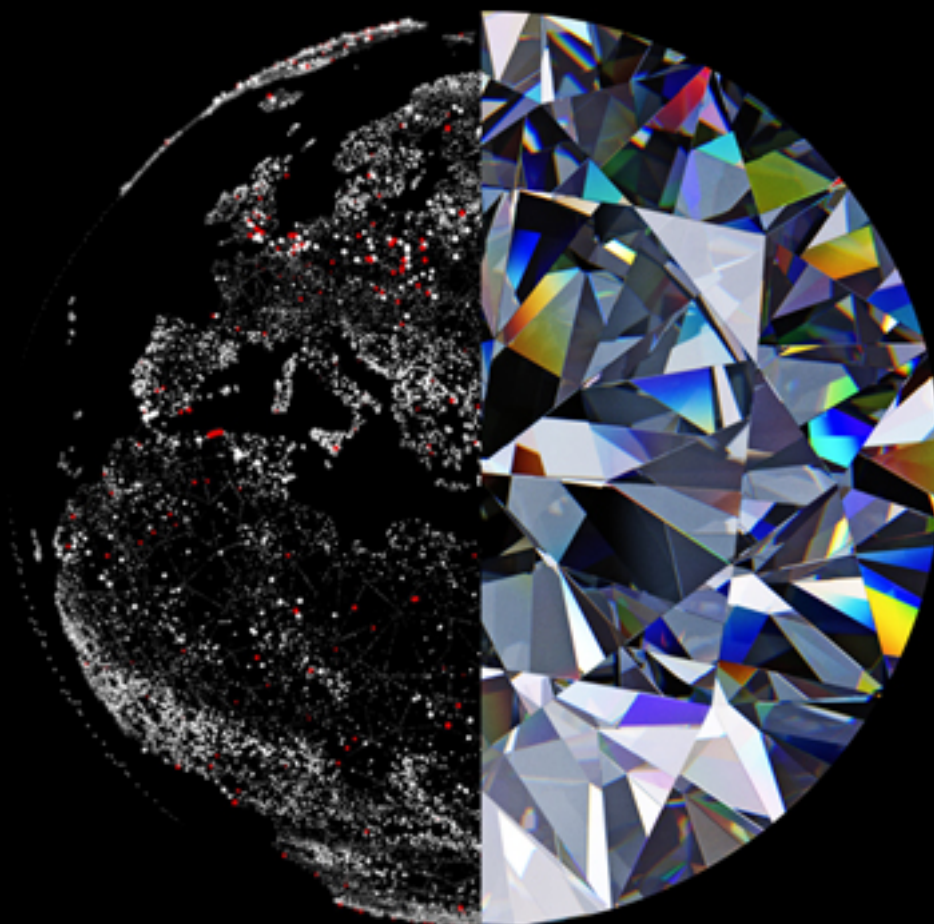


**Be SELECTIVE** when  
Managing your Wealth.

# HSBC SELECT MODERATE (A)

Monthly Report  
May 2025



**HSBC**  
Asset Management

## Objective and investment policy

The objective of the mutual fund is to offer flexible management on equity and fixed-income markets over a minimum investment period of three years. Despite operating within larger allocation limits, the mutual fund's profile may be compared with an allocation made up of 15% equities and 85% public and private bonds on average, exposed in developed markets with a euro bias as well as in emerging markets.

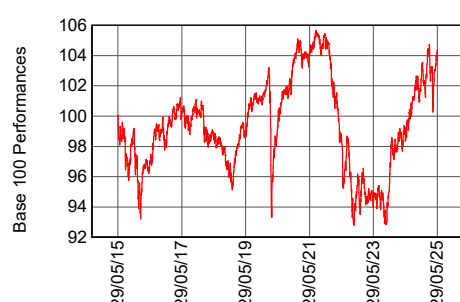
The mutual fund is managed actively without any reference to a benchmark index.

The investment strategy is discretionary and is based on a portfolio management process organised around three pillars:

- a medium/long-term strategic asset allocation depending on the manager's level of conviction (asset classes, geographical areas, sectors),
- a tactical allocation resulting from the manager's short-term convictions in order to strive to take advantage of market opportunities,
- a selection of undertakings for collective investment (UCI) and managers able to, according to us, generate performance over time.

## Performance and risk analysis

Fund's performance



### Net Cumulated performance

	1 month	1 year	3 years	5 years	10 years	07/01/2009*
Portfolio	1.26%	6.02%	6.10%	5.17%	4.37%	43.65%

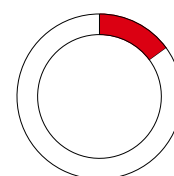
### Indicators & ratios (weekly)

	1 year	3 years	5 years	10 years	07/01/2009*
Fund's volatility	4.34%	4.52%	3.99%	4.12%	4.04%
Sharpe ratio	0.66	-0.21	-0.11	-0.03	0.43

### Net performance by calendar year

	2025	2024	2023	2022	2021	2020
Portfolio	2.09%	3.95%	5.18%	-10.73%	0.44%	2.96%
	2019	2018	2017	2016	2015	
Portfolio	6.09%	-4.43%	0.43%	2.27%	1.82%	

**The performance figures relate to the past performance which should not be seen as an indication of future returns. The capital invested in the fund can increase or decrease and is not guaranteed. Future returns will depend, inter alia, on market conditions, fund manager's skill, fund risk level and fees.**  
The investment objective has been modified on the 25th September 2014. Performance returns prior to this date have been realized under different circumstances.



**Strategic Allocation**  
**15% Equities**

## Fund Details

### Total Asset

EUR 85 109 031.01

### Net asset value

(AC)(EUR) 70.95

### Number of underlying funds

55

### Legal Form

Mutual Fund regulated under French law

### Investment horizon

> 3 years

### Dividend Policy

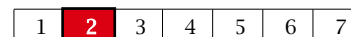
(AC): Accumulation Shares

### Start Date of Management\*

07/01/2009

## Risk and Reward Profile

Lower risk ← Higher risk  
Typically lower rewards ← Typically higher rewards



**Do not run any unnecessary risk. Read the Key Information Document (KID).**

The risk and reward indicator is based on price volatility over the last five years, and is an indicator of absolute risk. Historical data may not be a reliable indication for the future. The value of an investment, and any income from it, may fall as well as rise, and you may not get back the amount you originally invested. The category is not guaranteed to remain unchanged and the categorisation may shift over time. The lowest category does not mean a risk-free investment. This Mutual Fund is classified in category 2 because its price or simulated data has shown low fluctuations historically.



## Analysis of the investment strategy

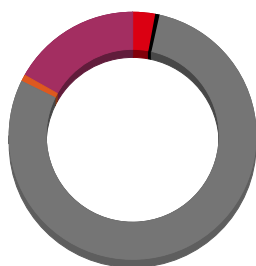
### Portfolio Composition

	30/04/2025 % TNA	30/05/2025 % TNA	Variation*
<b>Equities**</b>	16.26%	16.87%	▲
North America	6.24%	6.50%	◁▷
Europe	6.02%	6.06%	◁▷
Emerging Markets	2.94%	3.26%	◁▷
Global	1.78%	1.80%	◁▷
Japan	0.36%	0.28%	◁▷
Asia ex-Japan	-1.08%	-1.05%	◁▷
<b>Bonds**</b>	77.13%	79.75%	▲
Europe	54.24%	63.79%	▲
Global	11.18%	10.21%	▼
North America	8.71%	5.22%	▼
Emerging Markets	4.25%	3.81%	◁▷
Pacific ex-Japan	2.30%	2.34%	◁▷
Asia ex-Japan	-3.56%	-2.44%	▲
Japan	0.00%	-3.18%	▼
<b>Commodities</b>	0.90%	0.87%	◁▷
<b>Absolute Return</b>	2.94%	2.92%	◁▷
Global	2.94%	2.92%	◁▷
<b>Alternative</b>	0.58%	0.56%	◁▷
Global	0.58%	0.56%	◁▷
<b>Money Market &amp; Cash</b>	2.19%	-0.97%	▼
<b>Total</b>	100.00%	100.00%	

\* There is a change over the period if the difference in weighting is greater than 0.5% in absolute value terms.

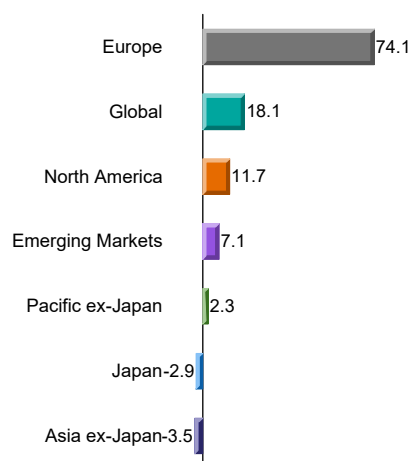
\*\* Including fixed income and equity market exposure via derivatives.

### Asset Allocation as at 30/05/2025



■ Absolute Return	2,9 %
■ Alternative	0,6 %
■ Bonds & Money Market	78,8 %
■ Commodities	0,9 %
■ Equities	16,9 %
<b>Total:</b>	<b>100,0 %</b>

### Regional Allocation\*\*\* as at 30/05/2025



\*\*\*except cash

## Main Lines

	Asset Class	Weight	Monthly Performance*	Performance Contribution**
1 HSBC Euro Gvt Bond Fund ZC	Bonds	18.66%	0.21%	0.04%
2 HSBC Global Investment Funds - Euro Credit Bond ZC	Bonds	16.72%	0.47%	0.08%
3 HSBC Global Investment Funds - Global Corporate Bond ZCHEUR	Bonds	5.29%	0.04%	0.00%
4 ISHARES CORE EURO GOVT BOND	Bonds	4.30%	0.18%	0.01%
5 HSBC GBFI-GGB UCITS ETF-ZCHE	Bonds	4.25%	-0.85%	-0.04%
<b>Total</b>		<b>49.22%</b>		

\* Monthly return in Euro of underlying funds is based on HSBC SELECT MODERATE portfolio at the end of 05/30/2025 and 04/30/2025. The return is calculated with the following formula : end of month valuation ÷ preceding end of month valuation -1.

\*\* The performance contribution is calculated as follows : monthly return x monthly average weight.

## Main decisions taken during the month

### New positions

	Asset Class	Regional Zone
▶ ISHR SPAIN GOV	Bonds	Europe
▶ HSBC MSCI CHINA ETF	Equities	North America
▶ HSBC GIF GLOBAL IG SEC CREDIT BD ZQ2HEUR	Bonds	Global

### Positions liquidated

◀ HSBC MSCI CHINA A UCITS ETF	Equities	Europe
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### Positions added

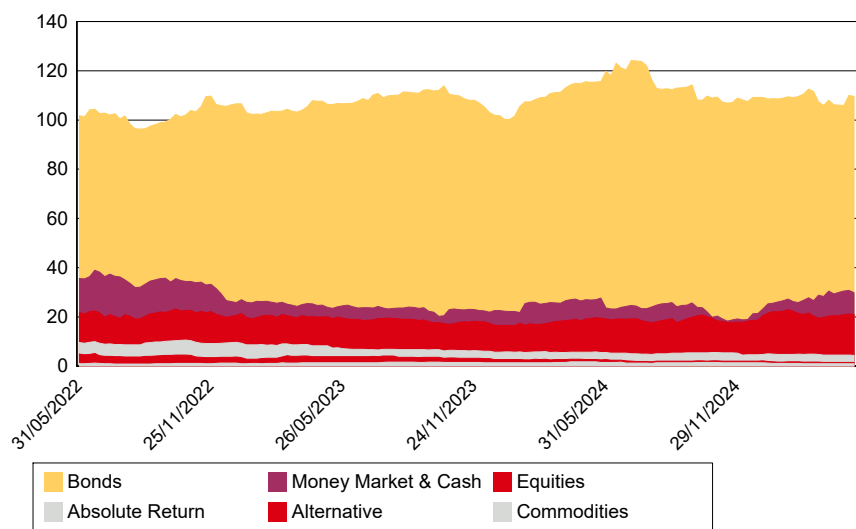
▲ AMUNDI US CURVE STPNG 2-10 ETF ACC	Bonds	North America
▲ HSBC EURO GVT BOND FUND ZC	Bonds	Europe
▲ ISHARES S AND P 500 GROWTH ETF	Equities	North America
▲ HSBC GIF EURO HIGH YIELD BOND ZC	Bonds	Europe
▲ HSBC S AND P 500 ETF	Equities	North America

### Positions reduced

▼ ISH CORE GOVT	Bonds	Europe
▼ HSBC EURO CREDIT SUBORDINATED BD ID	Bonds	Europe
▼ HSBC US DOLLAR LIQUIDITY W	Money Market & Cash	Global
▼ HSBC GIF GLOBAL CORP BD ZCHEUR	Bonds	Global
▼ HSBC-GL E-ZCH	Bonds	Emerging Markets

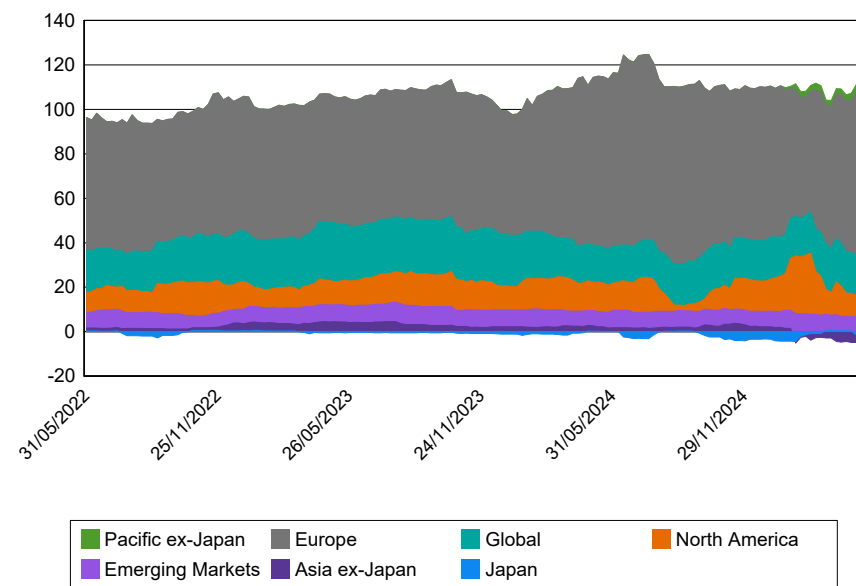
Portfolio's History

Historical Asset Allocation\*



\*derivative products' off-balance-sheet commitment included (except options)

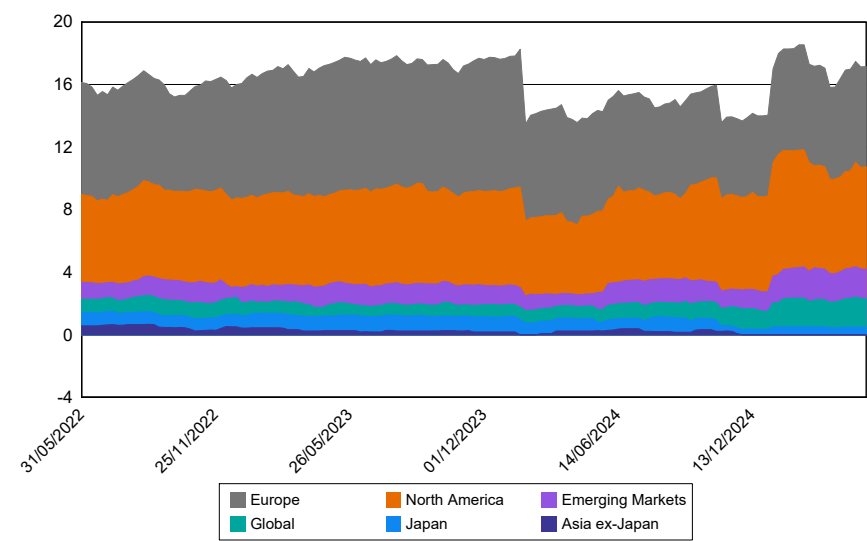
Historical Allocation by Region\*\*



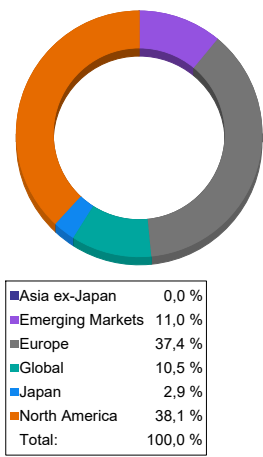
\*\*except cash

Equity component Analysis\*

Historical Allocation by Region

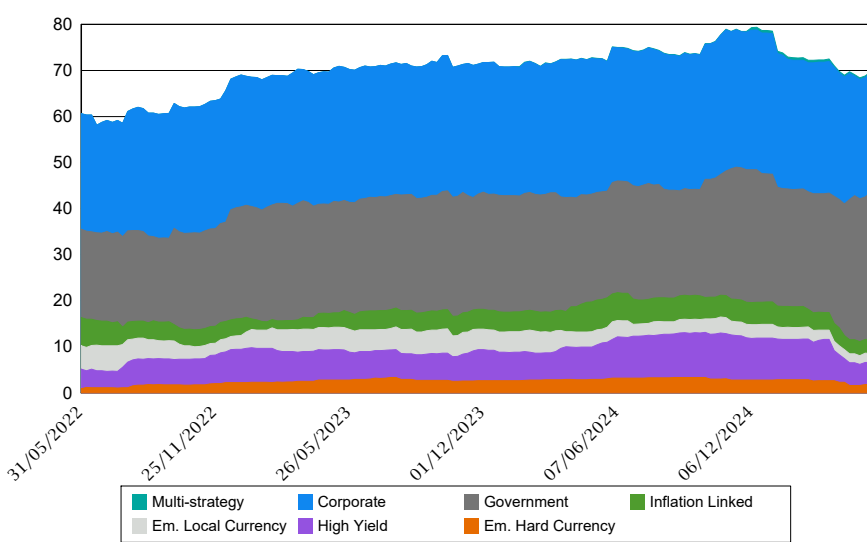


Equity  
as at 30/05/2025

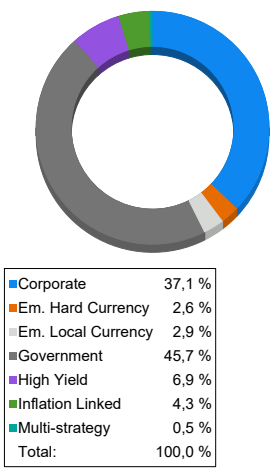


Bond component Analysis\*

Historical Allocation by Strategy



Bonds  
as at 30/05/2025



\*except derivative products' off-balance-sheet commitment

## Fund Manager Commentary

### Economic Environment

Capital markets remain driven by tariff talks between the United States and its main trading partners, including Europe, China and many emerging countries, in an attempt to reach an agreement with the American President. Global stock markets continued the rebound that began mid-April after Donald Trump announced a 90-day pause in the implementation of reciprocal tariffs.

On the economic front, leading indicators within industry and services in the United States, as well as U.S. consumer confidence surveys, began to rise after the downward trend observed in recent months. In early May, the US Federal Reserve chose to keep its key rates within the 4.25-4.5% range owing to the lack of short-term visibility on inflation caused by future tariffs.

In the Eurozone, activity remains sluggish, and expectations have been lowered in services, with the PMI index at its weakest in 16 months, on account of France and Germany in particular. The European Commission has also revised its growth forecasts for the Eurozone down to +0.9% in 2025 and +1.4% in 2026 (vs. earlier forecasts of +1.3% and +1.6%).

Global equities rose 5.9% in euros, driven by U.S. equities (+6.5%) while emerging equities lagged the market (+4.4% in euros). U.S. rates rebounded during the month from 4.15% to 4.4%, hitting a high at 4.6%, which also lifted rates in other countries. Yields on 10-year German bonds rose 6bps to 2.5%.

### Performance & current holdings

Our underexposure to equity markets during the month detracted from the fund's monthly performance. Following a robust corporate earnings season, we have adopted a less cautious view on equities. Our regional allocation, favouring Europe over the United States and emerging markets proved unfavourable. In Europe, outperformance once again stemmed from our country choices, and notably our overexposure to Spain and Italy and our under-exposure to France. In terms of allocation by style, our small-cap investments contributed positively, while our defensive position in low-volatility stocks detracted from performance.

In the U.S., under-performing low-volatility stocks were partly offset by our positions in trend-following and growth stocks. After a robust Q1 earnings season, we have continued to strengthen our exposure to growth stocks. In the emerging space, the portfolio has benefited from its underexposure to Thailand in favour of China. Our funds invested in long-term growth themes performed in line with global indices. We have strengthened our exposure to the strategy invested in defence stocks.

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Within our fixed income investments, those with the strongest ties to U.S. debt underperformed. Our preference for Eurozone debt was helpful to performance. We have introduced a new position in Spanish debt. The strategies exposed to private debt benefited from declining credit premiums. We have strengthened our exposure to European credit by selling international credit. Finally, once again, our diversification into hedge funds detracted from performance this month.

### Outlook

We expect growth to converge in major economies, inflation to remain slightly above its long-term trend, and monetary easing to continue at a gradual pace. The slowdown in growth and the relative under-performance of U.S. assets (equities, bonds, U.S. dollar) suggest the end of "U.S. exceptionalism" and a return to assets that are still trading at a discount (European and emerging equities).

Within our equity investments, we have therefore maintained a cautious exposure with a slight preference for European markets over Japanese and U.S. equities. In the United States, we favour low-volatility and growth stocks. We are steering clear of small caps as their profitability remains insufficient.

In the Eurozone, our exposure is well-balanced with a bias in favour of value and small caps. Within the latter segment, we prefer German companies. Finally, in emerging markets, diversification remains sizeable, and we favour China, Poland, and Latin America.

Considering the slowdown in global growth, heightened political tensions, and central banks pursuing their rate cutting cycles, we have maintained a positive stance on sovereign debt. Owing to lower inflationary risks and a more accommodative central bank, we prefer European issuances to their U.S. counterparts. We are well positioned on corporate bonds, even though valuations are stretched. We favour investment-grade bonds, as well as financial debt.

## Fund Management Team



### **Stéphane Mesnard**

Fund manager

Stéphane Mesnard has been a multi-asset fund manager since November 2012 and he has been working in this sector since he joined the HSBC group in 2005. Before taking up his current position, he worked in the financial engineering department at Louvre Gestion (formerly Banque du Louvre), an investment management firm dedicated to the HSBC group's private banking activities in France. He gained a Master's degree in finance from Paris II - Panthéon Assas University and qualified as a Chartered Financial Analyst (CFA) in 2009.



### **Laurence Jobert**

Fund manager

Laurence Jobert has been a multi-asset fund manager since December 2014. She joined HSBC in 2007 as an equity fund manager then as a relationship manager. Prior to joining HSBC, Laurence worked for La Banque Postale Asset Management as quantitative equity fund manager from 1999 to 2007. Laurence holds an Applied Mathematics Master's Degree I from Paris I and Paris VII University and a Master's Degree II in Quantitative Methods for Management from Paris X Nanterre University. She also holds a SFAF (Société des Analystes Financiers) financial analyst degree and a CIIA (Certified International Investment Analyst) degree.



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## Fund Details

### Legal Form

Mutual Fund regulated under French law

### Investment horizon

> 3 years

### Dividend Policy

(AC): Accumulation Shares

### \*Start Date of Management

07/01/2009

### Base Currency

EUR

### Valuation

Daily

### Subscriptions & Redemptions

Ten thousandths of share

### Dealing / Payment Date

Daily - D (Business Day) before 12:00 pm (Paris) / D+2 (Business Day)

### Initial Fee / Exit Fee

2.00% / Nil

### Minimum Initial Investment

Whole shares

### Portfolio Management Company

HSBC Global Asset Management (France)

### Custodian

Caceis Bank

### Central Paying Agent

Caceis Bank

### ISIN Code

(AC): FR0007036942

### Bloomberg Ticker

(AC): MODEVRM FP

### Fees

Real internal management fees

0.80% inc. taxes

Maximum internal management fees

0.80% inc. taxes

Maximum indirect fixed management fees

1.00% inc. taxes