

## HSBC Global Investment Funds

# GLOBAL LOWER CARBON EQUITY

Monthly report 29 February 2024 | Share class AC



### 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.



### 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 16.49</b>
Performance 1 month	<b>2.86%</b>
Volatility 3 years	<b>15.68%</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>USD</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>27 September 2017</b>

Fund Size	<b>USD 356,555,877</b>
Reference benchmark	<b>100% MSCI World Net</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</b>
Maximum initial charge (SG)	<b>5.000%</b>
Management fee	<b>0.800%</b>

#### Codes

ISIN	<b>LU1674673428</b>
Bloomberg ticker	<b>HSGLCAC LX</b>

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

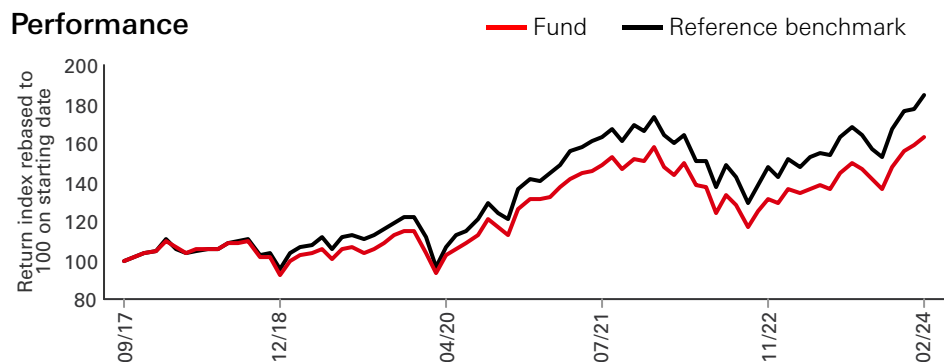
Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis. For comparison with benchmark.

\*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 KID before making any final investment decisions.

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

## Performance



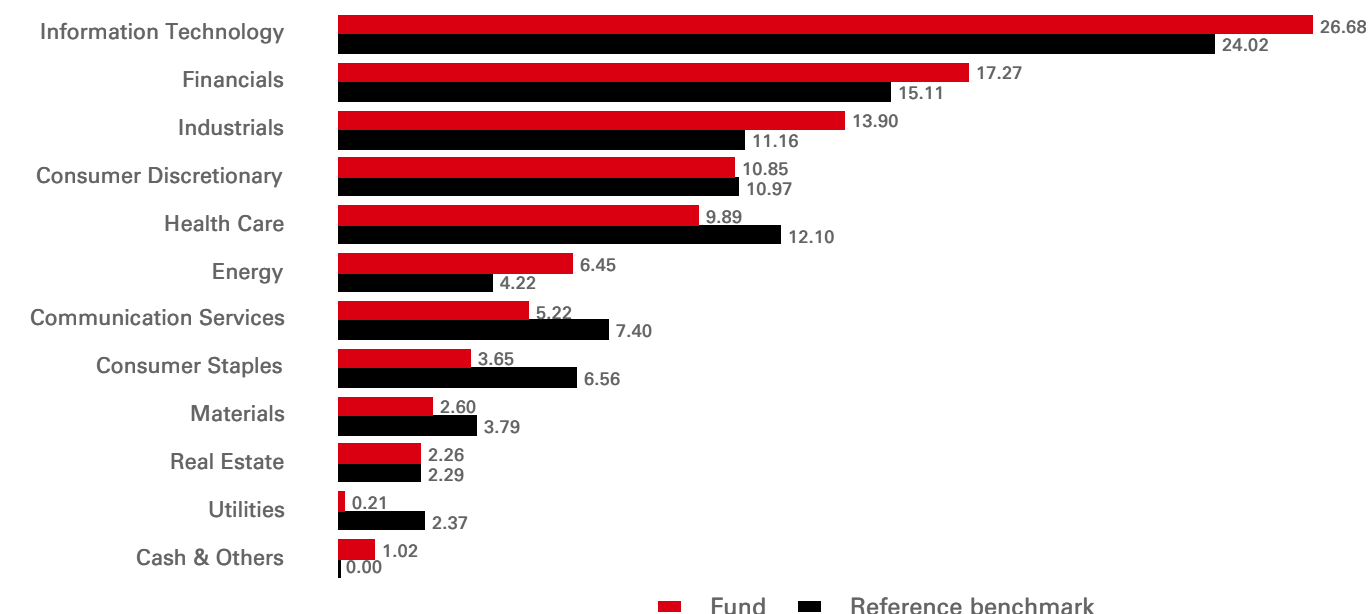
Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
<b>AC</b>	<b>4.69</b>	<b>2.86</b>	<b>10.25</b>	<b>11.16</b>	<b>21.21</b>	<b>7.24</b>	<b>9.69</b>
AC (Net)*	-0.29	-2.03	5.00	5.87	15.44	5.51	8.62
Reference benchmark	5.20	4.24	10.67	12.46	24.96	8.64	11.66

Calendar year performance (%)	2019	2020	2021	2022	2023
<b>AC</b>	<b>24.58</b>	<b>13.92</b>	<b>20.22</b>	<b>-18.17</b>	<b>20.38</b>
AC (Net)*	18.65	8.50	14.50	-22.06	14.65
Reference benchmark	28.28	15.99	22.20	-17.98	23.69

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 <sub>2</sub> 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	AC	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 (%)



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

## 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

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

## 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 <sup>2</sup> e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO <sup>2</sup> 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 <sup>2</sup> e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO <sup>2</sup> 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

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

## 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.

## Index Disclaimer


Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

## 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.

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

Follow us on:

 **HSBC Asset Management**

---

### Glossary



## Important Information

The material contained herein is for marketing purposes and is for your information only. This document is not contractually binding nor are we required to provide this to you by any legislative provision. It does not constitute legal, tax or investment advice or a recommendation to any reader of this material to buy or sell investments. You must not, therefore, rely on the content of this document when making any investment decisions.

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.

This document does not constitute an offering document and should not be construed as a recommendation, an offer to sell or the solicitation of an offer to purchase or subscribe to any investment.

This document is for information only and is not an advertisement, investment recommendation, research, or advice. Any views and opinions expressed are subject to change without notice. It does not have regard to the specific investment objectives, financial situation, or needs of any specific person. Investors and potential investors should not invest in the Fund solely based on the information provided in this document and should read the prospectus (including the risk warnings) and the product highlights sheets, which are available upon request at HSBC Global Asset Management (Singapore) Limited ("AMSG") or our authorised distributors, before investing. You should seek advice from a financial adviser. Investment involves risk. Past performance of the managers and the funds, and any forecasts on the economy, stock or bond market, or economic trends that are targeted by the funds, are not indicative of future performance. The value of the units of the funds and income accruing to them, if any, may fall or rise and investor may not get back the original sum invested. Changes in rates of currency exchange may affect significantly the value of the investment. AMSG has based this document on information obtained from sources it reasonably believes to be reliable. However, AMSG does not warrant, guarantee or represent, expressly or by implication, the accuracy, validity or completeness of such information.

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 AUD	--	--	--	--	--	--	--
AC AUD (Net)*	--	--	--	--	--	--	--
AC SGD	--	--	--	--	--	--	--
AC SGD (Net)*	--	--	--	--	--	--	--
AC USD	4.69	2.86	10.25	11.16	21.21	7.24	9.69
AC USD (Net)*	-0.29	-2.03	5.00	5.87	15.44	5.51	8.62
AD USD	4.70	2.87	10.26	11.16	21.22	7.24	9.69
AD USD (Net)*	-0.28	-2.03	5.01	5.87	15.45	5.51	8.63

Calendar year performance (%)	2019	2020	2021	2022	2023
AC AUD	--	--	--	--	--
AC AUD (Net)*	--	--	--	--	--
AC SGD	--	--	--	--	--
AC SGD (Net)*	--	--	--	--	--
AC USD	24.58	13.92	20.22	-18.17	20.38
AC USD (Net)*	18.65	8.50	14.50	-22.06	14.65
AD USD	24.59	13.92	20.23	-18.18	20.39
AD USD (Net)*	18.65	8.49	14.51	-22.07	14.66

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	0.132229	1.00%

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	27 September 2017	LU1674673428	USD	USD 5,000	16.49	0.800%	Accumulating
AD	27 September 2017	LU1674673691	USD	USD 5,000	15.84	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.

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.

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 29 February 2024