HSBC Global Investment Funds - Global Equity Climate Change

Share Class AD

30 Sep 2019

Risk Disclosure
• The Fund invests mainly in equities. • The Fund is subject to the emerging market risk and concentration risks associated with investing in a specific sector. • 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 invests for long-term total return (meaning capital growth and income) primarily in a portfolio of shares (or securities that are similar to shares) of companies that are positioned to benefit from efforts to adapt to climate change. Such companies should be aiming to be market leaders in their fields.

Investment Strategy

The Fund can invest in companies that are listed in any country, both developed and developing. The Fund can also invest up to 10% of its assets in Real Estate Investment Trusts and 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. The Fund's maximum exposure to China A-shares and China B-shares is 20% of its assets. See the Prospectus for a description of the investment objectives and derivative usage.

Performance (%)	YTD	1M	3M	1Y	3Y[1]	5Y[1]
AD	18.73	1.63	0.62	1.47	29.11	24.64
Reference Benchmark	16.97	2.10	-0.03	1.38	32.04	37.99

Calendar Year Performance (%)[2]	2014	2015	2016	2017	2018
AD	-0.82	-3.19	2.91	22.68	-13.24
Reference Benchmark	4.16	-2.36	7.86	23.97	-10.01

3-Year Risk Measures	AD	Reference Benchmark
Volatility	12.04%	11.47%
Information Ratio	-0.33	-
Beta	1.03	-

Characteristics	Fund	Reference Benchmark
Number of Holdings ex Cash	56	2,852
Avg Market Cap (USD mil)	133,613	150,992

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	LU0323240290
Share Class Inception Date	09 Nov 2007
NAV per Share	USD 9.23
Fund Size	USD 21,526,490
Bloomberg Ticker	HSCLADU LX
Reference Benchmark	MSCI AC World Net
Manager	Angus Parker

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

[1]Result is cumulative when calculation period is over one year.
[2]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.

Reference Performance Benchmark: MSCI AC World Net since 30 Sep 2011. Prior to that, the benchmark was HSBC Global Climate Change. Fund change that may have material impact on performance: 30 Sep 2011 and 2 Dec 2013 – investment objective changed. 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

HSBC Global Asset Management

Monthly Performance Commentary

Market Review

Global equities advanced in September on softening Sino-US trade tensions and a more dovish stance by the major central banks.
At the country level, the two main drivers of performance were the US and Japan, which both gained on the back of easing trade tensions and a more dovish US Federal Reserve. Moreover, Turkey equities also performed well as the Turkish Central bank took action to combat disinflation and reduced interest rates sizeably.
At the opposite end of the spectrum was China, which finished flat as gains realised earlier in the month were offset by news that President Trump was considering blocking US investment in China and delisting a number of Chinese companies listed in the US. However, the month ended on a softer note with a number of tariff exemptions being announced.
Across the central banks; The US Federal Reserve is likely to continue its gradual easing of policy in the near term to reduce the chance that US growth is dragged lower by soft global growth and persistent geopolitical uncertainty. The European Central Bank delivered a substantial easing package at its September meeting, including the restarting of net asset purchases. The Bank of England remains non-committal on the policy outlook, with future decisions ultimately affected by upcoming political developments. The Bank of Japan has signalled it could ease policy if activity cools or the yen strengths. Finally, the People's Bank of China has signalled its willingness to offer more policy support if needed, but large-scale stimulus is unlikely.

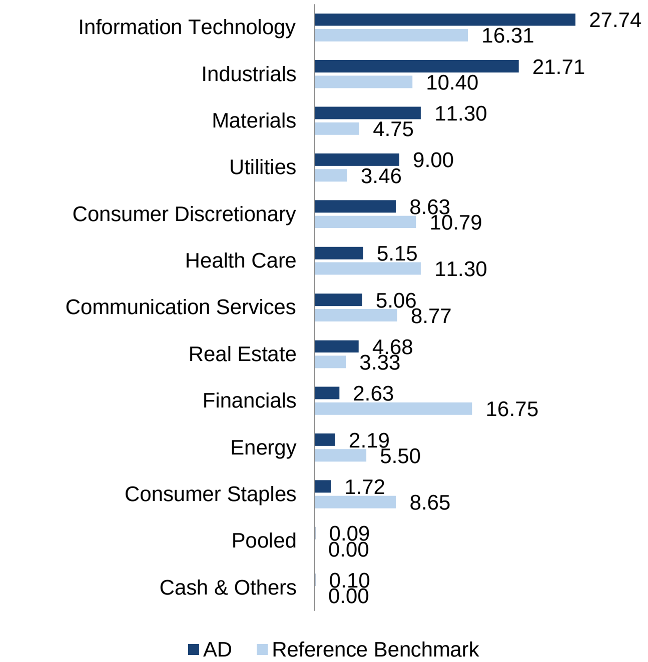
Fund Review

Contributors to relative performance included Samsung Electronics, which gained with the wider Korean equity market and was also buoyed by increased demand in the semiconductor space as major hyper-scalers increased their inventory and there were new product launches in the mobile phone space. Additionally, Mitsubishi Electric gained with the wider Japan equity market.
Detractors included Ball Corp, which saw some profit taking over the month after stellar year-to-date performance driven by the shift away from single use plastics to more environmentally friendly aluminium cans. Furthermore, First Solar fell on profit-taking following an analyst report that suggested that given the strong year-to-date rally, the name had reached fair value.
During the period, there was no portfolio turnover.
Sector and country allocation effects are residual to stock selection. At the country level, allocation effects were positive given an overweight exposure to Japan. At the sector level, effects were neutral as contribution from an underweight exposure to Health Care was fully offset by an underweight exposure to Financials.
Style factor effects were negative for the period given an overweight exposure to Momentum.

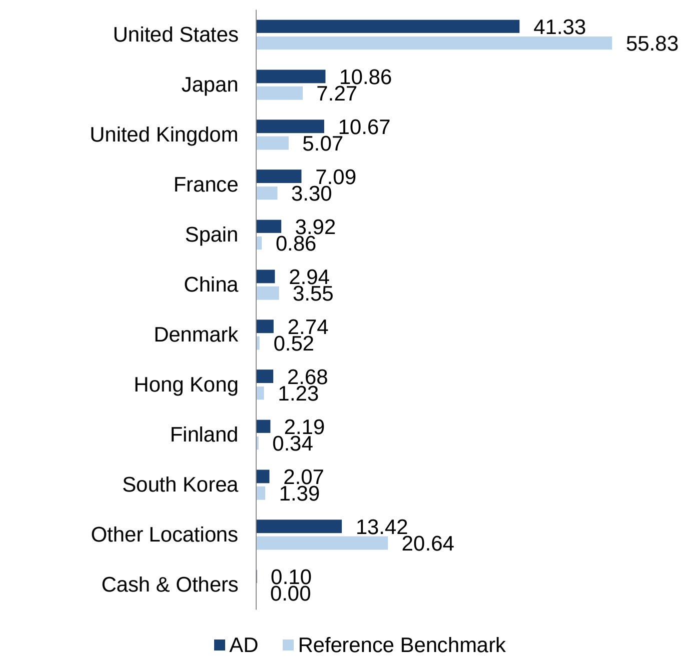
Outlook

Our measure of the global equity risk premium (excess return over cash) has recently improved following the rally in government bonds and we believe global equities still offer attractive rewards despite the risks to the growth outlook. Overall, policy support can help offset headwinds from more modest global growth, trade tensions and political uncertainty in many regions.
However, investors must be aware of potential risks. Episodic volatility may be triggered by concerns surrounding global economic growth, trade tensions, and political risks. A further significant deterioration of the global economic outlook could also dampen our view. However, we remain of the view that we are facing a "cyclical slowdown", not a more severe recessionary environment. Finally, corporate fundamentals are beginning to come under pressure and developments should be monitored closely.
Your portfolio aims to deliver diversified global equity exposure with a lower carbon footprint and a higher Environment, Social and Governance rating than the market index, by investing in companies that have exposure to the emerging Low Carbon economy and that look to manage the impact of climate change on its business. These companies also show an attractive combination of profitability and valuation.

Sector Allocation (%)



Geographical Allocation (%)



Top 10 Holdings (%)	Location	Sector	Weight (%)
Microsoft Corp	United States	Information Technology	3.64
Orsted A/S	Denmark	Utilities	2.74
Iberdrola SA	Spain	Utilities	2.71
Ball Corp	United States	Materials	2.63
Rentokil Initial PLC	United Kingdom	Industrials	2.53
Schneider Electric SE	France	Industrials	2.49
Yamatake Corp	Japan	Information Technology	2.45
Prologis Inc	United States	Real Estate	2.40
Deere & Co	United States	Industrials	2.36
IQVIA Holdings Inc	United States	Health Care	2.31

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	0.015411	0.17%

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 + (dividend amount / 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.