

HSBC Global Investment Funds

EUROPE VALUE

Monthly report 31 January 2024 | Share class IC



Investment objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of European shares, while promoting environmental, social and governance (ESG) characteristics. The Fund qualifies under Article 8 of SFDR.



Investment strategy

The Fund is actively managed. In normal market conditions, the Fund will invest at least 90% of its assets in shares (or securities similar to shares) of companies of any size, that are based in, or carry out most of their business in any developed European country. The Fund includes the identification and analysis of a company's ESG Credentials as an integral part of the investment decision making process to reduce risk and enhance returns. The Fund will not invest in shares issued by companies with involvement in specific excluded activities: such as: companies involved in the production of controversial weapons and tobacco; companies with more than 10% revenue generated from thermal coal extraction; and companies with more than 10% revenue generated from coal-fired power generation. The Fund may invest up to 10% in Real Estate Investment Trusts, and may also invest up to 10% of its net assets in other funds. See the Prospectus for a full description of the investment objectives and derivative usage.



Main risks

- The Fund's unit value can go up as well as down, and any capital invested in the Fund may be at risk.
- 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.
- 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.

Share Class Details

Key metrics

NAV per Share	EUR 65.44
Performance 1 month	-0.48%
Volatility 3 years	15.26%

Fund facts

UCITS V compliant	Yes
Subscription mode	Cash
Dividend treatment	Accumulating
Dealing frequency	Daily
Valuation Time	17:00 Luxembourg
Share Class Base Currency	EUR
Domicile	Luxembourg
Inception date	13 February 2008
Fund Size	EUR 66,940,982
Reference benchmark	100% MSCI Europe
Managers	Samir Essafri

Fees and expenses

Minimum initial investment (SG) ¹	USD 1,000,000
Maximum initial charge (SG)	5.000%
Management fee	0.750%

Codes

ISIN	LU0164907411
Bloomberg ticker	HSBEEIE LX

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

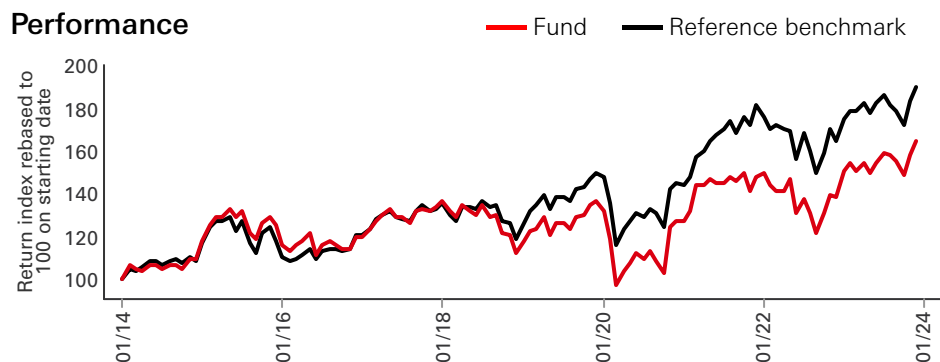
Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis. For comparison with benchmark. Performance numbers shown are before netting off sales / realisation charges. This is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions.

Until 19 April 2021 the name of the sub-fund is HSBC Global Investment Funds – European Equity.

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

For institutional and accredited investors use only. Not for further distribution.

Performance



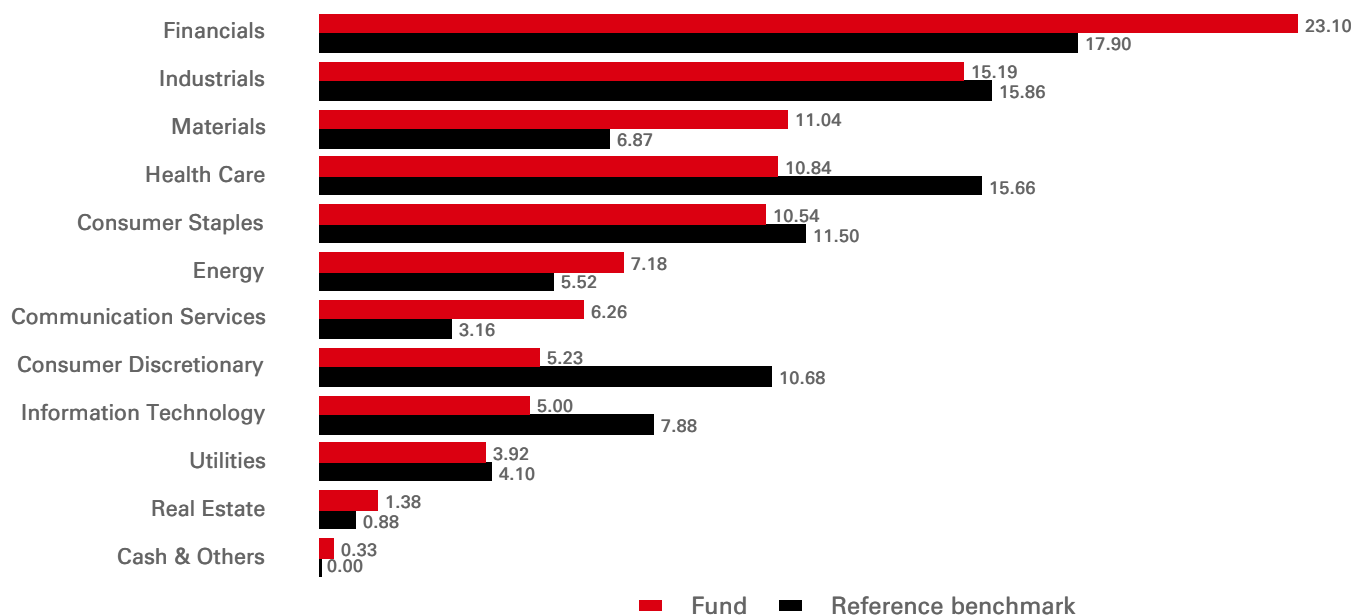
Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
IC	-0.48	-0.48	10.39	2.67	8.87	8.82	6.91
Reference benchmark	1.57	1.57	12.12	3.82	10.17	10.32	8.87

Calendar year performance (%)	2019	2020	2021	2022	2023
IC	21.88	-6.72	16.51	-6.38	18.59
Reference benchmark	26.05	-3.32	25.13	-9.49	15.83

Carbon footprint	Fund	Reference benchmark	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	110.88	91.69	Fund	7.9	7.3	5.4	6.3
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO ₂ e/USD million)			Reference benchmark	7.9	6.9	5.4	6.4
Source of analytics: Trucost							

Equity characteristics	Fund	Reference benchmark	3-Year Risk Measures	IC	Reference benchmark
No. of holdings ex cash	54	425	Volatility	15.26%	13.65%
Average Market Cap (EUR Mil)	71,787	105,594	Information ratio	-0.22	--
			Beta	1.01	--

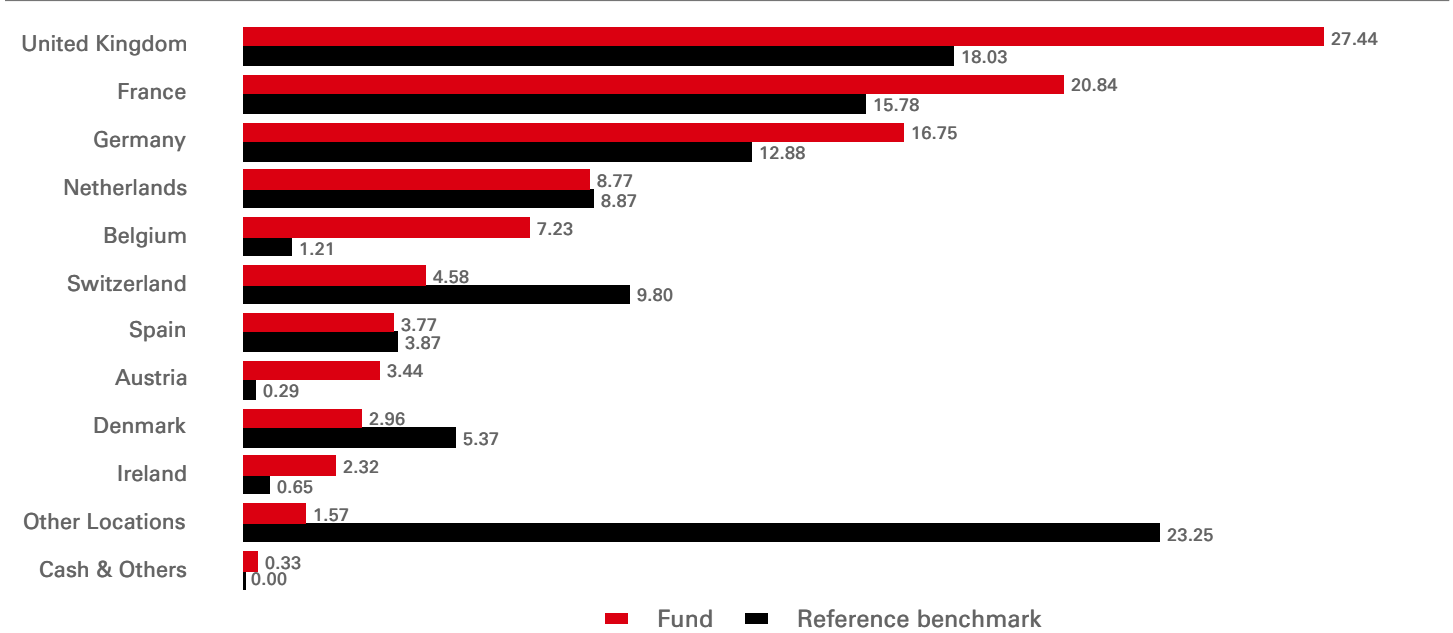
Sector Allocation (%)



Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis. For comparison with benchmark.
Performance numbers shown are before netting off sales / realisation charges.
Source: HSBC Asset Management, data as at 31 January 2024

For institutional and accredited investors use only. Not for further distribution.

Geographical Allocation (%)



Top 10 Holdings	Location	Sector	Weight (%)
AstraZeneca PLC	United Kingdom	Health Care	3.58
Reckitt Benckiser Group PLC	United Kingdom	Consumer Staples	3.49
KBC Group NV	Belgium	Financials	3.41
ING Groep NV	Netherlands	Financials	3.23
BP PLC	United Kingdom	Energy	3.13
Commerzbank AG	Germany	Financials	3.01
Novo Nordisk A/S	Denmark	Health Care	2.96
Heineken NV	Netherlands	Consumer Staples	2.92
Anheuser-Busch Inbev Sa/Nv	Belgium	Consumer Staples	2.68
Koninklijke KPN NV	Netherlands	Communication Services	2.63

Top 10 holdings exclude holdings in cash and cash equivalents and money market funds.

Monthly performance commentary

Performance

January was a mixed month as economic data kept surprising on the upside for the most part, which meant equities continued their gains from late 2023, the S&P 500 reaching a new all-time high. On the other hand, geopolitical concerns have persisted, with attacks from the Houthi rebels on commercial shipping in the Red Sea. Sovereign bonds also lost ground as investors dialled back the prospect of rate cuts in Q1, on hawkish Fed Chair comments. The MSCI World returned +16.1% since 27th Oct 2023. Narrow breadth persisted in January with only small percentage of stocks outperforming the global index. In January, Japan led regional returns while China fell despite various policy stimulus measures and the MSCI Europe returned +1,57%. Global sector returns were led by Semis, while the weak performance of Materials reflected soft demand from China. The narrow breadth seen in January with only 29% of stocks (Big tech, Quality, Growth) outperforming, this extreme market concentration impacted our Value biased fund which underperforms over the month. Over the month, sector allocation was negative. We suffered from our structural underweight Technology (expensive cyclicals), our underweight Healthcare is also a detractor, as well as our overweight Materials. Conversely, our overweight Telecoms added. Stock selection was also negative. The worst stocks in the portfolio were Grifols, Remy Cointreau (Cognac & Spirits) and Syensqo (Specialty Chemicals part spun off from Solvay). Grifols (top 3 player with 20% share, in the oligopolistic market of plasma proteins) suffered from a short-selling attack on 9 January that resulted in a sharp daily drawdown. The accusations made by Gotham City Research address the well-known debt leverage issue of Grifols, Gotham also criticized related-party transactions with Scranton, one of Grifols' largest shareholders with an 8.4% stake. Gotham report has been strongly denied by the company. Our general impression is that Gotham's note is particularly vague and lacks real new information. We still expect good operating results in 2024 driven by improving underlying fundamentals and post-COVID recovery in the plasma collection market. Against the current backdrop, a successful completion of the sale of a 20% stake in Shanghai RAAS in H1 2024 for € 1.6bn is key to accelerate the de-leveraging trend and we are confident that a clean closing will occur. We believe that the stock will recover, albeit it might take some time. Remy Cointreau suffered heavily from a Chinese anti-dumping investigation which we believe is unfounded. Syensqo is penalized by the destocking and ongoing challenging trading conditions and as pricing may turn slightly negative in 2024. Despite near term concerns, we still see ample room for more rerating. Thyssenkrupp Nucera (green hydrogen electrolysis play) also weighed. Among Financials, Prudential (Life Insurance, Asia centric) is penalized by the negative sentiment on China and ING in the banking space is impacted by mixed quarterly results and a cautious outlook on Net Interest Income. On the other hand, we benefited from Cap Gemini (IT Services provider). Teleperformance (world's leading outsourced omni-channel customer center operator) continued to recover nicely over the month. Relx (Professional publishing and analytics) and Reckitt Benckiser also added over the month.

Portfolio adjustments

In January, we initiated a position in ST Microelectronics, global manufacturer of logic and analog chips with broad exposure to the industrial, automotive, smartphone, smart card & networking verticals. The company has a fab-lite manufacturing strategy whereby leading-edge manufacturing is outsourced. Growth is driven by its auto business due to Electric vehicle adoption (unique technological capability in Silicon Carbide), industrial due to factory automation and IoT, and imaging due to 3D sensing adoption (3D sensing activity could represent a significant business opportunity). Those structural growth drivers should lead to further margin improvement. Revenue growth and margin improvement potential remain underestimated in our view. And near-term concerns, weakness (due to inventory correction and the soft landing in EV), offers a very interesting entry point.

Outlook

The set-up for equity markets in 2024 remains positive with leading macro indicators recently signalling a trough in macro trends, and global profit expectations showing early signs of recovery. Especially as Q4 earnings keep tracking ahead of expectations (albeit much more in US than Europe). Ex-energy EPS growth has picked up vs. previous quarters in both regions. And despite small margin pressure, guidance is more positive vs Q3, and buybacks announcements are notably higher. Having said that, soft landing and benefits from central banks pivot have become consensus, market performance could have gone a bit too far too fast. In the very short term, a brief correction would no doubt be healthy. Notably as the last mile of the inflation fight is always proving tricky. The lag effects of rate rises and depleting household savings could still hurt. However, we keep believing the coming slowdown really needs to be deep and long lasting to cause severe damage. Overall, European equities continue to offer cheap upside optionality on improving global growth prospects as Developed Market central banks seem likely to ease, China appears focused on halting a downturn, and more synchronized cycle could be positive for equity markets. In Europe, valuations are still below their LT average and much cheaper than in the US and expected earnings growth is more moderate. We, thus, stick to our selected Value tilt as the Value segment remains extremely cheap vs history vs Big Tech exuberance and vs overcrowded Quality & Growth styles.

Risk Disclosure

- Investment involves risk. Past performance figures shown are not indicative of future performance. Investors should read the prospectus (including the risk warnings) and the product highlights sheets, before investing. Daily price change percentage is based on bid-bid price.

Index Disclaimer

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an “as is” basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the “MSCI Parties”) expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)


Benchmark disclosure

The Investment Advisor will use its discretion to invest in securities not included in the reference benchmark based on active investment management strategies and specific investment opportunities. It is foreseen that the reference benchmark will not be used as a universe from which to select securities. The deviation of the Fund's performance and underlying investments' weightings relative to the benchmark are monitored, but not constrained, to a defined range.

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

For institutional and accredited investors use only. Not for further distribution.

Follow us on:

 **HSBC Asset Management**

Glossary



Important Information

Performance is annualised when calculation period is over one year. Net of relevant prevailing sales charge on a single pricing (NAV) basis, calculated on the basis that dividends are reinvested.

This document does not constitute an offering document and should not be construed as a recommendation, an offer to sell or the solicitation of an offer to purchase or subscribe to any investment.

This document is for information only and is not an advertisement, investment recommendation, research, or advice. Any views and opinions expressed are subject to change without notice. It does not have regard to the specific investment objectives, financial situation, or needs of any specific person. Investors and potential investors should not invest in the Fund solely based on the information provided in this document and should read the prospectus (including the risk warnings) and the product highlights sheets, which are available upon request at HSBC Global Asset Management (Singapore) Limited ("AMSG") or our authorised distributors, before investing. You should seek advice from a financial adviser. Investment involves risk. Past performance of the managers and the funds, and any forecasts on the economy, stock or bond market, or economic trends that are targeted by the funds, are not indicative of future performance. The value of the units of the funds and income accruing to them, if any, may fall or rise and investor may not get back the original sum invested. Changes in rates of currency exchange may affect significantly the value of the investment. AMSG has based this document on information obtained from sources it reasonably believes to be reliable. However, AMSG does not warrant, guarantee or represent, expressly or by implication, the accuracy, validity or completeness of such information.

This document and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore ("SFA") and has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. You should consider carefully whether the investment is suitable for you. The offer or invitation of the Units, which is the subject of this document, does not relate to a collective investment scheme which is authorised by the MAS under Section 286 of the SFA or recognised by the MAS under Section 287 of the SFA and the Units are not allowed to be offered to the retail public.

No document or material in connection with the offer or sale of the Units may be circulated or distributed, nor may the Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the SFA, in accordance with the conditions specified in that section, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Units are subscribed or purchased under Section 305 of the SFA by a relevant person which is (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable within 6 months after that corporation or that trust has acquired the Units pursuant to an offer made under Section 305 of the SFA except (1) to an institutional investor or to a relevant person as defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) where the transfer is by operation of law; or (4) as specified in Section 305A(5) of the SFA; (5) The sub-fund uses financial derivative instruments significantly and a significant portion of the sub-fund's payout income are generated from financial derivative strategies, investors should take note of expected risks associated with such strategies and higher volatility in payout income profile.

HSBC Global Asset Management (Singapore) Limited

10 Marina Boulevard, Marina Bay Financial Centre, Tower 2, #48-01, Singapore 018983

Telephone: (65) 6658 2900 Facsimile: (65) 6225 4324

Website: www.assetmanagement.hsbc.com/sg

Company Registration No. 198602036R

Should there be any discrepancy, the English version shall prevail. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.

Supplemental information sheet

Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
AC EUR	-0.56	-0.56	10.16	2.23	7.95	7.90	6.00
IC EUR	-0.48	-0.48	10.39	2.67	8.87	8.82	6.91
PD EUR	-0.51	-0.51	10.30	2.49	8.52	8.45	6.54
PD SGD	-0.89	-0.89	10.56	1.63	10.36	4.72	5.25
PD USD	-2.17	-2.17	13.35	0.98	8.54	4.48	5.38

Calendar year performance (%)	2019	2020	2021	2022	2023
AC EUR	20.85	-7.51	15.53	-7.17	17.59
IC EUR	21.88	-6.72	16.51	-6.38	18.59
PD EUR	21.45	-7.03	16.13	-6.72	18.21
PD SGD	17.65	-0.39	10.10	-12.91	20.34
PD USD	19.26	1.34	7.93	-12.46	22.36

Performance is annualised when calculation period is over one year. Past performance does not predict future returns.Fund return: NAV-to-NAV basis. For comparison with benchmark.
Performance numbers shown are before netting off sales / realisation charges.
Source: HSBC Asset Management, data as at 31 January 2024
For institutional and accredited investors use only. Not for further distribution.

Supplemental information sheet

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Last Paid Dividend	Annualised Yield based on ex-dividend date
AC	EUR	--	--	--	--
IC	EUR	--	--	--	--
PD	EUR	Annually	31 May 2023	0.970870	2.39%

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	11 April 2003	LU0164906959	EUR	USD 5,000	57.14	1.500%	Accumulating
IC	13 February 2008	LU0164907411	EUR	USD 1,000,000	65.44	0.750%	Accumulating
PD	12 November 1993	LU0047473722	EUR	USD 50,000	44.30	1.000%	Distributing

Different classes may have different performances, dividend yields and expense ratios. For hedged classes, the effects of hedging will be reflected in the net asset values of such classes. Expenses arising from hedging transactions may be significant and will be borne by the relevant hedged classes. Hedged class performs the required hedging on a best efforts basis.

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 comprise of distributed income, capital, or both.

The calculation method of annualised yield prior to August 2019 is the simple yield calculation: (dividend amount / NAV per share or units as of ex-dividend date) x n; 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.

Investors and potential investors should refer to the details on dividend distributions of the Fund, which are available on HSBC Asset Management (Singapore) Limited website.

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

For institutional and accredited investors use only. Not for further distribution.