

HSBC Global Investment Funds - Global Lower Carbon Equity

Share Class AD

28 Feb 2019

Fund Objective and Strategy

Investment Objective

The Fund aims to provide long term total return (meaning capital and income) by investing in shares of companies. The fund aims to create a portfolio which has a lower carbon footprint than its reference benchmark, the MSCI World Net Index.

Investment Strategy

The Fund uses a proprietary systematic investment process to select attractive shares and create a reduced carbon footprint portfolio. In normal market conditions, the Fund will invest 90% of its assets in such companies. The companies issuing these shares are based in or have a registered office or official stock-market listing in developed markets, or carry out most of their business there. There aren't restrictions on the market values of the companies held in the fund. In addition, the Fund may invest up to 10% of its assets into other funds. See the Prospectus for a full description of the Investment Objectives and derivative usage.

Performance (%)	YTD	1M	3M	1Y	3Y ¹	5Y ¹	Since Inception ¹
AD	10.83	2.93	1.24	-4.12	-	-	2.69
Reference Benchmark	11.81	3.01	2.58	0.43	-	-	5.30

Rolling Performance (%)	28 Feb 2018- 28 Feb 2019	28 Feb 2017- 28 Feb 2018	29 Feb 2016- 28 Feb 2017	28 Feb 2015- 29 Feb 2016	28 Feb 2014- 28 Feb 2015
AD	-4.12	-	-	-	-
Reference Benchmark	0.43	-	-	-	-

3-Year Risk Measures	AD	Reference Benchmark	Characteristics	Fund	Reference Benchmark
Volatility	-	-	Number of Holdings ex Cash	212	1,636
Information Ratio	-	-	Avg Market Cap (USD mil)	131,503	138,469
Beta	-	-			

Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

Source: HSBC Global Asset Management, data as at 28 February 2019

Risk Disclosure

- 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.
- 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 Fund's potential risks can be found in the Key Investor Information Document and Prospectus.

Share Class Details

UCITS V Compliant	Yes
Distribution Type	Distributing
Distribution Frequency	Annually
Dividend Yield ²	0.27%
Last Paid Dividend	0.0273
Dealing Frequency	Daily
Valuation Time	17:00 Luxembourg
Min. Initial Investment	USD 5,000
Ongoing Charge Figure ³	1.150%
Base Currency	USD
Domicile	Luxembourg
ISIN	LU1674673691
Inception Date	27 Sep 2017
NAV per Share	USD 10.36
Fund Size	USD 50,348,716
Bloomberg Ticker	HSGLCAD LX
Reference Benchmark	MSCI World Net
Manager	HSBC Index and Systematic Equity Portfolio Management Team

¹Result is annualised when calculation period is over one year.

²Dividend Yield: represents the ratio of distributed income over the last 12 months to the fund's current Net Asset Value. □

³Ongoing Charges Figure, is based on expenses over a year. The figure includes annual management charge but not the transaction costs. Such figure may vary from time to time.

Monthly Performance Commentary

Market Review

Global Equities gained during February on optimism over China-US trade relations. Both the USA and Chinese equity markets were the best performers, buoyed by the aforementioned optimism as well as robust economic data out of the US, which showed QoQ GDP growth was ahead of consensus and unemployment numbers were down. Adding to this, Chinese equities gained as policies aimed at spurring consumption and counteracting a slowing economy, appear to be increasing activity. At the other end of the spectrum was Brazil, which lagged on weaker than expected growth data. Across the central banks; The US Federal Reserve pivoted to a more dovish stance in January and no longer has a bias to hike interest rates. The same is expected from the European Central Bank after they assessed that the balance of risks are now tilted to the downside. The Bank of England also struck a more dovish tone in February, reflecting weaker growth and Brexit-related uncertainty, however, a rate hike is still possible later in 2019 in the event of a smooth resolution to the current Brexit impasse. With inflation well below the Bank of Japan's 2% target, policy is likely to remain loose. Meanwhile, the People's Bank of China is in easing mode.

Fund Review

While our asset allocation contributed to the performance largely in line with the benchmark, our stock selection slightly weighed on performance.

On a sector basis, an overweight allocation to Industrials coupled with our underweight exposures to Consumer Discretionary and Consumer Staples contributed to performance. Conversely, our overweight allocations to Communication Services and Health Care weighed on performance. On a country basis, an overweight allocation to Japan coupled with our overweight exposures to Denmark and Ireland contributed to performance. Conversely, an overweight allocation to Singapore weighed on performance.

February was a challenging month. Factor performance was predominately driven by a risk-on appetite across global markets with high beta and volatile stocks providing positive performance. Small cap stocks rebounded and enjoyed a positive month given a lessening of perceived geopolitical risk that provided relief for risky assets. Furthermore, Quality was favoured in most markets as investors looked to favour safety names with low leverage, high profitability and stable earnings quality. Conversely, Value experienced a sell off after a strong January, this was set against 'growth' performing well in the month. Looking at factor attribution, within the portfolio, our exposures to quality and size contributed to performance, exposures to low beta and value proved a headwind.

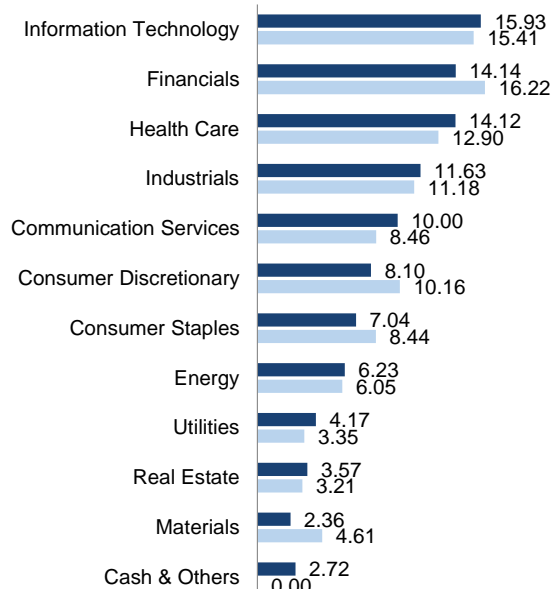
At the stock level, overweighting Copart Inc. (Industrials, USA) and Boeing Co. (Industrials, USA) coupled with underweighting United Health Group Inc. (Health Care, USA) contributed to performance. Conversely, overweighting West Fraser Timber Co Ltd. (Materials, Canada), Humana Inc. (Health Care, USA) and Gilead Science Inc. (Health Care, USA) weighed on performance.

Outlook

Our measure of the global equity risk premium (excess return over cash) is still reasonable given where we are in the profits cycle. We believe global equities still offer attractive rewards amid the risks to the growth outlook, whilst corporate fundamentals remain strong. Policy support can help offset headwinds from more modest Chinese growth, trade tensions, and political uncertainty in many regions. From risk perspective episodic volatility may be triggered by concerns on global trade tensions, Chinese growth and or developed markets central bank policy normalisation, coupled with political risks. Finally, rising wage growth in many developed economies may undermine corporate profits.

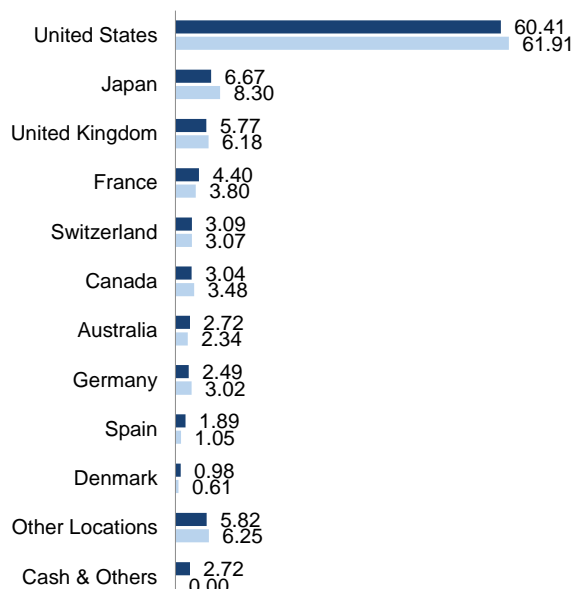


Sector Allocation (%)



■ AD ■ Reference Benchmark

Geographical Allocation (%)



■ AD ■ Reference Benchmark

Top 10 Holdings (%)	Location	Sector	Weight (%)
Microsoft Corp	United States	Information Technology	2.77
Apple Inc	United States	Information Technology	2.15
Facebook Inc	United States	Communication Services	1.57
Exxon Mobil Corp	United States	Energy	1.43
Boeing Co/The	United States	Industrials	1.37
Merck & Co Inc	United States	Health Care	1.27
AT&T Inc	United States	Communication Services	1.27
Verizon Communications Inc	United States	Communication Services	1.27
Home Depot Inc	United States	Consumer Discretionary	1.24
Google Inc	United States	Communication Services	1.18

Source: HSBC Global Asset Management, data as at 28 February 2019

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Carbon Footprint	Fund	Reference Benchmark
Carbon Intensity	78.45	194.05

Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO₂e/USD million)

Ten Lowest Carbon Intensity Issuers

Fund	Carbon Intensity (tonnes CO ₂ e/USD million)	Reference Benchmark	Carbon Intensity (tonnes CO ₂ e/USD million)
CNP ASSURANCES	0.52	WHEATON PRECIOUS METALS CORP	0.03
LEGAL & GENERAL GROUP PLC	0.62	ST JAMES'S PLACE PLC	0.29
SWISS RE AG	0.74	IGM FINANCIAL INC	0.34
AVIVA PLC	0.78	PARTNERS GROUP HOLDING AG	0.37
AMERISOURCEBERGEN CORP	0.85	SCOR SE	0.41
MS&AD INSURANCE GROUP HOLDIN	0.89	ABN AMRO GROUP NV-CVA	0.44
UNITEDHEALTH GROUP INC	1.02	MEDIOBANCA SPA	0.46
AXA SA	1.17	CNP ASSURANCES	0.52
NATIONAL BANK OF CANADA	1.18	AFFILIATED MANAGERS GROUP	0.56
ASSICURAZIONI GENERALI	1.21	LEGAL & GENERAL GROUP PLC	0.62

Ten Highest Carbon Intensity Issuers

Fund	Carbon Intensity (tonnes CO ₂ e/USD million)	Reference Benchmark	Carbon Intensity (tonnes CO ₂ e/USD million)
ENEL SPA	1411.70	ELECTRIC POWER DEVELOPMENT C	8043.26
DELTA AIR LINES INC	874.76	EMERA INC	7262.66
JAPAN AIRLINES CO LTD	751.45	OGE ENERGY CORP	6806.03
LYONDELLBASELL INDU-CL A	666.34	AMERICAN ELECTRIC POWER	6739.06
DAICEL CORP	662.97	ALLIANT ENERGY CORP	6647.58
REPSOL SA	635.01	EVERGY INC	6553.73
DSV A/S	633.94	HK ELECTRIC INVESTMENTS -SS	5802.99
EXXON MOBIL CORP	622.07	LAFARGEHOLCIM LTD-REG	5638.95
UPM-KYMMENE OYJ	621.40	NRG ENERGY INC	5604.84
ATHENE HOLDING LTD-CLASS A	617.62	AES CORP	5195.08

Weighted Average Carbon Intensity	Description	Portfolio's exposure to carbon-intensive companies, expressed in tons CO ₂ e/USD million revenue.
	Formula	$\sum_n \left(\frac{\text{current value of investment}_i}{\text{current portfolio value}} \times \frac{\text{issuer's Scope 1 and Scope 2 GHG emissions}_i}{\text{issuer's \$M revenue}_i} \right)$
	Methodology	Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights (the current value of the investment relative to the current portfolio value), rather than the equity ownership approach. Gross values should be used.

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.

Source of analytics: Trucost/ HSBC



Important Information

This document is only intended for non-professional investors as defined by MIFID. The material contained herein is for information only and does not constitute investment advice or a recommendation to any reader of this material to buy or sell investments. There are risks involved with this type of investment. Investors and potential investors should read and note the risk warnings in the prospectus and relevant KIID. Past performance of investments is not necessarily a guide to future performance and the value of investments and any income from them can go down as well as up and you may not get back the amount you originally invested. The rate of currency exchange, where applicable, may cause the value of such investments to go down as well as up. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in established markets. You should view this investment as medium to long-term, and should plan to keep it for at least three years.

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) Ltd, 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) Ltd).

Further information can be found in the Prospectus, the Key Investor Information Document and most recent annual and semi-annual reports, which can be obtained upon request free of charge from HSBC Global Asset Management (Malta) Ltd. or HSBC Bank Malta p.l.c.

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