

## HSBC Global Investment Funds

# EUROLAND VALUE

Monthly report 31 July 2022 | Share class AC



### Investment objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of Eurozone shares.



### 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 European Monetary Union member 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 exposure to specific Excluded Activities, including but not limited to, weapons, thermal coal extraction, coal-fired power generation and tobacco. The Fund may invest up to 10% in Real Estate Investment Trusts, and may also invest up to 10% 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>EUR 44.98</b>
Performance 1 month	<b>3.68%</b>
Volatility 3 years	<b>23.40%</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>EUR</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>4 April 2003</b>
Fund Size	<b>EUR 433,830,769</b>
Reference benchmark	<b>100% MSCI EMU</b>
Managers	<b>Frederic Leguay Jeanne Follet</b>

#### Fees and expenses

Minimum initial investment (SG) <sup>1</sup>	<b>USD 5,000</b>
Maximum initial charge (SG)	<b>5.000%</b>
Management fee	<b>1.500%</b>

#### Codes

ISIN	<b>LU0165074666</b>
Bloomberg ticker	<b>HSBEURQ LX</b>

<sup>1</sup>Please note that initial minimum subscription may vary across different distributors

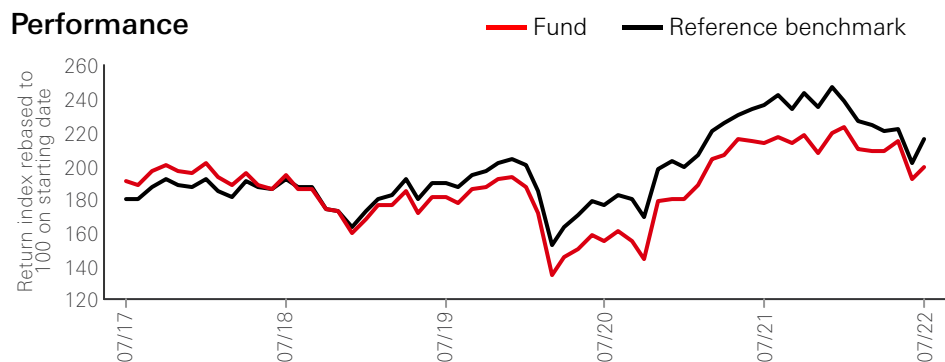
Performance is annualised when calculation period is over one year. Past performance does not predict future returns.  
 Fund return: NAV-to-NAV basis or Bid-to-Bid basis. For comparison with benchmark  
 Performance numbers shown are before netting off sales / realisation charges.  
 This is a marketing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

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

Source: HSBC Asset Management, data as at 31 July 2022

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## Performance



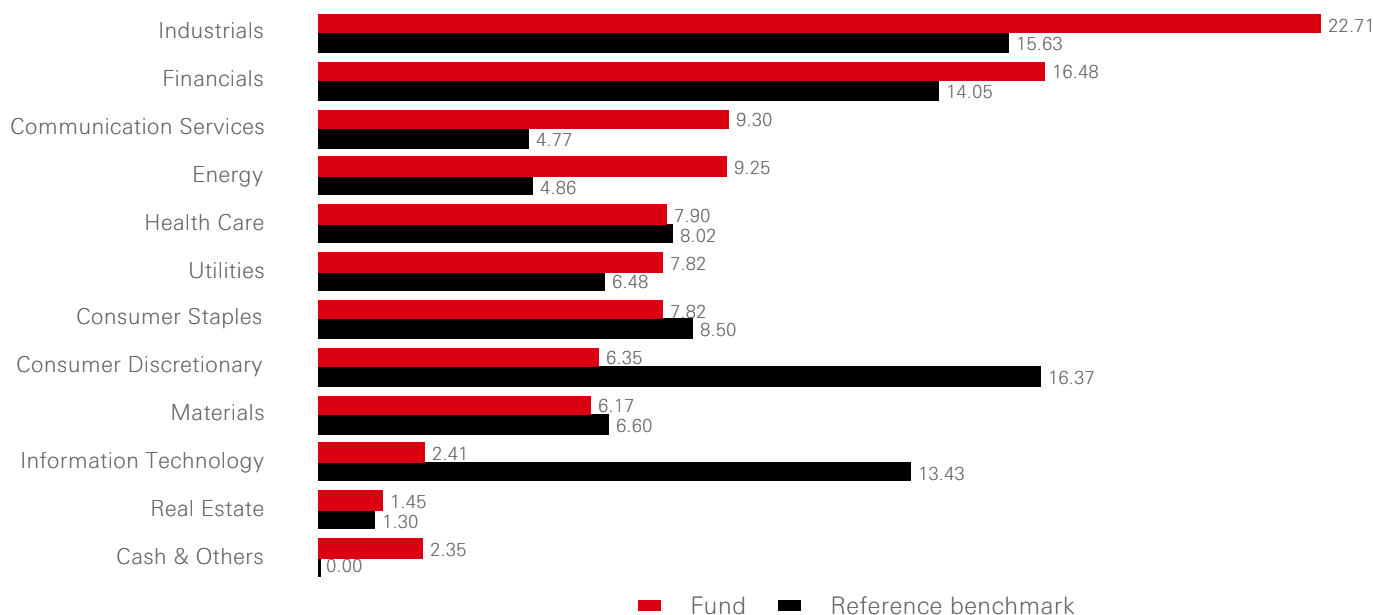
Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
<b>AC</b>	<b>-9.72</b>	<b>3.68</b>	<b>-4.70</b>	<b>-11.01</b>	<b>-7.08</b>	<b>3.10</b>	<b>0.82</b>
Reference benchmark	-12.73	7.31	-2.02	-9.58	-8.72	4.33	3.63

Calendar year performance (%)	2017	2018	2019	2020	2021
<b>AC</b>	<b>12.95</b>	<b>-18.66</b>	<b>21.34</b>	<b>-7.04</b>	<b>22.50</b>
Reference benchmark	12.49	-12.71	25.47	-1.02	22.16

Carbon footprint	Fund	Reference benchmark	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	198.35	156.38	Fund	7.5	7.7	5.9	6.0
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO <sub>2</sub> e/USD million)			Reference benchmark	7.6	7.0	5.9	6.1
Source of analytics: Trucost							

Equity characteristics	Fund	Reference benchmark	3-Year Risk Measures	AC	Reference benchmark
No. of holdings ex cash	54	230	Volatility	23.40%	19.45%
Average Market Cap (EUR Mil)	36,114	71,996	Information ratio	-0.18	--
			Beta	1.16	--

## Sector Allocation (%)



Performance is annualised when calculation period is over one year. Past performance does not predict future returns.

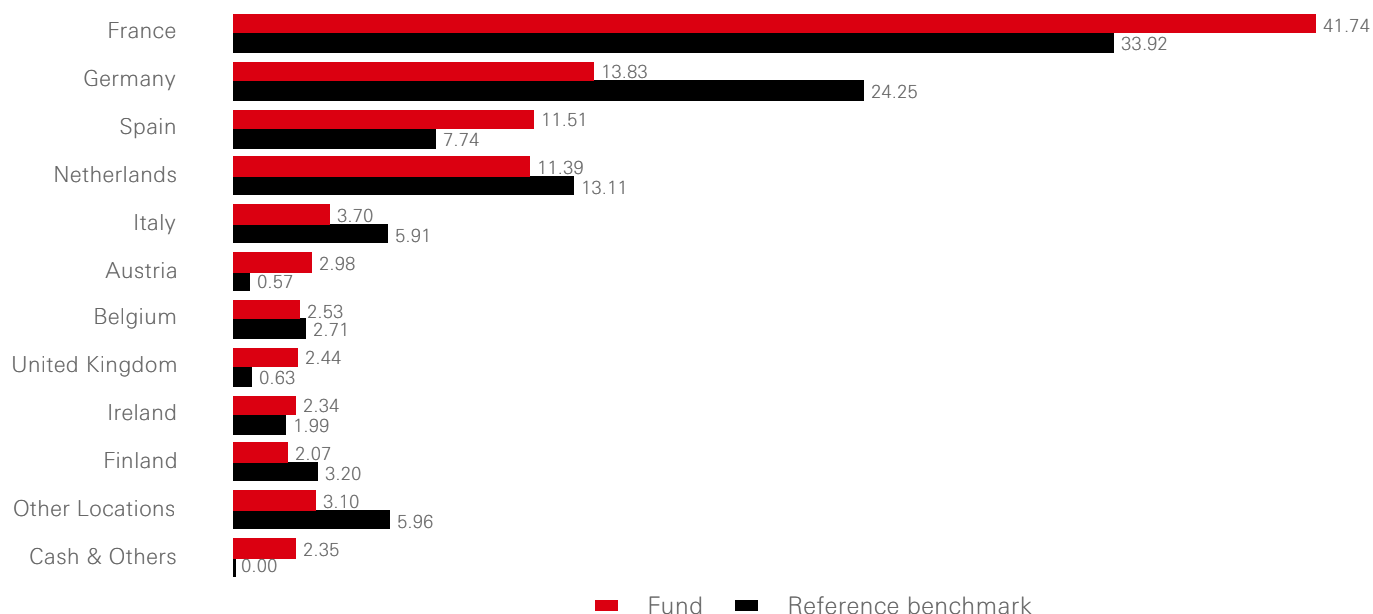
Fund return: NAV-to-NAV basis or Bid-to-Bid basis. For comparison with benchmark

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Source: HSBC Asset Management, data as at 31 July 2022

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## Geographical Allocation (%)



Top 10 Holdings	Location	Sector	Weight (%)
TotalEnergies SE	France	Energy	4.19
Allianz SE	Germany	Financials	3.67
Iberdrola SA	Spain	Utilities	3.42
Sanofi	France	Health Care	3.30
Deutsche Telekom AG	Germany	Communication Services	2.92
AXA SA	France	Financials	2.82
Heineken NV	Netherlands	Consumer Staples	2.60
Koninklijke KPN NV	Netherlands	Communication Services	2.52
Thales SA	France	Industrials	2.46
RELX PLC	United Kingdom	Industrials	2.44

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

## Monthly performance commentary

During the month, the fund significantly underperformed its MSCI EMU benchmark index. Faced with an uncertain macro-economic backdrop, investors sought refuge in growth stocks, whose valuation are still very much stretched in our view.

In this context, sector biases weighed on the fund's relative returns. The overweighting on commercial services had a positive impact. On the other hand, the fund suffered from its underweighting on semiconductors and luxury goods, as well as its overweighting on communication services, energy, and insurance.

Stock selection also had an unfavorable impact. The healthcare sector (Grifols in pharmaceuticals and Fresenius SE in medical equipment and services) was a source of disappointment, as was the energy sector (OMV, Repso, Galp) and, to a lesser extent, the durable goods segment (Seb). Conversely, utilities (Engie, Iberdrola), basic industries (CRH, Solvay) and banking (Societe Generale, Unicredit) contributed positively. Across different industries, Stellantis, Publicis, Elis, Relx and Capgemini all performed well.

Our key transactions were a reduction in the following positions: Elis, BPost, Veolia and KPN. We took advantage of their strong returns over the past weeks. In contrast, we increased our overweightings in Galp, Allianz, Société Générale and OMV, after their recent relative weakness.

We remain overweight to the fairly diverse segment of industrials, energy, communication services and healthcare and financials but to a lesser extent, the. We are, however, underweight consumer discretionary stocks, technology and, basic industries but to a lesser extent.

HSBC ESG Score	ESG score	E	S	G
Fund	6.3	7.7	5.9	6.0
Reference benchmark	6.2	7.0	5.9	6.1

## 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.
- 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

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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 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 July 2022**

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### Glossary



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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.

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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 EUR	-9.72	3.68	-4.70	-11.01	-7.08	3.10	0.82
AD EUR	-9.72	3.68	-4.70	-11.02	-7.08	3.11	0.83
AD SGD	-16.97	0.48	-7.75	-17.22	-18.40	0.48	-1.69
AD USD	-19.05	1.12	-7.89	-19.06	-20.10	0.13	-2.06
IC EUR	-9.28	3.75	-4.50	-10.64	-6.29	3.98	1.68
ZC EUR	-8.81	3.82	-4.28	-10.25	-5.45	4.91	2.56

Calendar year performance (%)	2017	2018	2019	2020	2021
AC EUR	12.95	-18.66	21.34	-7.04	22.50
AD EUR	12.95	-18.65	21.34	-7.02	22.51
AD SGD	18.95	-21.01	17.54	-0.38	16.15
AD USD	28.59	-22.55	19.14	1.35	13.87
IC EUR	13.91	-17.96	22.37	-6.24	23.55
ZC EUR	14.76	-17.28	23.47	-5.41	24.65

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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	EUR	--	--	--	--
AD	EUR	Annually	6 July 2022	0.199515	0.56%
IC	EUR	--	--	--	--
ZC	EUR	--	--	--	--

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	4 April 2003	LU0165074666	EUR	USD 5,000	44.98	1.500%	Accumulating
AD	4 April 2003	LU0165074740	EUR	USD 5,000	37.60	1.500%	Distributing
IC	14 December 2006	LU0165074823	EUR	USD 1,000,000	51.39	0.750%	Accumulating
ZC	4 April 2003	LU0165100685	EUR	USD 1,000,000	61.70	0.000%	Accumulating

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 July 2022

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