

HSBC Global Investment Funds

GLOBAL LOWER CARBON EQUITY

Monthly report 30 September 2022 | 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 compared to its reference benchmark, MSCI World Net Index. Carbon intensity is calculated as a weighted average of the carbon intensities of the Fund's investments.

Investment strategy

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 the larger part of their business activities 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, all stocks in the portfolio are assessed for their carbon footprint. A portfolio which aims to maximize growth and income and reduces the carbon footprint is then created. When assessing the carbon footprint and environmental impact associated with companies, the Investment Adviser will rely on carbon expertise, research and information provided by well-established financial data providers. The Fund will not invest in companies involved in the production of tobacco or related activities. The Fund may 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

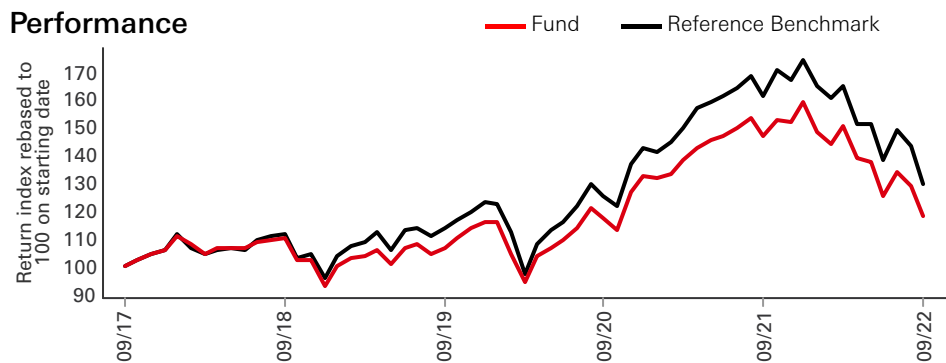
- The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.
- The value of investible securities can change over time due to a wide variety of factors, including but not limited to: political and economic news, government policy, 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	USD 11.87
Performance 1m	-8.63%
Volatility 3y	18.53%
Fund facts	
UCITS V compliant	Yes
Dividend treatment	Accumulating
Dealing frequency	Daily
Valuation time	17:00 LU
Share class base currency	USD
Domicile	LU
Inception date	27 September 2017
Fund size	USD 222,748,301
Reference benchmark	100% MSCI World
Managers	HSBC Index and Systematic Equity Portfolio Management Team
Fees and expenses	
Minimum initial investment	USD 5,000
Ongoing charge figure ¹	1.150%
Maximum initial charge	5.000%
Codes	
ISIN	LU1674673428
Bloomberg ticker	HSGLCAC LX

¹Ongoing Charges Figure, is based on expenses over a year. The figure includes annual management charge but not the transaction costs. Such figures may vary from time to time.

Performance



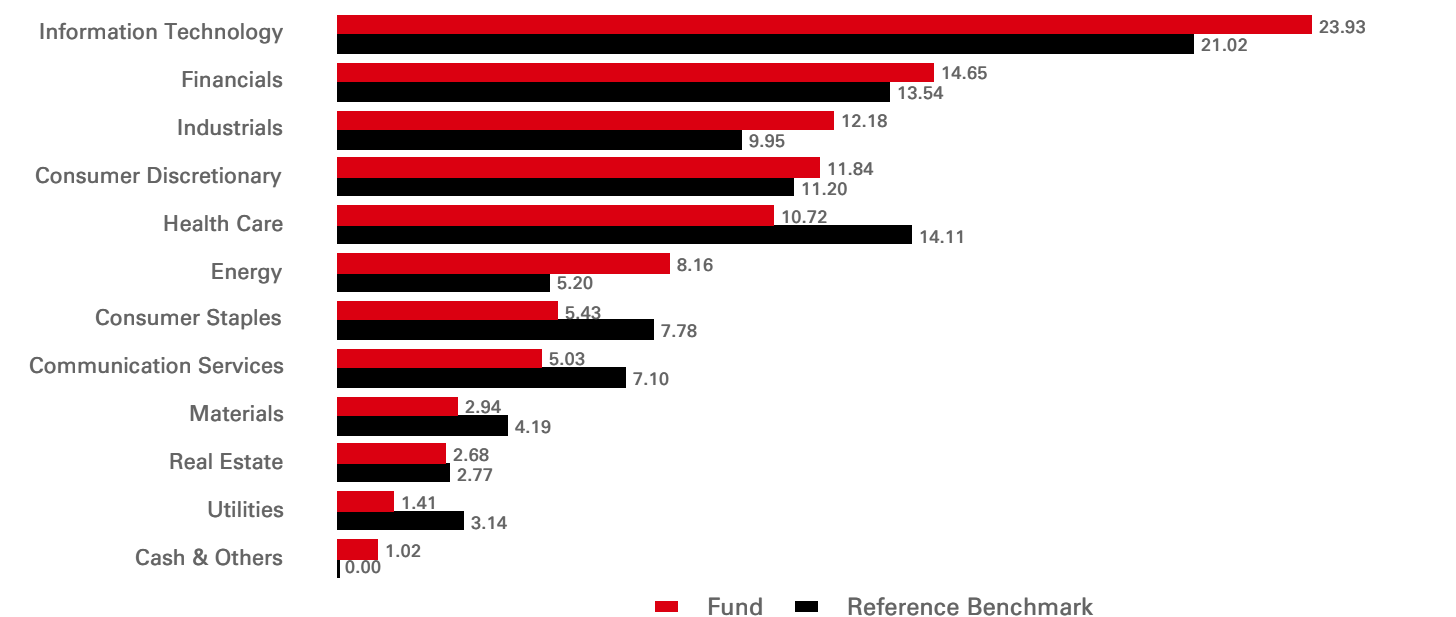
Performance (%)	YTD	1m	3m	6m	1y	3y ann	5y ann	10 years ann	Since inception ann
AC	-25.72	-8.63	-5.55	-21.36	-19.68	3.46	3.35	--	3.49
Reference Benchmark	-25.54	-9.30	-6.19	-21.37	-19.63	4.56	5.30	--	5.43

Rolling performance (%)	30/09/21-30/09/22	30/09/20-30/09/21	30/09/19-30/09/20	30/09/18-30/09/19	30/09/17-30/09/18	30/09/16-30/09/17	30/09/15-30/09/16	30/09/14-30/09/15	30/09/13-30/09/14	30/09/12-30/09/13
AC	-19.68	25.00	10.31	-3.19	9.95	--	--	--	--	--
Reference Benchmark	-19.63	28.82	10.41	1.83	11.24	--	--	--	--	--

Carbon footprint	Fund	Reference benchmark	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	79.50	165.01	Fund	8.2	7.0	6.1	6.2
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO ₂ e/USD million) Source of analytics: Trucost			Reference benchmark	6.8	6.7	5.2	5.7

Equity characteristics	Fund	Reference Benchmark	3-Year Risk Measures	AC	Reference Benchmark
No. of holdings ex cash	276	1,513	Volatility	18.53%	19.66%
Average market cap (USD Mil)	275,348	313,496	Information ratio	-0.31	--
			Beta	0.93	--

Sector allocation (%)



Geographical allocation (%)



Top 10 holdings	Location	Sector	Weight (%)
Microsoft Corp	UNITED STATES	Information Technology	4.49
Apple Inc	UNITED STATES	Information Technology	3.97
UnitedHealth Group Inc	UNITED STATES	Health Care	1.94
Home Depot Inc/The	UNITED STATES	Consumer Discretionary	1.51
NVIDIA Corp	UNITED STATES	Information Technology	1.51
JPMorgan Chase & Co	UNITED STATES	Financials	1.47
Chevron Corp	UNITED STATES	Energy	1.43
Alphabet Inc	UNITED STATES	Communication Services	1.42
Amazon.com Inc	UNITED STATES	Consumer Discretionary	1.40
Cisco Systems Inc	UNITED STATES	Information Technology	1.22

Monthly performance commentary

Market Review

Global equities fell in September as investors digested aggressive rate hikes from several central banks. Growing recession concerns and global earnings downgrades further dampened sentiment. A spike in risk-off sentiment led to an increase in the volatility across global equity markets and weighed on global equities' price performance in September. In the US, the increase of the federal funds rate to 3.25% weighed on equities as the Fed sought to control inflation. The ECB also raised interest rates as inflation increased to 10.0% in September while the shutdown of Nord Stream 1 compounded worries over energy shortages this winter. Despite the increase in volatility following the new government's fiscal policy announcement, UK equities ended the month outperforming global equities.

Factor Performance

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

Fund Commentary

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

Industries

On an industry basis, our overweight allocations to Insurance and Banks coupled with our underweight exposure to Utilities contributed to performance. Conversely, our underweight exposure to Pharmaceuticals, Biotechnology & Life Sciences coupled with our overweight allocations to Semiconductors & Semiconductor Equipment and Energy weighed on performance.

Countries

On a country basis, our overweight allocations to Canada and Finland coupled with our underweight exposure to United States contributed to performance. Conversely, our overweight allocations to Norway and Denmark coupled with our underweight exposure to Japan weighed on performance.

Stock Level

On a stock level basis, our underweight exposures to Meta Platforms Inco and Apple Inco coupled with our overweight allocation to Regeneron Pharms Inco contributed to performance. Conversely, our overweight allocations to Adobe Inco, Intel Corp and United Parcel Ser Inco 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)
SWISS RE AG	0.33	WHEATON PRECIOUS METALS CORP	0.02
GJENSIDIGE FORSIKRING ASA	0.33	INDUSTRIVARDEN AB-A SHS	0.05
SHOPIFY INC - CLASS A	0.49	ST JAMES'S PLACE PLC	0.21
NN GROUP NV	0.53	M&G PLC	0.25
AVIVA PLC	0.59	SWISS LIFE HOLDING AG-REG	0.29
AIA GROUP LTD	0.63	SWISS RE AG	0.33
UNITEDHEALTH GROUP INC	0.68	GJENSIDIGE FORSIKRING ASA	0.33
DNB BANK ASA	0.69	IGM FINANCIAL INC	0.34
ZURICH INSURANCE GROUP AG	0.76	SAMPO OYJ-A SHS	0.45
AXA SA	0.80	LINCOLN NATIONAL CORP	0.47

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)
WOODSIDE ENERGY GROUP LTD	2,550.00	VISTRA CORP	8,269.14
KINDER MORGAN INC	914.10	RWE AG	6,492.84
NIPPON YUSEN KK	876.85	CLEVELAND-CLIFFS INC	6,052.39
AP MOLLER-MAERSK A/S-B	860.75	SOUTH32 LTD	4,914.45
HESS CORP	808.21	EVERGY INC	4,875.18
ONEOK INC	737.51	LAFARGEHOLCIM LTD-REG	4,722.82
ARC RESOURCES LTD	730.06	AMEREN CORPORATION	4,697.71
ENEL SPA	688.76	CF INDUSTRIES HOLDINGS INC	4,536.22
EXXON MOBIL CORP	622.97	AES CORP	4,473.66
CHEVRON CORP	603.36	CLP HOLDINGS LTD	4,419.45

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 30 September 2022

Risk disclosures

- 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.
- Further information on the potential risks can be found in the Key Investor Information Document (KID) and/or the Prospectus or Offering Memorandum.

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. 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 30 September 2022

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 HSBC Asset Management

Glossary



Important information

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The fund presented in this document is a sub-fund of HSBC Global Investment Funds, an investment company constituted as a société à capital variable domiciled in Luxembourg. HSBC Global Investment Funds is marketed in Malta in terms of the Directive on Undertakings for Collective Investment Schemes in Transferable Securities (UCITS).

The shares in HSBC Global Investment Funds have not been and will not be registered under the US Securities Act of 1933 and will not be sold or offered in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons.

All applications are made on the basis of the relevant and current HSBC Global Investment Funds prospectus, the Key Investor Information Document of the related Fund (KIID) and the most recent annual and semi-annual reports (when available), which can be obtained upon request free of charge from HSBC Bank Malta p.l.c. which is licensed to conduct Investment Services business by the Malta Financial Services Authority.

The Fund is manufactured by HSBC Investment Funds (Luxembourg) S.A. 16, boulevard d' Avranches, L-1160 Luxembourg ('the Management Company'). The Management Company has appointed HSBC Global Asset Management (Malta) Limited, 80 Mill Street, Qormi, as Distributor of the Fund with the right to appoint sub-distributors. In Malta, the Fund is distributed to Investors through HSBC Bank Malta p.l.c. (a sub-distributor of HSBC Global Asset Management (Malta) Limited).

Approved by HSBC Global Asset Management (Malta) Limited, 80 Mill Street, Qormi, which is regulated by the Malta Financial Services Authority under the Investment Services Act.