

## HSBC Global Investment Funds

# GLOBAL LOWER CARBON EQUITY

Monthly report 31 March 2024 | Share class BCGBP



### 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

- Please remember that the value of investments, and any income received from them, can fall as well as rise, is not guaranteed and you may not get back the amount you 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	<b>GBP 15.21</b>
Performance 1 month	<b>4.11%</b>
Volatility 3 years	<b>11.11%</b>

#### Fund facts

UCITS V compliant	<b>Yes</b>
Dividend treatment	<b>Accumulating</b>
Dealing frequency	<b>Daily</b>
Valuation Time	<b>17:00 Luxembourg</b>
Share Class Base Currency	<b>GBP</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>14 January 2020</b>
Fund Size	<b>USD 372,701,620</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	<b>USD 5,000</b>
Ongoing Charge Figure <sup>1</sup>	<b>0.750%</b>

#### Codes

ISIN	<b>LU1674673931</b>
Bloomberg ticker	<b>HSGEGBC LX</b>

<sup>1</sup>Ongoing 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.

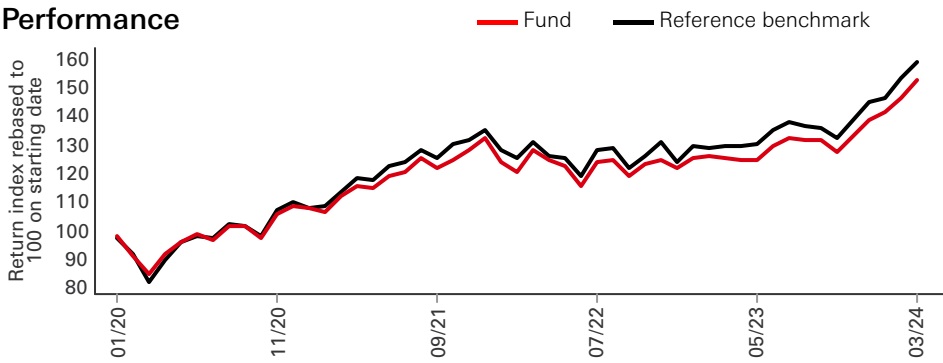
Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

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

For definition of terms, please refer to the Glossary QR code and Prospectus.

Source: HSBC Asset Management, data as at 31 March 2024

Performance



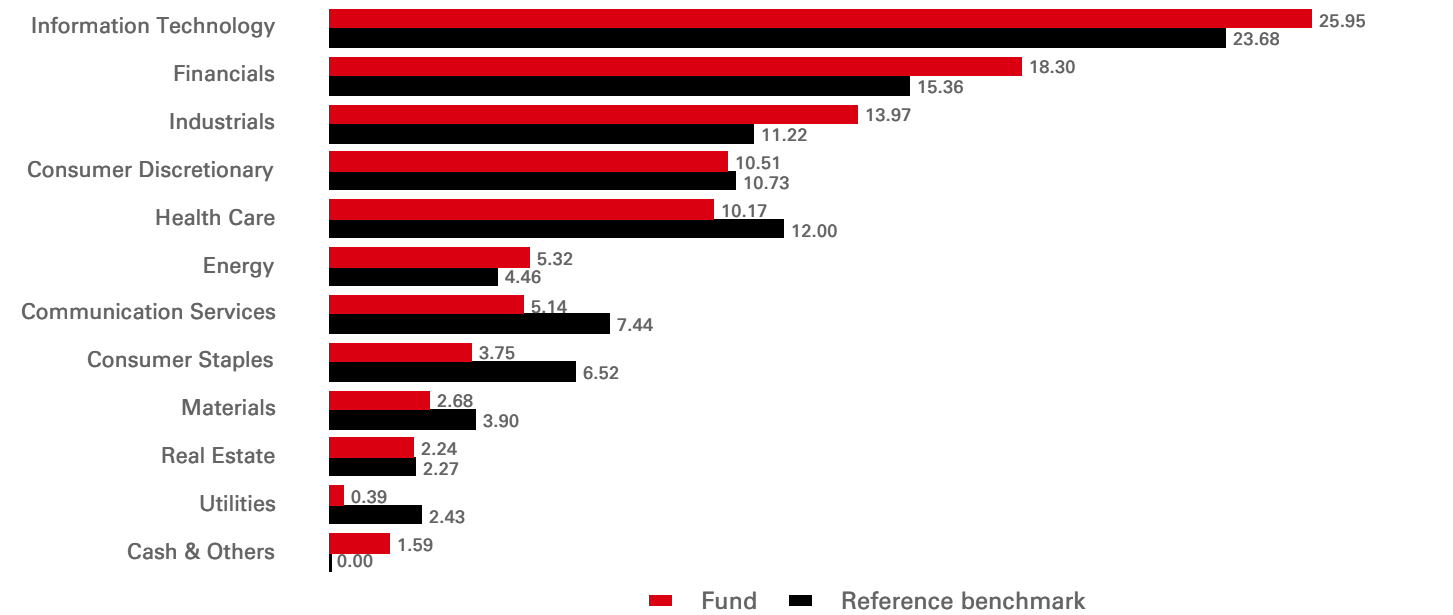
Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
BCGBP	10.12	4.11	10.12	15.82	21.86	10.91	--	10.46
Reference benchmark	9.73	3.32	9.73	17.18	22.42	11.83	--	11.52

Rolling Performance (%)	31/03/23-31/03/24	31/03/22-31/03/23	31/03/21-31/03/22	31/03/20-31/03/21	31/03/19-31/03/20
BCGBP	21.86	-2.16	14.42	32.51	--
Reference benchmark	22.42	-0.99	15.39	38.43	--

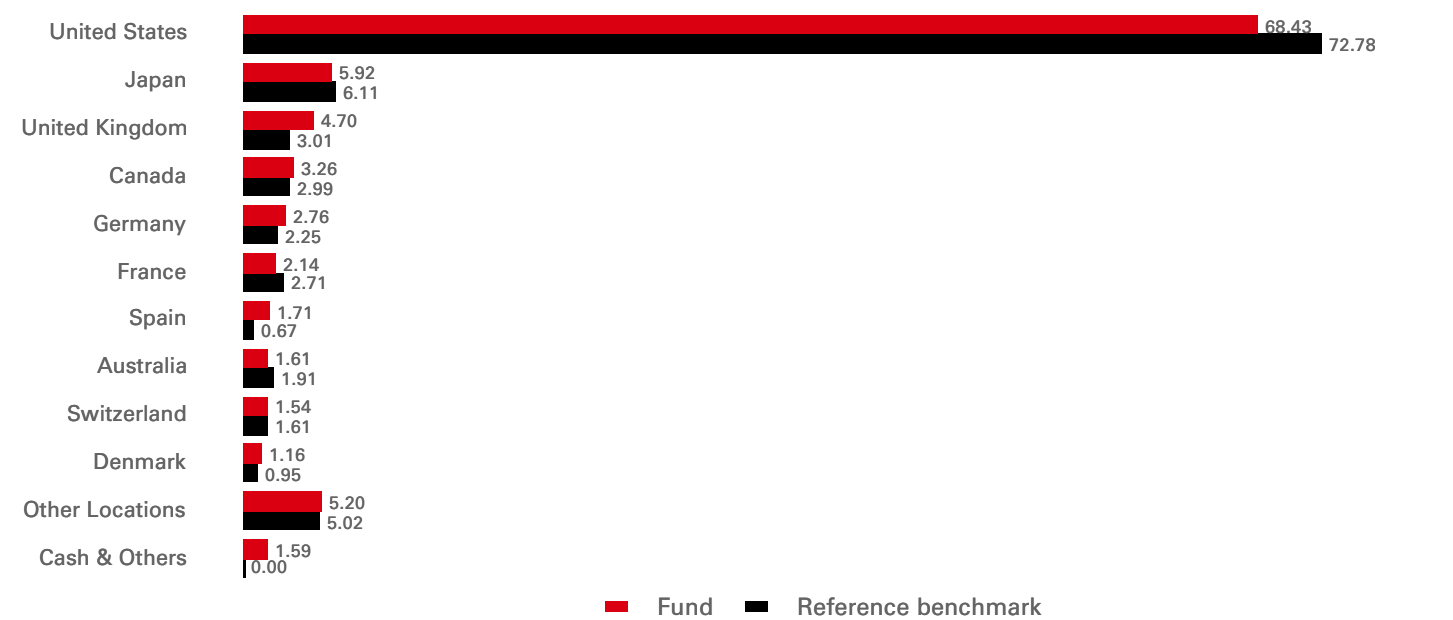
Carbon footprint	Fund	Reference benchmark	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	48.90	99.47	Fund	8.3	6.9	6.1	6.2
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO <sup>2</sup> e/USD million) Source of analytics: Trucost			Reference benchmark	6.9	6.8	5.1	5.7

Equity characteristics	Fund	Reference benchmark	3-Year Risk Measures	BCGBP	Reference benchmark
No. of holdings ex cash	286	1,465	Volatility	11.11%	11.56%
Average Market Cap (USD Mil)	456,969	540,261	Information ratio	-0.27	--
			Beta	0.92	--

Sector Allocation (%)



Geographical Allocation (%)



Top 10 Holdings	Location	Sector	Weight (%)
Microsoft Corp	United States	Information Technology	4.97
Apple Inc	United States	Information Technology	3.32
NVIDIA Corp	United States	Information Technology	2.98
Amazon.com Inc	United States	Consumer Discretionary	1.69
Alphabet Inc	United States	Communication Services	1.67
UnitedHealth Group Inc	United States	Health Care	1.57
Home Depot Inc/The	United States	Consumer Discretionary	1.43
SAP SE	Germany	Information Technology	1.20
Verizon Communications Inc	United States	Communication Services	1.12
Applied Materials Inc	United States	Information Technology	1.12

# Monthly performance commentary

## Market Review

Global stock markets rose for a fifth consecutive month in March, as economic data remained broadly consistent with a soft-landing scenario. Risk appetite was also buoyed by central bankers eyeing a summer policy pivot. At a regional level, developed market equities maintained positive momentum amid optimism over the rate cut outlook in major economies. Many indices refreshed their all-time highs during the month. The US equity bull market continued, bolstered by high confidence in the soft landing, and leadership from quality growth. US core CPI inflation increased 0.4% month-on-month in February, the same rate as January. European equities also posted robust gains as Eurozone PMIs improved, hinting at a stabilisation in activity. UK equities increased as headline CPI inflation fell to 3.4% in February, from 4.0% in January.

## Factor Performance

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

## Fund Commentary

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

## Industries

On an industry basis, our overweight allocation to Energy coupled with our underweight exposures to Media & Entertainment and Pharmaceuticals, Biotechnology & Life Sciences contributed to performance. Conversely, our overweight allocation to Software & Services coupled with our underweight exposures to Utilities and Materials weighed on performance.

## Countries

On a country basis, our overweight allocation to Spain coupled with our underweight exposures to Hong Kong and Singapore contributed to performance. Conversely, our overweight allocation to Norway coupled with our underweight exposures to Switzerland and United States weighed on performance.

## Stock Level

On a stock level basis, our overweight allocations to Banco Santander Sa, 3 M Co and BBVA Argentina Sa contributed to performance. Conversely, our overweight allocations to Zoetis Inco and Adobe Inco coupled with our underweight exposure to Nvidia Corp 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
PRUDENTIAL FINANCIAL INC	0.73	M&G PLC	0.25
AXA SA	0.77	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)
CRH PLC	1,031.23	VISTRA CORP	6,920.55
VOESTALPINE AG	894.68	EVERGY INC	4,775.06
ANA HOLDINGS INC	871.92	SEMBICORP INDUSTRIES LTD	4,486.65
BLUESCOPE STEEL LTD	745.90	PPL CORP	3,502.27
NIPPON YUSEN KK	678.21	CLP HOLDINGS LTD	3,450.76
DEUTSCHE LUFTHANSA-REG	676.24	AMEREN CORPORATION	3,264.38
APA CORP	517.28	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 31 March 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.
- You should be aware of the potential risk of investing in a currency which is not your base currency and the effect any change in exchange rates may have, be it up or down, when converting your returns back to your base currency. The underlying investments may be made in local currencies which are subject to exchange rate fluctuations if converting returns back to the base currency.
- Further information on the potential risks can be found in the Key Information Document (KID) and/or the Prospectus or Offering Memorandum.

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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 31 March 2024

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Glossary



## Important Information

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The fund is a sub-fund of HSBC Global Investment Funds, a Luxembourg domiciled SICAV. UK based investors are advised they may not be afforded some of the protections conveyed by the provisions of the Financial Services and Markets Act (2000), (the Act). The company is recognised in the UK by the Financial Conduct Authority under section 264 of the Act. The shares in the company have not been and will not be offered for sale or sold 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 Prospectus, Key investor document (KID), Supplementary Information Document (SID) and most recent annual and semi-annual reports, which can be obtained upon request free of charge from HSBC Global Asset Management (UK) Limited, 8 Canada Square, Canary Wharf, London E14 5HQ UK; the local distributors or from our website (see below). Investors and potential investors should read and note the risk warnings in the Prospectus, KID and additionally, in the case of retail clients, the information contained in the supporting SID.

Further information about the Company including the Prospectus, the most recent annual and semi-annual reports of the Company and the latest share prices, may be obtained free of charge, in English, from the Registrar and Transfer Agent by emailing [amgtransferagency@lu.hsbc.com](mailto:amgtransferagency@lu.hsbc.com), or by visiting [www.global.assetmanagement.hsbc.com](http://www.global.assetmanagement.hsbc.com).

The most recent Prospectus is available in English and German. Key Investor Document (KID) are available in the local language where they are registered.

Term: The management company cannot terminate the Fund unilaterally. The Board of Directors may furthermore decide to liquidate the Fund in certain circumstances set out in the prospectus and articles of incorporation of the Fund. Further additional and complete information (including but not limited to) investor rights, costs and charges, please refer to the prospectus.

Detailed information for article 8 and 9 sustainable investment products, as categorised under the Sustainable Finance Disclosure Regulation (SFDR), including; description of the environmental or social characteristics or the sustainable investment objective; methodologies used to assess, measure and monitor the environmental or social characteristics and the impact of the selected sustainable investments and; objectives and benchmark information, can be found at: <https://www.assetmanagement.hsbc.co.uk/en/intermediary/investment-expertise/sustainable-investments/sustainable-investment-product-offering>