

## HSBC Global Investment Funds

# ECONOMIC SCALE US EQUITY

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 United States of America (USA) shares.



### Investment strategy

The Fund is actively managed and is not constrained by a benchmark. 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 the larger part of their business activities in, the USA. The Fund's investment process identifies and invests in companies according to their economic scale, measured by their contribution to Gross National Product. This is also referred to as Value Added - the difference between a company's outputs and inputs. The Fund may invest up to 10% in Real Estate Investment Trusts, and may also invest up to 10% of its assets in other funds, including HSBC 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.
- 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.

### Share Class Details

#### Key metrics

NAV per Share	<b>USD 75.11</b>
Performance 1 month	<b>0.54%</b>
Volatility 3 years	<b>16.78%</b>

#### Fund facts

UCITS V compliant	<b>Yes</b>
Subscription mode	<b>Cash</b>
Dividend treatment	<b>Accumulating</b>
Dealing frequency	<b>Daily</b>
Valuation Time	<b>17:00 Luxembourg</b>
Share Class Base Currency	<b>USD</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>26 June 2008</b>
Fund Size	<b>USD 250,953,833</b>
Managers	<b>HSBC Index and Systematic Equity Portfolio Management Team</b>

#### Fees and expenses

Minimum initial investment (SG) <sup>1</sup>	<b>USD 1,000,000</b>
Maximum initial charge (SG)	<b>5.000%</b>
Management fee	<b>0.300%</b>

#### Codes

ISIN	<b>LU0164902883</b>
Bloomberg ticker	<b>HSBNUSI LX</b>

<sup>1</sup>Please 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.

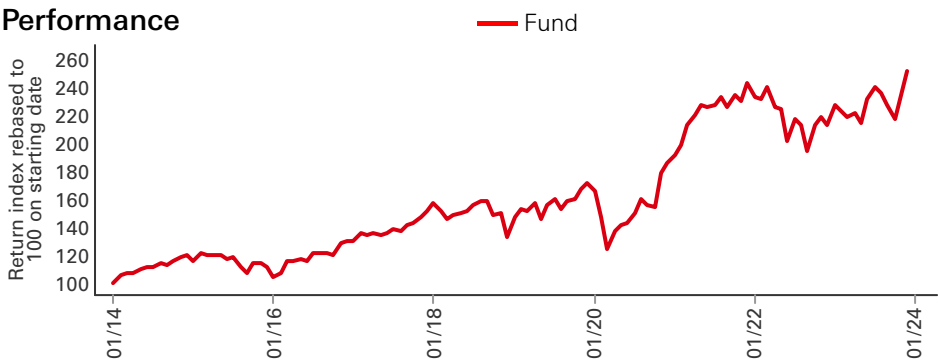
Historically the comparative investment benchmark has been: S&P 500 Composite Net from launch until 15/03/2015; HSBC Economic Scale US Index from 16/03/2015 until 25/10/2017.

Prior to 25/10/2017 the fund was named HSBC Global Investment Funds - Economic Scale Index US Equity; Prior to 25/11/2002 the fund was named North American Equity; Prior to 16/03/2015 the fund was named US Equity.

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

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Performance

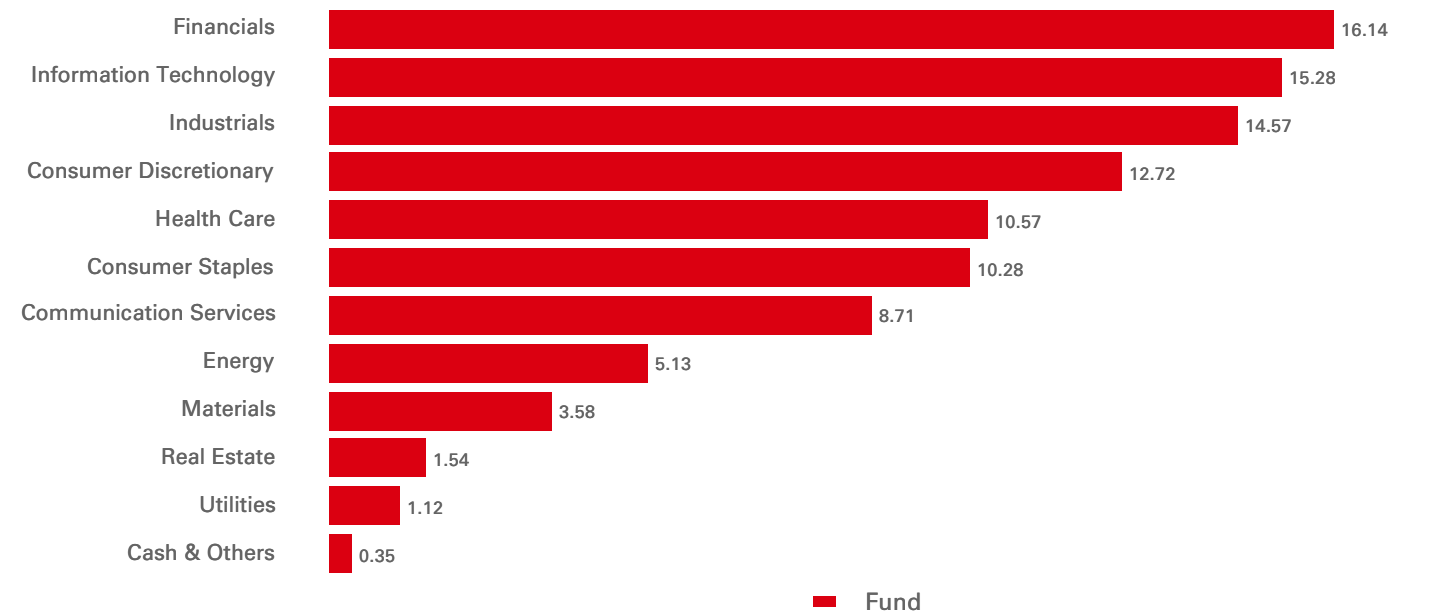


Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
IC	0.54	0.54	16.45	4.87	10.98	9.82	11.39

Calendar year performance (%)	2019	2020	2021	2022	2023
IC	28.32	8.43	31.19	-12.28	18.03

Equity characteristics	Fund	Reference benchmark	3-Year Risk Measures	IC	Reference benchmark
No. of holdings ex cash	1,111	--	Volatility	16.78%	--
Average Market Cap (USD Mil)	267,579	--	Beta	--	--

Sector Allocation (%)



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Top 10 Holdings	Sector	Weight (%)
Walmart Inc	Consumer Staples	2.91
Apple Inc	Information Technology	2.10
Amazon.com Inc	Consumer Discretionary	1.82
Microsoft Corp	Information Technology	1.53
JPMorgan Chase & Co	Financials	1.39
Alphabet Inc	Communication Services	1.28
Bank of America Corp	Financials	1.18
AT&T Inc	Communication Services	1.16
Berkshire Hathaway Inc	Financials	1.16
Wells Fargo & Co	Financials	1.13

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

## Monthly performance commentary

### Market Review

Global equities rose in January, driven by developed markets amid ongoing hopes of a soft landing as economic data prints held up. Meanwhile, EM equities were generally lower. In the US, equities posted gains with the S&P 500 hitting new highs, driven by tech stocks and related companies amid enthusiasm around the AI theme. Towards month-end, the Fed kept interest rates unchanged and hinted at a slower than expected speed of future rate cuts which weighed on investor sentiment.

### Fund Commentary

The HGIF Economic Scale US Equity fund delivered positive returns in January but underperformed the S&P 500 Net Total Return Index in the month. Although the fund does not have a benchmark, when comparing to the S&P 500 Index which serves as a proxy for the US equity market, both our asset allocation and stock selection weighed on performance.


In comparison with the S&P 500 Index, our underweight exposures to Real Estate and Utilities coupled with our overweight allocation to Financials contributed to performance. Conversely, our overweight allocations to Industrials and Consumer Discretionary coupled with our underweight exposure to Information Technology weighed on performance.

In terms of stock positions, our underweight exposures to Tesla Inc (Consumer Discretionary) and Apple Inc (Information Technology) coupled with our overweight allocation to Walmart Inc (Consumer Staples) contributed to performance. Conversely, our underweight exposures to Nvidia Corp (Information Technology), Microsoft Corp (Information Technology) and Meta Platforms Inc-Class A (Communication Services) weighed on performance.

Risk Disclosure

- 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.
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- 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.

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## 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.

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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.

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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 USD	0.50	0.50	16.33	4.65	10.54	9.38	10.95
AD USD	0.50	0.50	16.33	4.65	10.55	9.38	10.95
IC USD	0.54	0.54	16.45	4.87	10.98	9.82	11.39
PD EUR	2.76	2.76	13.26	6.33	10.75	13.77	12.40
PD SGD	2.03	2.03	13.53	5.43	12.62	9.86	11.04
PD USD	0.52	0.52	16.39	4.76	10.77	9.60	11.17
YD USD	0.55	0.55	16.49	4.95	11.16	9.99	11.56

Calendar year performance (%)	2019	2020	2021	2022	2023
AC USD	27.80	8.00	30.67	-12.63	17.56
AD USD	27.80	8.01	30.68	-12.63	17.57
IC USD	28.32	8.43	31.19	-12.28	18.03
PD EUR	30.70	-1.43	42.14	-7.00	13.15
PD SGD	26.41	6.16	33.86	-12.88	15.25
PD USD	28.06	8.22	30.94	-12.46	17.81
YD USD	28.51	8.61	31.40	-12.15	18.22

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

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## 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	USD	--	--	--	--
AD	USD	Annually	31 May 2023	0.390766	0.63%
IC	USD	--	--	--	--
PD	USD	Annually	31 May 2023	0.516536	0.79%
YD	USD	Annually	31 May 2023	0.275292	1.19%

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	4 April 2003	LU0164902453	USD	USD 5,000	68.46	0.600%	Accumulating
AD	17 December 2002	LU0149725797	USD	USD 5,000	72.95	0.600%	Distributing
IC	26 June 2008	LU0164902883	USD	USD 1,000,000	75.11	0.300%	Accumulating
PD	16 January 1987	LU0011818662	USD	USD 50,000	76.26	0.400%	Distributing
YD	14 December 2009	LU0449516656	USD	USD 1,000	27.18	0.150%	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

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