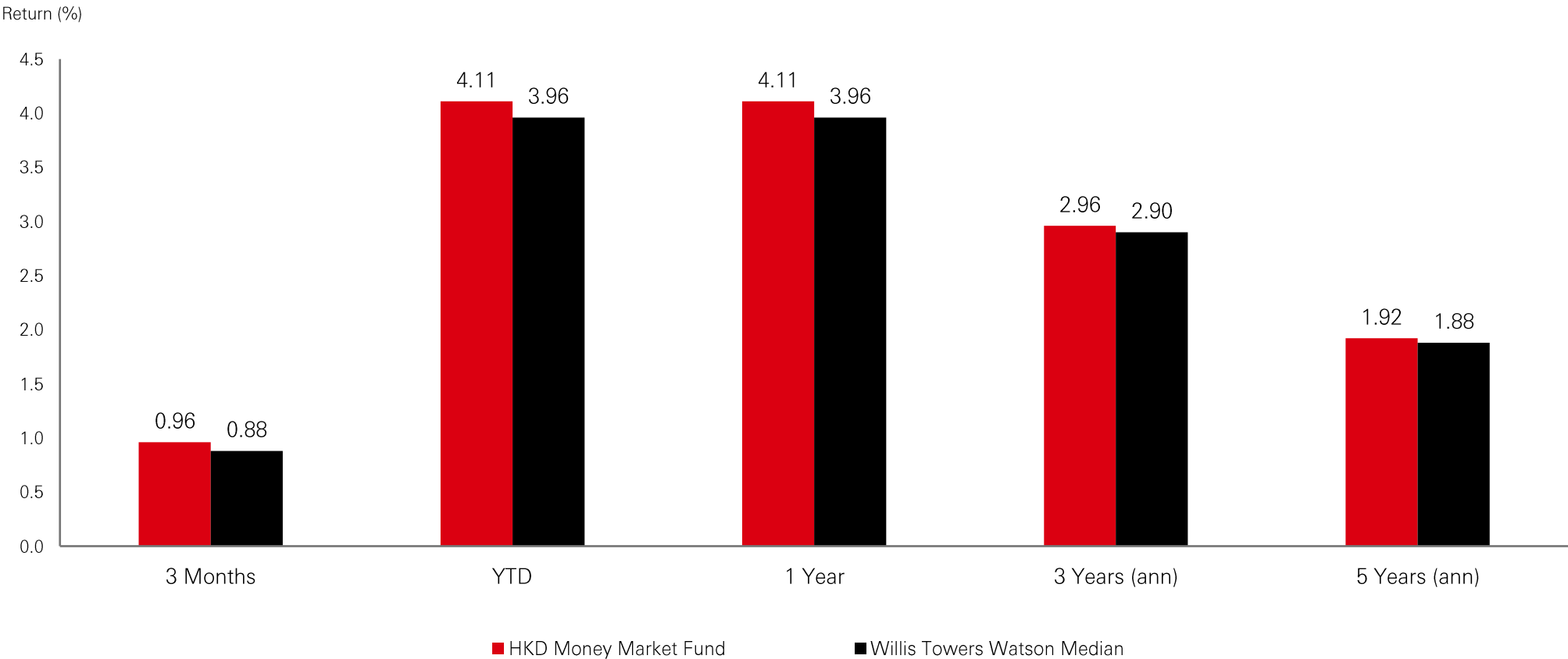
(in HKD)



Notes:
Launch date: 3 March 1998
Performance is net of fees return in HKD
Past performance is not necessarily a guide to future performance
Data as of 31 March 2025
Source: HSBC Asset Management

Peers Review - Investment performance till 31st December 2024

(in HKD)



Notes:
HKD Money Market Fund are ranked under the same category of "Money Market Fund" in the Willis Towers Watson - Managed Fund Report - Investment performance of pooled fund products
Performance is net of fees return in HKD
Past performance is not necessarily a guide to future performance
Data as of 31 December 2024
Source: HSBC Asset Management, Willis Towers Watson - Managed Fund Report - Investment performance of pooled fund products

Reference table for suggested investment choices

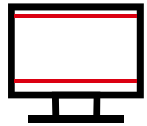
Fund type	Investment horizon (eg, years to retirement)				
	30+ years	>20-30 years	>10-20 years	5-10 years	Very short (< 5 years)
HKBU - HGIF Asia Pacific ex Japan Equity High Dividend	✓✓✓	✓✓	✓	✗	✗
HKBU – HKD Money Market Fund	✗	✗	✓	✓✓	✓✓✓

✓✓✓ Most appropriate ✓✓ Appropriate ✓ Acceptable ✗ Not appropriate

Note: Please note that the above table is designed for an average member. The final choice for any member may be based on a variety of factors



Members Choice Investment Hotline : *2284 1281*



Web site : *<http://www.assetmanagement.hsbc.com/hk>*

Appendix – Market outlook

Macro Outlook

- ◆ Our **baseline macro scenario** is for growth convergence in major economies, moderately above target inflation, and gradual rate cuts
- ◆ However, policy **uncertainty** has risen to extreme levels, creating the risk of materially weaker growth
- ◆ In **China**, policy support measures for households, signs of stabilisation in the property market, and expansionary fiscal policy should help mitigate rising external risks
- ◆ Rising trade concerns are likely to have diverging effects on **Asian economies** while macro policies should be supportive for growth

House View

- ◆ **Increased policy uncertainty has boosted market volatility**, which is consistent with our view of markets ‘spinning around’ in 2025
- ◆ We think market leadership can continue to shift to **previously lagging sectors and regions**, but performance could be ‘stop-start’
- ◆ **The US dollar is vulnerable** to further signs of a weaker US economy. This bodes well for EM local currency stocks and bonds
- ◆ **Diversification is a key theme**. Alternatives, such as private credit, hedge funds and defensive real assets can build resilience into portfolios. Gold has been a good hedge against uncertainty

Policy Outlook

- ◆ **The Fed is in “wait and see” mode**. We expect gradual easing as the FOMC attempts to balance below trend growth and above target inflation
- ◆ **A sizeable shift in fiscal policy in Germany** should boost growth in 2026. The ECB is expected to cut rates twice more this year
- ◆ **Rising global trade uncertainty** may have an uneven impact across Asia. The RBI should ease, while a weak currency constrains Bank Indonesia
- ◆ **Chinese policymakers** announced a new 30-point plan to boost household consumption, including measures to stabilise the equity market. This should lessen downside growth risks, and ease deflation concerns

Scenarios

SPINNING
AROUND

Our central scenario. Stop-start tariff escalation and moderate US spending cuts. Extreme uncertainty. Stock market leadership broadens out. EMs are resilient

TOPPLING
OVER

Full blown global trade war and major US spending cuts. Sharp slowdown in growth, hitting EMs. US stocks enter a bear market. Rates rally across the curve

TAKING
OFF

Tariff risk dissipates. Animal spirits boost global growth. Europe catches up with resilient US. Stocks perform well. EMs rally as global growth projections upgraded

Against a backdrop of policy uncertainty, global growth should converge, with central banks still on course to cut rates. We think this scenario is consistent with a **broadening out of performance** to laggard sectors and regions. In emerging markets, a weaker US dollar and further Chinese policy stimulus support the outlook

- ◆ **Equities** – In the US, growth concerns, and recent reversals in expensive large-cap technology stocks have driven a pick-up in market volatility. A broadening out of performance has benefited more attractively valued markets in Europe and Asia. We prefer the growth outlook in emerging and frontier markets
- ◆ **Government bonds** – A cautious Fed, inflation risks stemming from uncertain trade policy, and fiscal concerns should keep yields above 4% for most of 2025. But volatility spikes and a wide trading range are likely
- ◆ **Corporate bonds** – Recent volatility has moved spreads wider. Investment Grade fundamentals remain solid, but High Yield spreads could be affected by the impact of policy uncertainty and a consumer slowdown on corporate profits

Equities		Government bonds		Corporate bonds		FX & Alternatives		Asian assets	
Asset Class	House view	Asset Class	House view	Asset Class	House view	Asset Class	House view	Asset Class	House view
Global	↗▲	Developed Market (DM)	↗▲	Global investment grade (IG)	↗▲	Gold	▲	Asia local bonds	▲
US	↔	US 10-year	↗▲	USD IG	↔	Other commodities	↔	RMB bonds	↔
UK	↔	UK 10-year	▲	EUR & GBP IG	↔	Real assets	▲▲	Asia ex-Japan equities	↗▲
Eurozone	↗▲	Germany 10-year	↔	Asia IG	↗▲	Hedge funds	▲▲	China	▲
Japan	↗▲	Japan	▼	Global high-yield	↗▼	Private credit	▲▲	India	▲
Emerging Markets (EM)	▲	Inflation-linked bonds	↗▲	US high-yield	▼	Private equity	↔	ASEAN	↗▲
CEE & Latam	▼	EM (local currency)	▲	Europe high-yield	▼	US dollar (DXY)	↗▼	Hong Kong	▲
Frontier	▲			Asia high-yield	↗▲	Crypto assets	▼▼	Asia FX (ADXY)	↔
				Securitised credit	▲				
				EM aggregate bond (USD)	▲				

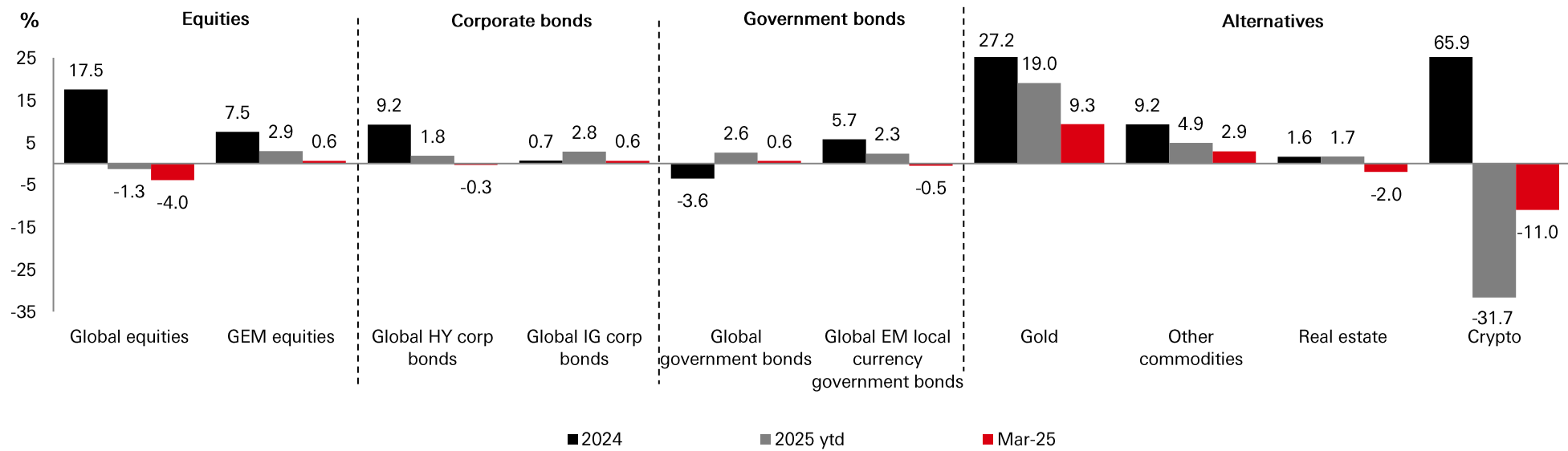
▲▲▲	Max Positive	↗▼	Neutral/Negative bias
▲▲	Positive	▼	Negative Bias
▲	Positive Bias	▼▼	Negative
↗▲	Neutral/Positive bias	▼▼▼	Max Negative
↔	Neutral		

House view represents a >12-month investment view across major asset classes in our portfolios

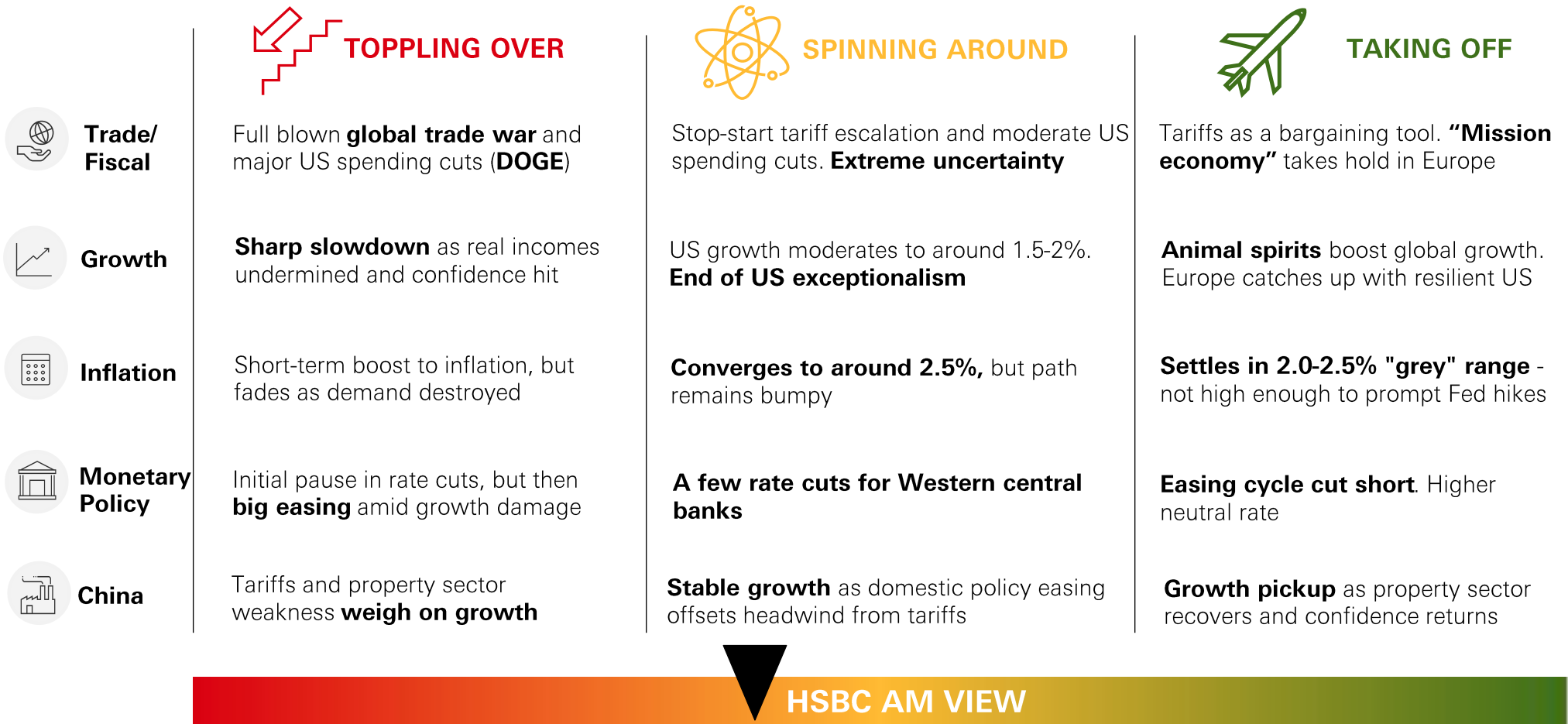
Source: HSBC Asset Management as at April 2025. The level of yield is not guaranteed and may rise or fall in the future. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target. The views expressed above were held at the time of preparation and are subject to change without notice. This information shouldn't be considered as a recommendation to invest in the country or sector shown.

Global equity returns continued to ‘spin around’ in March, with US stocks volatile, and European and emerging market indexes advancing. US Treasury yields were range-bound as markets played wait-and-see on policy direction. The US dollar fell sharply, while gold hit new highs

- ◆ **Government bonds** – US 10-year Treasury yields edged slightly higher through the month as markets weighed uncertainty over the economic outlook and trade policy. German Bund yields rose sharply on major public spending commitments
- ◆ **Equities** – In developed markets, the US stocks were volatile and trended lower, with large-cap technology firms leading the overall decline. By contrast, European stocks rallied. In emerging markets, India saw a sharp recovery, and there were broad gains across Latam, emerging Europe, and China
- ◆ **Alternatives** – Real asset indices were mixed in March. Infrastructure equity and hedge funds saw positive returns, but there was some weakness in real estate. Elsewhere, the oil price was range-bound and gold broke above USD3,000

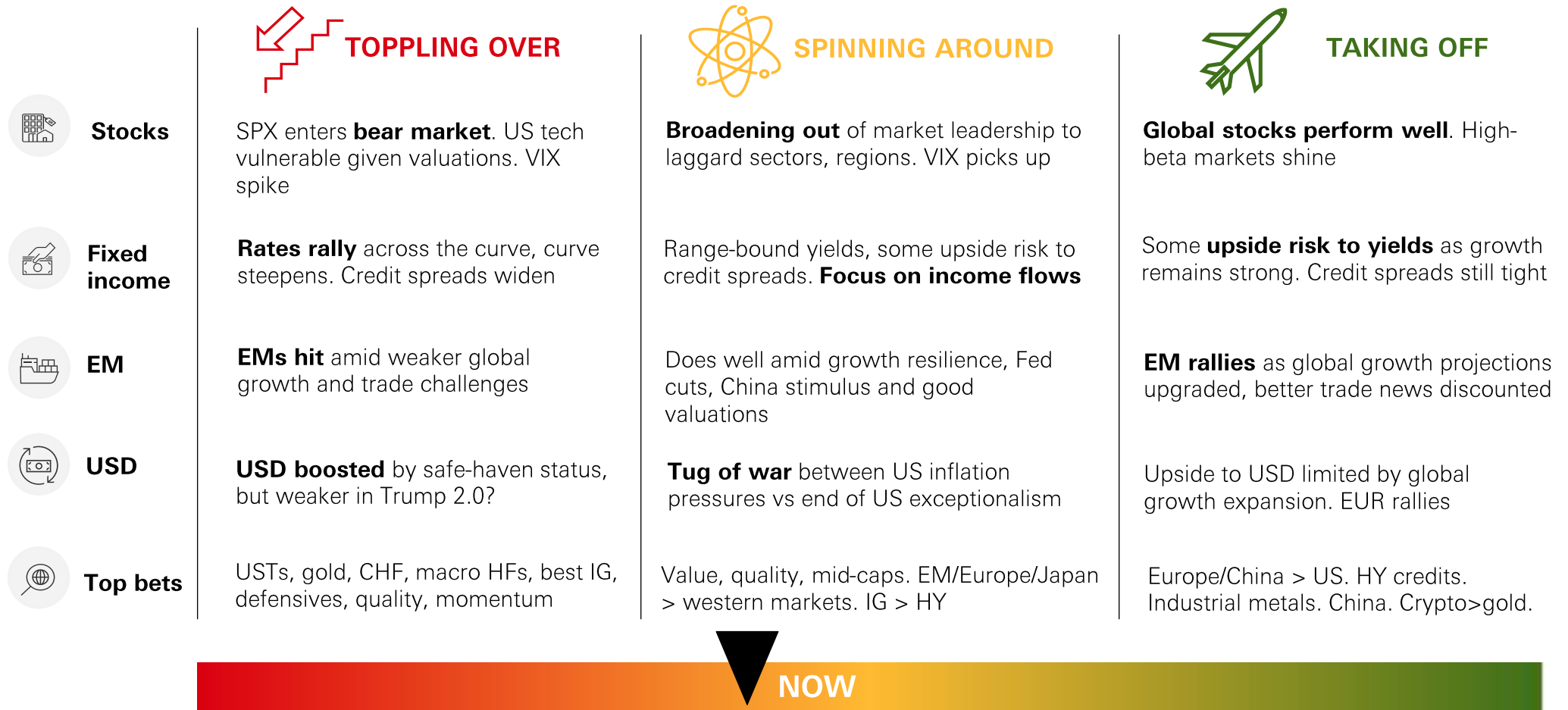


Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future. This information shouldn't be considered as a recommendation to invest in the country or sector shown. The views expressed above were held at the time of preparation and are subject to change without notice.
Source: Bloomberg, all data above as at close of business 31 March 2025 in USD, total return, month-to-date terms. Note: Asset class performance is represented by different indices. Global Equities: MSCI ACWI Net Total Return USD Index. Global Emerging Market Equities: MSCI Emerging Market Net Total Return USD Index. Corporate Bonds: Bloomberg Barclays Global HY Total Return Index value unhedged. Bloomberg Barclays Global IG Total Return Index unhedged. Government bonds: Bloomberg Barclays Global Aggregate Treasuries Total Return Index. JP Morgan EMBI Global Total Return local currency. Commodities and real estate: Gold Spot \$/OZ, Other commodities: S&P GSCI Total Return CME. Real Estate: FTSE EPRA/NAREIT Global Index TR USD. Crypto: Bloomberg Galaxy Crypto Index.
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Source: HSBC Asset Management, April 2025.

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Narrowing US growth differential versus DM, China policy boost

		Consensus		Policy 	
		Growth 	Inflation 	End-25 policy rate (HSBC AM)	2025 Fiscal impulse
		■ 2025 ■ 2026	■ 2025 ■ 2026		
US	Survey measures, like consumer confidence, are weakening. Hard data, including for the labour market and corporate profits, remain resilient. Fed Chair Powell has signalled a “wait and see” stance, highlighting the uncertain economic outlook, but the FOMC still signals further gradual easing			3.50-4.00%	Mild drag
Eurozone	Germany unveiled a sizeable EUR500 bn infrastructure investment fund (to be disbursed over 10 years) and has committed to additional defence spending. This should provide a boost for medium-term growth but, near-term, rising trade uncertainty is a headwind			1.75-2.25%	Neutral
UK	The BoE is faced with sticky wages and inflation but low growth. On balance, this points to gradual easing, given policy is still restrictive. The BoE attributes weak UK growth to supply and demand factors. Higher-for-longer interest rates limit the scope for fiscal support			3.50-4.00%	Mild boost
Japan	The BoJ is gradually normalising monetary policy. BoJ governor Ueda warned of “heightened uncertainty” in US trade policy. The FY25 shunto pay round was “at the higher end of expectations” which should support household consumption and push service sector inflation towards 2%			0.75-1.00%	Drag
China	China’s State Council issued a 30-point action plan to boost domestic consumption, including measures to stabilise the stock market, crucial for consumer confidence. Investment, production and retail sales saw broad-based gains in January-February, but the real estate sector remains a drag on activity			1.00-1.40%*	Boost
India	Growth has been moderating since mid-23 amid weaker private sector investment. But the structural growth story remains intact, supported by favourable demographics and rising incomes. Headline inflation dropped below the RBI’s 4% target in February, paving the way for further gradual easing			6.00-6.50%	Neutral

Past performance does not predict future returns.

Source: HSBC Asset Management, consensus numbers from Bloomberg, April 2025.

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