

## HSBC Global Investment Funds

# GLOBAL EQUITY VOLATILITY FOCUSED

Monthly report 31 March 2023 | Share class ACOEUR

### Investment objective

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

### Investment strategy

The Fund is actively managed. In normal market conditions, the Fund will invest at least 90% in shares of companies of any size that are based in, or carry out the larger part of their business activities in, both developed markets and emerging markets. The Fund seeks a portfolio volatility which is lower than that of the MSCI All Country World Index. The Fund uses a quantitative multi-factor investment process to identify stocks from a universe of investable shares, and ranks them from the least attractive to most attractive based upon certain factors, such as value, quality, momentum, low risk and size. The process makes use of proprietary systematic, defensive portfolio construction techniques aiming to maximize risk-adjusted return whilst reducing volatility and drawdowns during period of market turbulence. The Fund can invest up to 20% in China A and China B-shares. For China A-shares, up to 10% through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, and up to 10% in CAAPs. The Fund may invest up to 10% in a combination of participation notes and convertible securities, and up to 10% each in securities issued or guaranteed by single sovereign issuers with a non-investment grade rating, REITs and 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.
- The Fund may invest in Emerging Markets, these markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.

### Share Class Details

#### Key metrics

NAV per Share	<b>EUR 12.47</b>
Performance 1 month	<b>2.01%</b>
Volatility 3 years	<b>16.50%</b>

#### Fund facts

UCITS V compliant	<b>Yes</b>
Subscription mode	<b>Cash / SRS (Supplementary Retirement Scheme)</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>25 August 2014</b>
Fund Size	<b>USD 118,997,825</b>
Managers	<b>HSBC Index and Systematic Equity Portfolio Management Team</b>

#### Fees and expenses

Minimum initial investment (SG) <sup>1</sup>	<b>EUR 1,000</b>
Maximum initial charge (SG)	<b>5.000%</b>
Management fee	<b>0.800%</b>

#### Codes

ISIN	<b>LU1066052207</b>
Bloomberg ticker	<b>HSBGLER 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

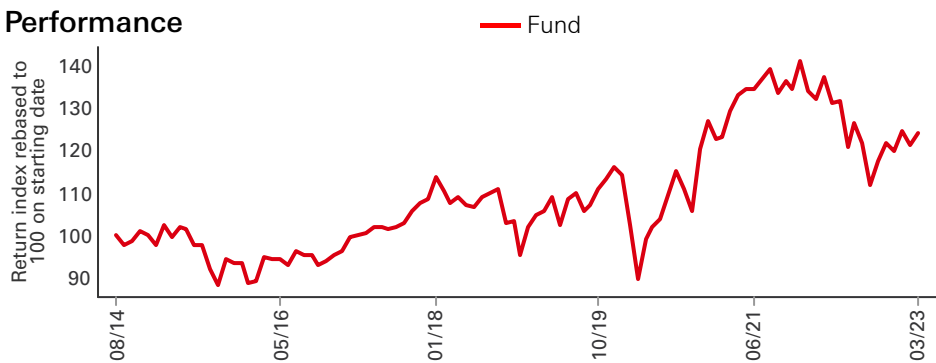
\*Share class denoted with "(Net)" refers to fund return net of maximum initial charge (SG) on a single pricing (NAV) basis. No redemption charge is levied.

This is a marketing communication. Please refer to the prospectus and to the KIID before making any final investment decisions.

Fund change that may have material impact on performance: 20 Jun 2016 – investment objective changed. 16 Nov 2018 - Change in the manner of charging sales charge / switching charge. Due to the Fund's investment approach, the Fund's investment may have less sensitivity to the market both in up and down markets, especially during periods where the market is momentum driven.

Source: HSBC Asset Management, data as at 31 March 2023

**Performance**

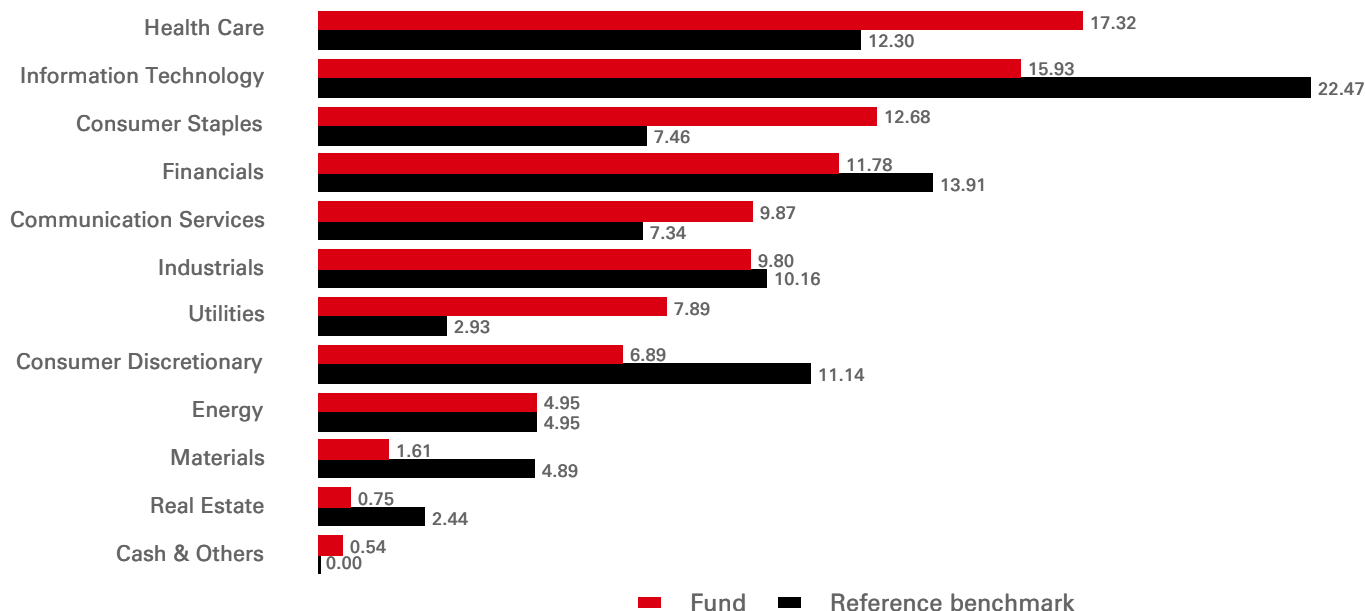


Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
<b>ACOEUR</b>	<b>3.20</b>	<b>2.01</b>	<b>3.20</b>	<b>11.00</b>	<b>-9.91</b>	<b>11.48</b>	<b>2.89</b>
ACOEUR (Net)*	-1.71	-2.85	-1.71	5.71	-14.20	9.68	1.89

Calendar year performance (%)	2018	2019	2020	2021	2022
<b>ACOEUR</b>	<b>-12.34</b>	<b>22.19</b>	<b>9.21</b>	<b>11.08</b>	<b>-14.87</b>
ACOEUR (Net)*	-16.51	16.37	4.01	5.79	-18.92

Equity characteristics	Fund	Reference benchmark	3-Year Risk Measures	ACOEUR	Reference benchmark
No. of holdings ex cash	373	2,888	Volatility	16.50%	--
Average Market Cap (USD Mil)	251,176	331,525	Beta	--	--

**Sector Allocation (%)**



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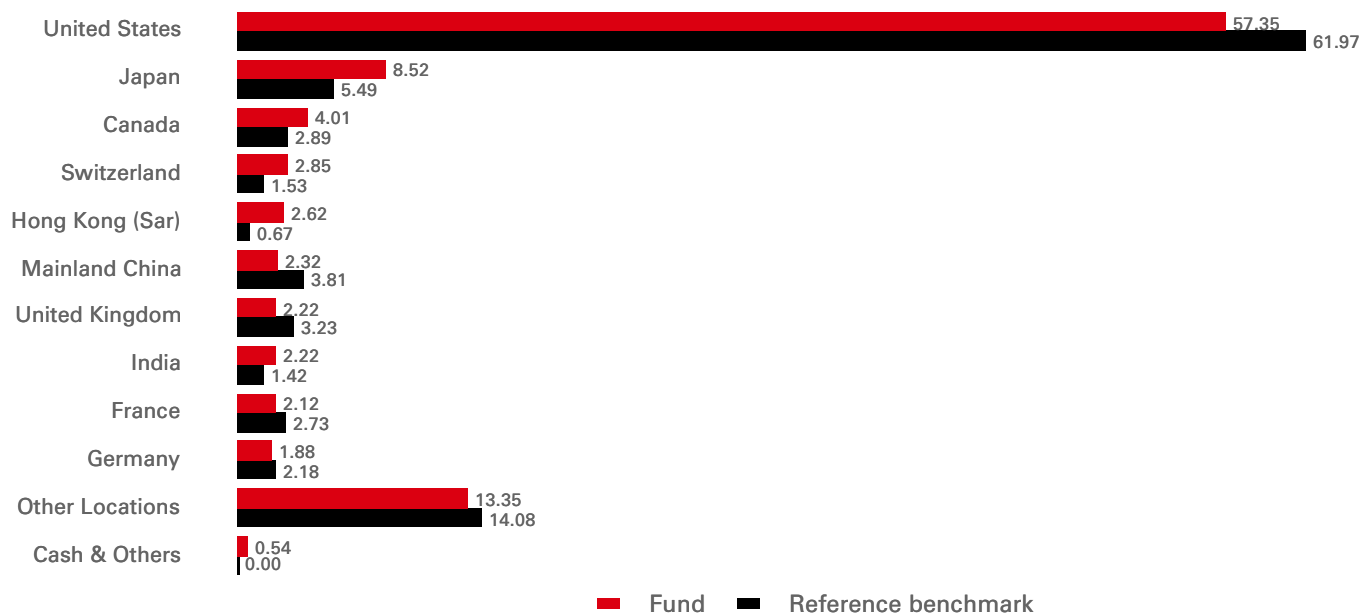
Fund return: NAV-to-NAV basis. For comparison with benchmark

\*Share class denoted with "(Net)" refers to fund return net of maximum initial charge (SG) on a single pricing (NAV) basis. No redemption charge is levied.

The benchmark data is that of the reference benchmark of the fund, as this data is calculated at fund level rather than share class level. The reference benchmark of the fund is 100% MSCI AC World Net

Source: HSBC Asset Management, data as at 31 March 2023

### Geographical Allocation (%)



Top 10 Holdings	Location	Sector	Weight (%)
Apple Inc	United States	Information Technology	3.63
Microsoft Corp	United States	Information Technology	2.64
Meta Platforms Inc	United States	Communication Services	1.71
Alphabet Inc	United States	Communication Services	1.65
Johnson & Johnson	United States	Health Care	1.41
Chevron Corp	United States	Energy	1.26
Cisco Systems Inc	United States	Information Technology	1.25
Novartis AG	Switzerland	Health Care	1.19
Texas Instruments Inc	United States	Information Technology	1.16
Exxon Mobil Corp	United States	Energy	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 March, reversing losses in the first half of the month, as concerns over the banking sector abated. A fall in rate hike expectations further supported sentiment in equity markets and the rise in equities was largely driven by developed markets. The two key events this month were the collapse of Silicon Valley Bank (SVB) and Credit Suisse's acquisition by UBS shortly after, which heightened volatility in global equity markets and raised concerns in the banking sector. At a regional level, US equities advanced in March led by the recovery in the Technology sector. The Fed increased the funds rate by just 25 bps as February CPI dropped to 6.0% year on year in the US. Meanwhile, European equities ended relatively flat overall as UK equities weighed on price performance in the region. Despite the banking turmoil in March, the ECB raised rates by 50 bps on the back of core inflation remaining persistently high. Equities in Asia Pacific ex Japan and Emerging Markets rose, led by mainland China where the earlier than expected reopening of the economy continues to contribute to improving investor sentiment.

### Factor Performance

In March, as of month end, global alpha style performance was relatively flat overall. Within alpha factors, the defensive Low Risk factor continued its strong run from the previous month and finished as the best performing factor on the back of elevated market volatility in March. The defensive Quality factor followed and managed to outperform at month end as lower leverage companies were favoured in the distressed banking environment which raised concerns for tighter lending standards. Meanwhile, the dynamic Industry Momentum factor underperformed this month and the cyclical Value factor reversed after outperforming in the previous month and finished below the line in March. Finally, the cyclical Size factor lagged throughout the month and finished as the laggard factor as markets preferred larger cap companies this month.

### Fund Commentary

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

Industries - On an industry basis, our underweight exposures to Financial Services, Consumer Durables & Apparel and Banks contributed to performance. Conversely, our underweight exposures to Software & Services and Commercial & Professional Services coupled with our overweight allocation to Insurance weighed on performance.

Countries - On a country basis, our underweight exposure to United Kingdom coupled with our overweight allocations to Hong Kong and Japan contributed to performance. Conversely, our overweight allocation to United Arab Emirates coupled with our underweight exposures to Singapore and Denmark weighed on performance.

Stock Level - On a stock level basis, our overweight allocations to Meta Platforms Inco, Novartis AG and Lululemon Athletica Inco contributed to performance. Conversely, our underweight exposure to Microsoft Corp coupled with our overweight allocations to United Rentals Inco and Allstate Corp weighed on performance.

## Risk Disclosure

- Different investment styles typically go in and out of favour depending on market conditions and investor sentiment.
- 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.
- 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 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. Any deviations with respect to the benchmark are monitored within a comprehensive risk framework, which includes monitoring at sector level. The deviation of the Fund's performance relative to the benchmark is monitored, but not constrained, to a defined range.

**Source: HSBC Asset Management, data as at 31 March 2023**

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### Glossary



## Important Information

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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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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](http://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 USD	4.07	2.30	4.07	13.16	-6.60	13.91	5.56
AC USD (Net)*	-0.89	-2.57	-0.89	7.77	-11.05	12.07	4.54
ACOAUD AUD	3.43	2.11	3.43	11.64	-8.87	11.91	3.72
ACOAUD AUD (Net)*	-1.49	-2.75	-1.49	6.32	-13.21	10.10	2.71
ACOEUR EUR	3.20	2.01	3.20	11.00	-9.91	11.48	2.89
ACOEUR EUR (Net)*	-1.71	-2.85	-1.71	5.71	-14.20	9.68	1.89
ACOSGD SGD	3.69	2.17	3.69	12.40	-7.60	13.06	4.62
ACOSGD SGD (Net)*	-1.25	-2.69	-1.25	7.05	-12.00	11.24	3.60
AM2 USD	4.07	2.30	4.07	13.16	-6.61	13.91	5.57
AM2 USD (Net)*	-0.89	-2.58	-0.89	7.77	-11.06	12.07	4.54
AM3OAUD AUD	3.44	2.11	3.44	11.64	-8.88	11.90	3.70
AM3OAUD AUD (Net) *	-1.49	-2.75	-1.49	6.32	-13.22	10.09	2.70
AM3OSGD SGD	3.69	2.17	3.69	12.41	-7.60	13.08	4.62
AM3OSGD SGD (Net)*	-1.24	-2.69	-1.24	7.06	-12.00	11.25	3.61

Calendar year performance (%)	2018	2019	2020	2021	2022
AC USD	-9.61	26.02	11.60	12.35	-12.10
AC USD (Net)*	-13.91	20.02	6.29	7.00	-16.29
ACOAUD AUD	-10.40	24.43	8.14	11.38	-14.03
ACOAUD AUD (Net)*	-14.67	18.50	2.99	6.08	-18.13
ACOEUR EUR	-12.34	22.19	9.21	11.08	-14.87
ACOEUR EUR (Net)*	-16.51	16.37	4.01	5.79	-18.92
ACOSGD SGD	-10.57	24.93	10.11	12.00	-12.79
ACOSGD SGD (Net)*	-14.83	18.98	4.87	6.66	-16.94
AM2 USD	-9.62	26.01	11.63	12.35	-12.11
AM2 USD (Net)*	-13.92	20.01	6.32	7.00	-16.29
AM3OAUD AUD	-10.42	24.44	8.10	11.37	-14.05
AM3OAUD AUD (Net)*	-14.69	18.52	2.95	6.06	-18.14
AM3OSGD SGD	-10.59	24.92	10.15	12.01	-12.79
AM3OSGD SGD (Net)*	-14.84	18.97	4.90	6.67	-16.95

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Source: HSBC Asset Management, data as at 31 March 2023

## 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	--	--	--	--
ACOAUD	AUD	--	--	--	--
ACOEUR	EUR	--	--	--	--
ACOSGD	SGD	--	--	--	--
AM2	USD	Monthly	29 March 2023	0.025693	2.66%
AM3OAUD	AUD	Monthly	29 March 2023	0.011381	1.27%
AM3OSGD	SGD	Monthly	29 March 2023	0.013432	1.43%

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	26 June 2014	LU1066051225	USD	USD 5,000	15.12	0.800%	Accumulating
ACOAUD	2 April 2015	LU1066052033	AUD	USD 5,000	13.74	0.800%	Accumulating
ACOEUR	25 August 2014	LU1066052207	EUR	USD 5,000	12.47	0.800%	Accumulating
ACOSGD	26 June 2014	LU1066052462	SGD	USD 5,000	14.40	0.800%	Accumulating
AM2	26 June 2014	LU1066051498	USD	USD 5,000	11.88	0.800%	Distributing
AM3OAUD	26 June 2014	LU1066052546	AUD	USD 5,000	11.01	0.800%	Distributing
AM3OSGD	26 June 2014	LU1066053197	SGD	USD 5,000	11.50	0.800%	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 March 2023