

HSBC Global Investment Funds

EUROLAND EQUITY SMALLER COMPANIES

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 Eurozone 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 smaller and medium sized companies, that are based in any Eurozone member country. These companies are defined as having a market value of less than EUR 10 billion as well as being constituents of the MSCI EMU SMID Index. 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 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. 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.
- Different investment styles typically go in and out of favour depending on market conditions and investor sentiment.

Share Class Details

Key metrics

NAV per Share	EUR 83.80
Performance 1 month	-0.85%
Volatility 3 years	15.69%

Fund facts

UCITS V compliant	Yes
Dividend treatment	Accumulating
Dealing frequency	Daily
Share Class Base Currency	EUR
Domicile	Luxembourg
Inception date	1 August 2006
Fund Size	EUR 101,316,342
Reference benchmark	100% SCI EMU SMID
Managers	Eve Navarre

Fees and expenses

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

Codes

ISIN	LU0165074070
Bloomberg ticker	HSBESIC LX

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

Past performance does not predict 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. *The fund may pay dividends out of capital or gross of expenses.

Reference Performance Benchmark: MSCI EMU SMID Net since 1 Jan 2013.

From 1 Jun 2006 – 31 Dec 2012 was MSCI EMU Small Cap Net.

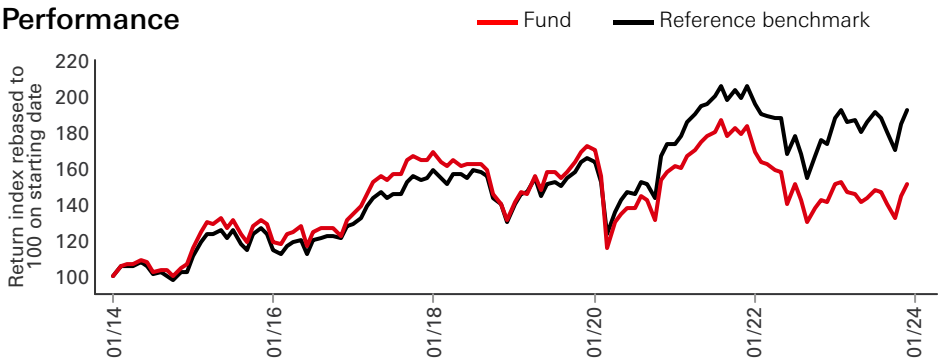
Prior to that was MSCI Europe Small Cap Net.

For definition of terms, please refer to the Glossary QR code.

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	5 years
IC	-0.85	-0.85	13.42	1.32	-0.89	-6.87	6.69
Reference benchmark	-0.06	-0.06	12.40	0.15	1.74	10.39	36.22

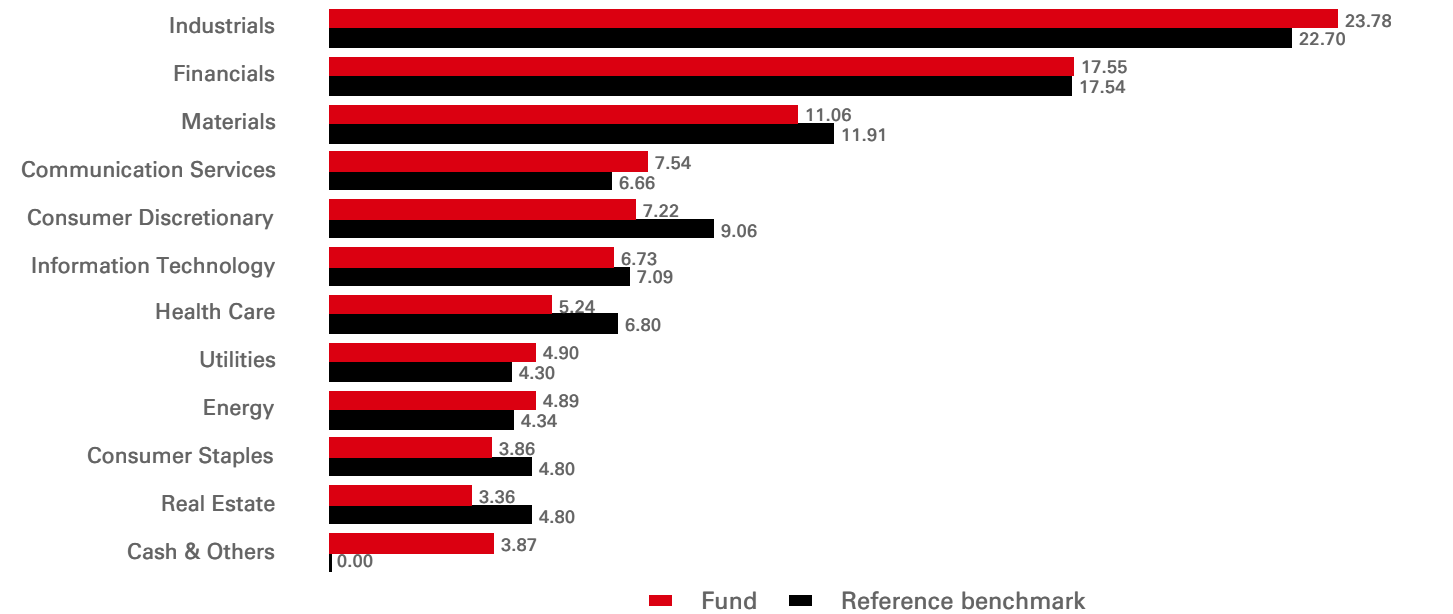
Calendar year performance (%)	2019	2020	2021	2022	2023
IC	31.04	-8.27	16.24	-22.87	6.84
Reference benchmark	27.34	4.36	18.94	-15.99	10.78

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. Results are cumulative

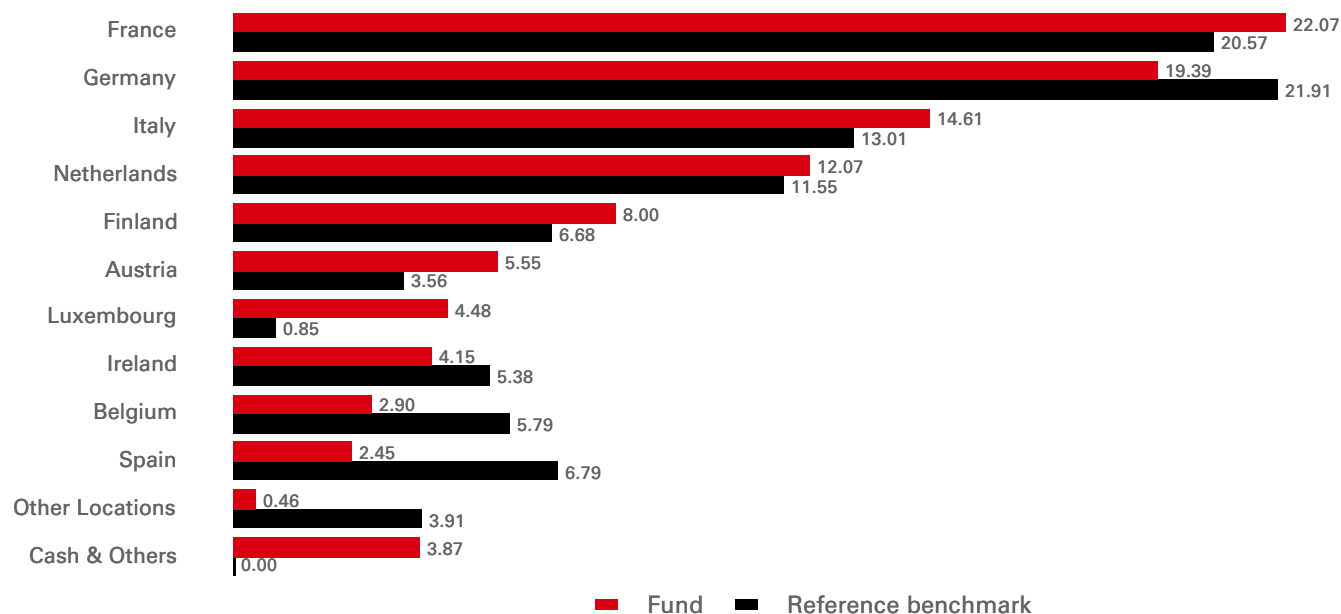
Carbon footprint	Fund	Reference benchmark	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	66.16	141.07	Fund	7.5	7.0	5.1	6.8
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO ₂ e/USD million)			Reference benchmark	7.3	6.6	5.1	6.5
Source of analytics: Trucost							

Equity characteristics	Fund	Reference benchmark	3-Year Risk Measures	IC	Reference benchmark
No. of holdings ex cash	59	531	Volatility	15.69%	15.50%
Average Market Cap (EUR Mil)	8,648	8,740	Information ratio	-1.41	--
			Beta	0.98	--

Sector Allocation (%)



Geographical Allocation (%)



Top 10 Holdings	Location	Sector	Weight (%)
ASM International NV	Netherlands	Information Technology	3.71
Symrise AG	Germany	Materials	3.38
Euronext NV	Netherlands	Financials	3.31
Brenntag SE	Germany	Industrials	3.29
Eurofins Scientific SE	Luxembourg	Health Care	2.99
FinecoBank Banca Fineco SpA	Italy	Financials	2.94
Kingspan Group PLC	Ireland	Industrials	2.89
Publicis Groupe SA	France	Communication Services	2.81
Sodexo SA	France	Consumer Discretionary	2.63
Tenaris SA	Italy	Energy	2.44

Monthly performance commentary

Performance attribution

Stock-picking weighed on the fund's performance, while sector allocation contributed positively.

Looking at the fund's sector mix, our under-exposure to real estate and over-exposure to media and business services contributed to relative performance during the period.

Conversely, leading detractors included renewable energy producers Encavis (Germany), down almost 17% during the month, and Acciona Energia (Spain), which fell more than 14%. These companies are seeing their growth outlook negatively impacted by declining gas and electricity prices.

Detractors also included Aperam (Materials, France), down by almost 13% over the period. The company issued very cautious statements during its January conferences, raising investors' fears of persisting weakness in the first months of 2024.

ASM International (Semiconductors, Netherlands), which rose almost 10% over the period, ranked among the fund's top contributors to performance. The stock rose on the back of robust earnings and guidance publications of ASML and was supported by the investment plans announced by TSMC.

Investment policy

During the month we introduced a new position in Unibail (Real Estate, France). We believe that the company's operating performances remain robust in a normalised environment; the balance sheet is improving, and the stock is trading at an attractive price.

We also took some profits on Ipsos and ASM International following their strong run.

Risk Disclosure

- 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.
- Further information on the potential risks can be found in the Key Information Document (KID) and/or the Prospectus or Offering Memorandum.

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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 relative to the benchmark is monitored, but not constrained, to a defined range.

Important Information

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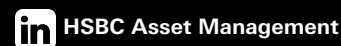
Investors should not invest in the Fund solely based on the information provided in this document and should read the offering document of the Fund for details.

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For more information please contact us at Tel: 852 2284 1111.

Website:
www.assetmanagement.hsbc.com/hk

Glossary



<https://www.assetmanagement.hsbc.com.hk/api/v1/download/document/lu0164865239/hk/en/glossary>

Supplemental information sheet

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Dividend Amount	Annualised Yield based on ex-dividend date
AC	EUR	--	--	--	--
ACHUSD	USD	--	--	--	--
AD	EUR	Annually	31 May 2023	0.722011	1.13%
IC	EUR	--	--	--	--

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 from August 2019 is the compound yield calculation: $((1 + (\text{dividend amount} / \text{ex-dividend NAV}))^n)^{1/n} - 1$, 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.

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