

HSBC Global Investment Funds - Euroland Equity Smaller Companies

Share Class IC

30 Apr 2021

Fund Objective and Strategy

Investment Objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of Eurozone shares.

Investment Policy

In normal market conditions, the Fund will invest at least 90% of its assets in shares (or securities similar to shares) of smaller and medium sized companies, that are based in any Eurozone member country. These companies are defined as having a market value of less than EUR 10 billion as well as being constituents of the MSCI EMU SMID Index. See the Prospectus for a full description of the investment objectives and derivative usage.

Performance (%)	YTD	1M	3M	1Y	3Y ¹	5Y ¹
IC	7.83	2.39	5.72	31.16	1.21	6.44
Reference Benchmark	9.91	2.64	9.68	40.59	6.70	9.91

Rolling Performance (%)	30 Apr 2020-30 Apr 2021	30 Apr 2019-30 Apr 2020	30 Apr 2018-30 Apr 2019	30 Apr 2017-30 Apr 2018	30 Apr 2016-30 Apr 2017
IC	31.16	-16.80	-4.98	7.56	22.52
Reference Benchmark	40.59	-12.15	-1.65	9.39	20.72

3-Year Risk Measures	IC	Reference Benchmark	Characteristics	Fund	Reference Benchmark
Volatility	23.48%	19.78%	Number of Holdings ex Cash	52	561
Information Ratio	-0.90	-	Avg Market Cap (EUR mil)	6,309	9,011
Beta	1.16	-			

Share Class Details	
UCITS V Compliant	Yes
UK Reporting Status	Yes
ISA Eligible	Yes
Distribution Type	Accumulating
Dealing Frequency	Daily
Valuation Time	17:00 Luxembourg
Min. Initial Investment	USD 1,000,000
Ongoing Charge Figure ²	1.000%
Share Class Base Currency	EUR
Domicile	Luxembourg
ISIN	LU0165074070
Share Class Inception Date	01 Aug 2006
NAV per Share	EUR 95.13
Fund Size	EUR 226,216,911
Bloomberg Ticker	HSBESIC LX
SEDOL	B2PX7K6
Reference Benchmark	MSCI EMU SMID Net
Manager	Eve Navarre

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 30 April 2021

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.
- Investing in assets denominated in a currency other than that of the investor's own currency exposes the value of the investment to exchange rate fluctuations.
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- 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.
- Different investment styles typically go in and out of favour depending on market conditions and investor sentiment.
- 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.

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

²Ongoing 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.

Monthly Performance Commentary

Performance attribution

Sector allocation made a positive contribution to performance, while stock-picking made a negative contribution.

In sector allocation, our overweighting of retailing and healthcare equipment and services made a positive contribution to performance.

In stock-picking, the main negative contributors were Atos (IT services, France), which fell almost 15% during the reporting period. It announced it was conducting a detailed review of the accounts of its two US subsidiaries, while its auditor has not approved the 2020 accounts.

Atos also reported disappointing first-quarter results, particularly in the US, which will have to be offset in the following quarters to meet full-year guidance.

Albioma (utilities, France), which lost 10% during the reporting period, also made a negative contribution to performance. The stock fell for no particular reason, but it's true that the entire sector came in for profit-taking.

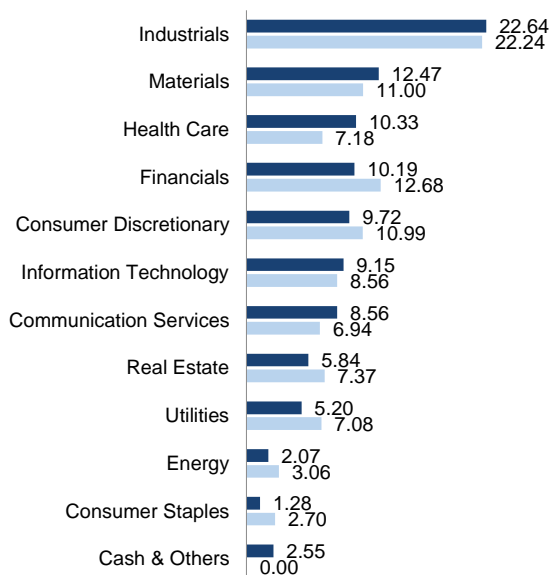
Aperam (materials, Netherlands) gained more than 12% on the review period, and was the main contributor to fund performance. The stock was driven rising metal prices, which were driven, in turn, by heavier demand and by the announcement of EU antidumping measures.

Investment policy

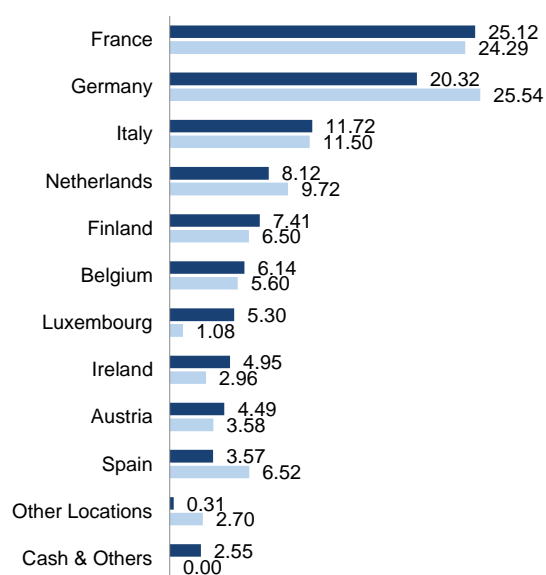
In April we brought Bechtle (IT services, Germany), whose strong growth was driven by demand for digitalisation from small German companies.

We also added to our holdings in Fineco (banking, Italy).

We reduced our holding in Sopra Steria (IT services, France) and TAG Immobilien (real estate, Germany), following solid performances.

Sector Allocation (%)


■ IC ■ Reference Benchmark

Geographical Allocation (%)


■ IC ■ Reference Benchmark

Top 10 Holdings (%)	Location	Sector	Weight (%)
SR TELEPERFORMANCE	France	Industrials	4.18
SMURFIT KAPPA	Ireland	Materials	3.92
SYMRISE	Germany	Materials	3.88
HELLOFRESH AG	Germany	Consumer Discretionary	3.46
EUROFINS SCIENTIFI	Luxembourg	Health Care	3.20
STROEER SE	Germany	Communication Services	3.19
OUTOTEC	Finland	Industrials	3.02
KION GROUP AG	Germany	Industrials	2.93
TAG IMMOBILIEN	Germany	Real Estate	2.86
ATOS	France	Information Technology	2.81

Source: HSBC Global Asset Management, data as at 30 April 2021

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Terms of Glossary

Accumulation Share: a type of share where the income earned by the Fund is retained in the Fund

ACD: HSBC Global Asset Management (UK) Limited, the Authorised Corporate Director of the Company

Actively Managed: where the fund manager uses their expertise to pick investments to achieve the fund's objectives

Beta: an historical measure of volatility to measure how a fund moves versus its benchmark (i.e. an Index)

Collective Investment Scheme: a fund that more than one person contributes to with the aim of increasing the value of their investments or receiving income from a pooled investment. A fund manager will invest the pooled money into one or more types of asset, such as stocks, bonds or property

Developed Markets: countries with relatively high levels of personal income and established economies

Emerging Markets (EM): countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body

Equities: shares issued by a company

Futures: a financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price

Growth: the increase in the value of investments

Hedge Funds: an investment fund that pools money from investors and invests in a variety of assets, often with complex investment strategies and risk management techniques

Hedge or Hedging: using derivative type investments as a way to reduce risk

Income: money generated by a fund, such as interest from a bond or a dividend from a share, which can be paid out to its investors or paid back into the fund and reinvested

Income Share: the type of Share where the income earned by the Fund is paid out to you

Information Ratio: a measure of the risk-adjusted return of a fund against its benchmark

Market Capitalisation: the total dollar market value of a company's outstanding shares. Commonly referred to as "market cap", it is calculated by multiplying a company's shares outstanding by the current market price of one share

Net Asset Value (NAV): the value of the scheme property of a fund less the liabilities of the fund

Ongoing Charges Figure: a measure of what it costs to invest in a fund. It includes the fee paid to the ACD and other operating costs

Price Earnings (P/E) Ratio: the price paid for a share divided by the annual profit earned by the firm per share

Preference Shares: shares of a company which entitle the holder to a fixed dividend, whose payment takes priority over that of ordinary share dividends. Preference shares may be convertible to the ordinary shares of a company

Property-related securities: shares of property companies that own, manage or develop property and Real Estate Investment Trusts (REITs), which are investment companies that own buildings and land

Return(s): the money made or lost on an investment

Share(s): an equally valued holding in a fund of a company, representing part ownership of that fund, (including larger denomination shares and smaller denomination shares)

Sharpe ratio: a measure for calculating risk-adjusted return, and this ratio has become the industry standard for such calculations

Volatility: a measure of the size and frequency of changes in the value of an investment over a short space of time

Yield: the income from an investment, usually stated as a percentage of the value of the investment