

HSBC Global Investment Funds

GLOBAL LOWER CARBON EQUITY

Monthly report 29 February 2024 | Share class AD

Fund center



Risk Disclosure

- The Fund invests mainly in equities while promoting ESG characteristics.
- 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 currency, volatility, liquidity, equity market, ESG investment policy, geographic concentration risks, risk associated with small/mid-capitalisation companies, tax and political risks. Investors may suffer substantial loss of their investments in the Fund.
- Investors should not invest solely based on factsheet and should read the offering documents for details.



Investment objective

The Fund aims to provide long term capital growth and income by investing in shares of companies that have a lower carbon intensity and higher environmental, social and governance (ESG) rating compared to its reference benchmark. Carbon intensity is calculated as a weighted average of the carbon intensities and ESG ratings of the Fund's investments. 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 developed markets. The investment process identifies and ranks stocks in the Fund's investment universe. In order to lower the exposure to carbon intensive businesses and raise the Fund's ESG rating, all holdings in the portfolio are assessed for their individual carbon footprint and ESG scores. A portfolio which aims to maximize growth and income and reduces the carbon footprint is then created. The Fund will not invest in shares of companies that are considered to be non-compliant with the UN Global Compact Principles or have material exposure to specific excluded activities, such as, thermal coal fired power generation and thermal coal extraction. The Fund may invest up to 10% in other funds. See the Prospectus for a full description of the investment objectives and derivative usage.

Share Class Details

Key metrics

NAV per Share	USD 15.84
Volatility 3 years	15.68%

Fund facts

UCITS V compliant	Yes
Dividend treatment	Distributing
Distribution Frequency	Annually
Dividend ex-date	31 May 2023
Dividend annualised yield*	1.00%
Dividend Amount	0.132229
Dealing frequency	Daily
Share Class Base Currency	USD
Domicile	Luxembourg
Inception date	27 September 2017
Fund Size	USD 356,555,877
Reference benchmark	100% MSCI World Net
Managers	HSBC Index and Systematic Equity Portfolio Management Team

Fees and expenses

Minimum initial investment (HK) ¹	USD 1,000
Maximum initial charge (HK)	5.000%
Management fee	0.800%

Codes

ISIN	LU1674673691
Bloomberg ticker	HSGLCAD LX

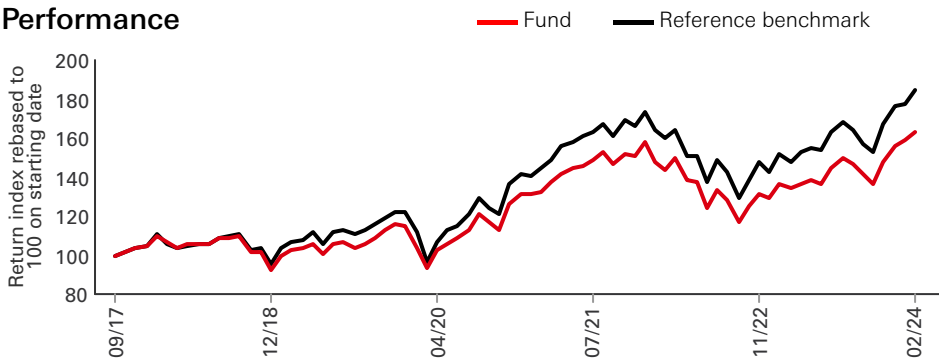
¹Please note that initial minimum subscription may vary across different distributors

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.

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

Source: HSBC Asset Management, data as at 29 February 2024

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years	5 years
AD	4.70	2.87	10.26	11.16	21.22	23.33	58.80
Reference benchmark	5.20	4.24	10.67	12.46	24.96	28.24	73.55

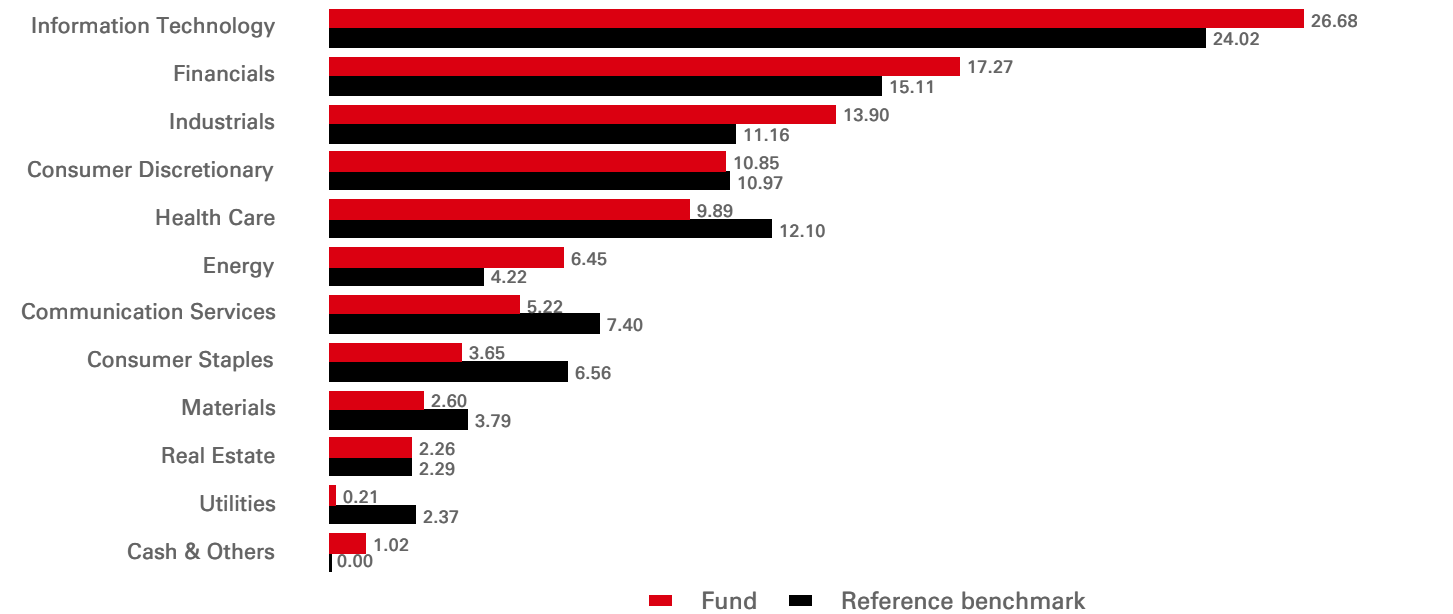
Calendar year performance (%)	2019	2020	2021	2022	2023
AD	24.59	13.92	20.23	-18.18	20.39
Reference benchmark	28.28	15.99	22.20	-17.98	23.69

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	52.75	99.14	Fund	8.4	6.9	6.1	6.2
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO ₂ e/USD million)			Reference benchmark	6.9	6.8	5.2	5.7
Source of analytics: Trucost							

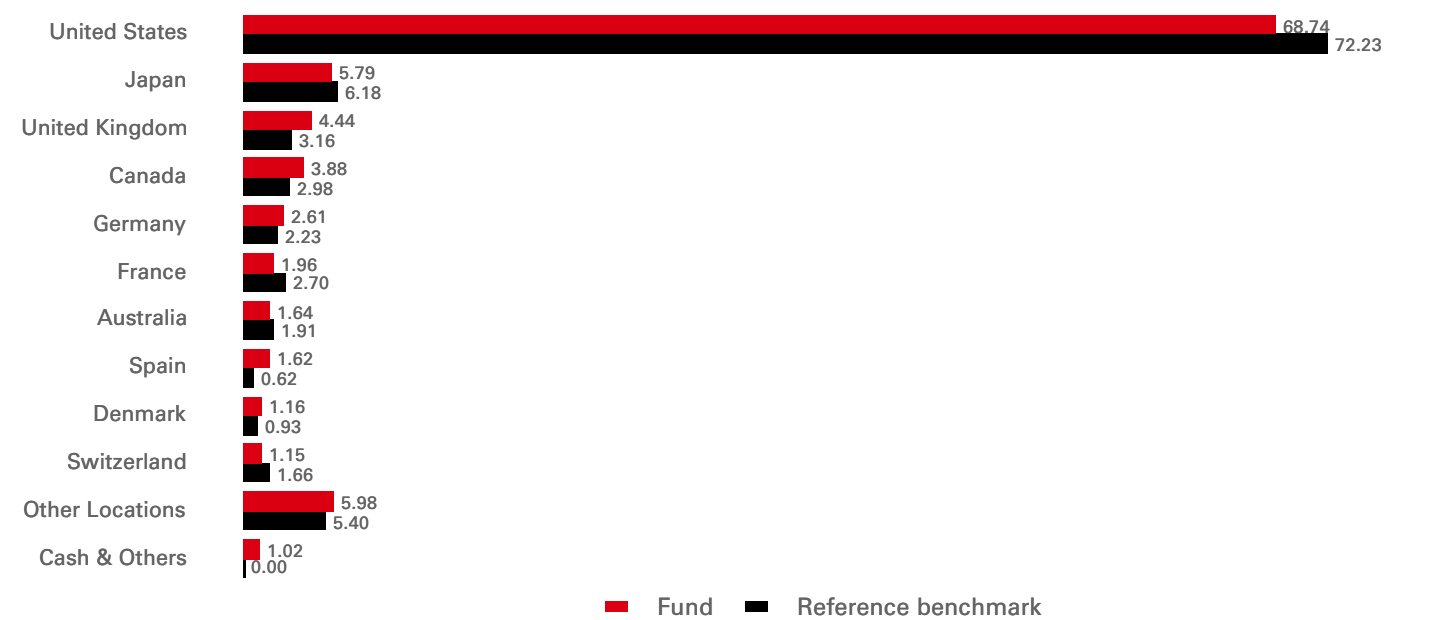
Equity characteristics	Fund	Reference benchmark	3-Year Risk Measures	AD	Reference benchmark
No. of holdings ex cash	281	1,486	Volatility	15.68%	16.78%
Average Market Cap (USD Mil)	456,138	534,119	Information ratio	-0.41	--
			Beta	0.92	--

Sector Allocation (%)



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Geographical Allocation (%)



Top 10 Holdings	Location	Sector	Weight (%)
Microsoft Corp	United States	Information Technology	5.41
Apple Inc	United States	Information Technology	3.66
NVIDIA Corp	United States	Information Technology	2.18
Amazon.com Inc	United States	Consumer Discretionary	1.69
Alphabet Inc	United States	Communication Services	1.65
UnitedHealth Group Inc	United States	Health Care	1.51
Home Depot Inc/The	United States	Consumer Discretionary	1.48
Adobe Inc	United States	Information Technology	1.30
SAP SE	Germany	Information Technology	1.20
Applied Materials Inc	United States	Information Technology	1.19

Monthly performance commentary

Market Review

Global stock markets rose for a fourth consecutive month in February, supported by resilient economic data and relatively strong corporate earnings. Signs that inflationary pressures have not entirely dissipated suggest that central banks may be on hold for a little while longer. US equities outperformed in February driven by strong Q4 2023 earnings and the high representation of Technology stocks in the wider index which continued to benefit from AI-related optimism. European equities underperformed despite a fall in inflation in February and an improvement in business sentiment in early 2024. UK equities also underperformed amidst news of a contraction in the UK economy of 0.3% in Q4 2023, confirming a technical recession.

Factor Performance

In February, as of month end style factor performance was negative in global developed markets. Within alpha factors, the defensive Quality finished as the best performing factor. The cyclical Size factor underperformed during the month, while the defensive Low Risk ranked in the middle amongst factors, underperforming at month end. Meanwhile, the dynamic Industry Momentum struggled throughout February, trading below the line and was unable to regain performance at month end. Finally, the cyclical Value factor lagged behind throughout the month and finished as the laggard factor.

Fund Commentary

In February, as of month end the fund underperformed its market cap weighted index. On a portfolio level, our exposure to Quality contributed to performance, while our exposures to Value, Industry Momentum, Low Risk, Low Carbon and Size weighed on performance.

Industries

On an industry basis, our underweight exposures to Media & Entertainment and Utilities coupled with our overweight allocation to Insurance contributed to performance. Conversely, our overweight allocations to Software & Services, Telecommunication Services and Health Care Equipment & Services weighed on performance.

Countries

On a country basis, our underweight exposures to Netherlands, Japan and Singapore contributed to performance. Conversely, our overweight allocations to Austria and Spain coupled with our underweight exposure to Hong Kong weighed on performance.

Stock Level

On a stock level basis, our overweight allocations to Applied Mats Inco, Nxp Semiconductors Nv and Lam Research Corp contributed to performance. Conversely, our underweight exposures to Meta Platforms Inco, Nvidia Corp and Eli Lilly Co weighed on performance.

Ten lowest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO ² e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO ² e/USD million)
3I GROUP PLC	0.09	INDUSTRIVARDEN AB-A SHS	0.01
SWISS RE AG	0.24	WHEATON PRECIOUS METALS CORP	0.03
GJENSIDIGE FORSIKRING ASA	0.29	3I GROUP PLC	0.09
TALANX AG	0.49	ST JAMES'S PLACE PLC	0.11
THE CIGNA GROUP	0.60	SAGAX AB-B	0.18
ELEVANCE HEALTH INC	0.62	HANNOVER RUECK SE	0.18
SYNCHRONY FINANCIAL	0.64	IGM FINANCIAL INC	0.22
NN GROUP NV	0.65	SWISS RE AG	0.24
ARCH CAPITAL GROUP LTD	0.70	M&G PLC	0.25
PRUDENTIAL FINANCIAL INC	0.73	DNB BANK ASA	0.26

Ten highest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO ² e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO ² e/USD million)
BRIDGESTONE CORP	1,271.94	VISTRA CORP	6,920.55
CRH PLC	1,031.23	EVERGY INC	4,775.06
VOESTALPINE AG	894.68	SEMBICORP INDUSTRIES LTD	4,486.64
ANA HOLDINGS INC	871.92	CLP HOLDINGS LTD	3,450.76
BLUESCOPE STEEL LTD	745.90	PPL CORP	3,431.28
NIPPON YUSEN KK	678.21	AMEREN CORPORATION	3,264.38
DEUTSCHE LUFTHANSA-REG	676.24	AES CORP	3,192.36
ENAGAS SA	441.39	HEIDELBERG MATERIALS AG	3,185.96
KINROSS GOLD CORP	440.69	SOUTH32 LTD	3,152.81
MONDI PLC	434.79	ALLIANT ENERGY CORP	3,147.17

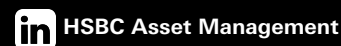
Company carbon data, can often be “partially disclosed”, i.e. partial geographic coverage, or incomplete operational data. Trucost* undertakes analysis and research to assess company reported results. The proprietary Trucost model enables an estimate of total emissions which relies on more than just reported financial data. Where securities are not covered by Trucost, HSBC assigns a proxy value based on the average intensity score of comparable companies.*Trucost are a division of S&P Global; they assess risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors.

Source of analytics: Trucost / HSBC

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Source: HSBC Asset Management, data as at 29 February 2024

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Website:
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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 a significant percentage of the Fund's investments will be components of the reference benchmark. However, their weightings may deviate materially from those of the reference benchmark. The deviation of the Fund's performance relative to the benchmark is monitored, but not constrained, to a defined range.

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Glossary



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Supplemental information sheet

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Dividend Amount	Annualised Yield based on ex-dividend date
AC	USD	--	--	--	--
AD	USD	Annually	31 May 2023	0.132229	1.00%
ADHKD	HKD	Annually	31 May 2023	0.126548	0.99%

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 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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