

HSBC Portfolios - World Selection 1

Share Class BCHEUR

30 Apr 2021

Fund Objective and Strategy

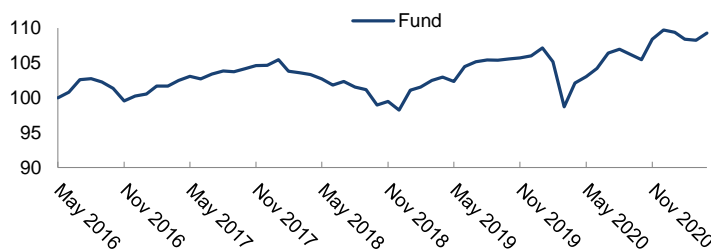
Investment Objective

The Fund aims to provide long-term capital growth and income by investing in a portfolio of bonds and shares. The Fund seeks to apply a low risk investment strategy.

Investment Policy

In normal market conditions, at least 90% of the Fund's exposure is to bonds, shares and alternative investment strategies. The Fund gains exposure to bonds that are investment grade, non-investment grade and unrated issued by the government, government-related entities, supranational entities and companies based in developed markets and emerging markets. The bonds can be denominated either in US dollar (USD), other developed markets currencies hedged into USD, or in emerging markets currencies. The Fund gains exposure to shares issued by companies of any size. The Fund may invest up to 100% in other funds although this investment will normally be between 25% and 75%. The Fund can have an exposure to bonds (or other similar securities) of up to 100% of its assets. The exposure to shares (or securities similar to shares) can be up to 25% of assets. The Fund may invest up to 20% in non-investment grade and unrated bonds, and up to 25% in alternative investment strategies. The Fund's primary currency exposure is to USD. See the Prospectus for a full description of the investment objectives and derivative usage.

Performance (%)



Performance (%)	YTD	1M	3M	1Y	3Y ¹	5Y ¹	Vol2 ²	S.R. ³
BCHEUR	-0.40	0.93	-0.09	7.02	1.89	1.82	4.68	0.62

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
BCHEUR	7.02	-0.84	-0.34	0.83	2.64

Share Class Details

UCITS V Compliant	Yes
Distribution Type	Accumulating
Dealing Frequency	Daily
Valuation Time	10:00 Luxembourg
Min. Initial Investment	EUR 5,000
Ongoing Charge Figure ⁴	0.845%
Share Class Base Currency	EUR
Domicile	Luxembourg
ISIN	LU0931136328
Share Class Inception Date	25 Jan 2016
NAV per Share	EUR 11.42
Fund Size	USD 472,959,038
Bloomberg Ticker	HS1BCHE LX
Manager	Kate Morrissey

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.
- The Fund invests in bonds whose value generally falls when interest rates rise. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality. The issuers of certain bonds, could become unwilling or unable to make payments on their bonds and default. Bonds that are in default may become hard to sell or worthless. 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.
- The Fund may invest in Emerging Markets, these markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.
- 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.

²Volatility since inception, a measure of how much a fund's price goes up or down as a percentage of its average performance.

³Sharpe ratio since inception, a measure for calculating risk-adjusted return, and this ratio has become the industry standard for such calculations.

⁴Ongoing 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.

HSBC Portfolios offer a choice of five different risk levels, to be selected by investors depending on factors like their financial goals, time horizon and capacity for loss. Typically, the more risk investors take, the more return they would expect to see.

At HSBC Global Asset Management, we measure risk by volatility – how sharply a Portfolio's share price moves in any given time period (up or down). The higher the volatility, the higher the risk.

The table below shows the Portfolio's return (for the primary share class or hedged currency share class) per year over the last three years (known as annualised) and the level of volatility over the same period. This can be compared against other funds in the peer group, as defined by an independent research company*.

	3 Year Net Return %	Amount based on EUR 1,000 invested	3 Year Volatility %
HSBC Portfolios - World Selection 1 BCHEUR	1.89	EUR 1057.63	5.66
Peer Group Average - EAA Fund EUR Cautious Allocation - GI	1.93	EUR 1058.98	5.90
Lowest Returning Fund in Peer Group	-6.32	EUR 822.07	0.97
Highest Returning Fund in Peer Group	9.59	EUR 1316.07	17.69
Cash	0.56	EUR 1016.83	0.10

An example of a good outcome would be that the HSBC Portfolio return is higher than the peer group's average return and the volatility (risk taken) is lower. However investors should consider their own priorities when it comes to returns and the risk taken to achieve them.

*Morningstar Categories are used to define the peer group comprising funds they deem similar based on fund objectives and holdings. The average is a median.

Monthly Performance Commentary

Portfolio performance

Performance was positive in April, as a strong earnings season, combined with continued economic recovery resulted in positive returns across both bond and equity markets.

The World Selection portfolios are long-term investment solutions that seek to maximise risk-adjusted returns (Sharpe ratios) in the long run.

Outlook

Global equities made further gains in April amid upbeat global recovery prospectus and Fed reassurance.

We remain in the restoration phase of the economic cycle, with activity still below pre-Covid levels in major economies, other than China. The pace of recovery will depend on vaccine delivery and continued policy support. For economies that have been slower to recover, there is scope for cyclical catch-up in 2021.

The ongoing Covid-19 risks mean the global economy is dependent on policy support. Global central banks continue to expand balance sheets, and deploy lower-for-even-longer interest rates. Compared to the West, monetary policy in China is set to become relatively hawkish. Across Asia, incremental stimulus will be limited due to inflation pressures.

In the near-term, the risk of significantly increased inflation is low, although it is higher in the US than other developed markets. A significant reversal in the supportive monetary policy is unlikely, especially given the US Federal Reserve's average inflation targeting framework which implies a willingness to look through higher CPI in the short term and delay policy take-off.

The largest downside risk to markets remains vaccine-resistant strains impacting market sentiment. On the upside, better vaccine deployment or greater than expected policy support could boost sentiment.

Positioning

Equities

At a headline level we are overweight global equities. We continue to hold several intra-equity positions: Canadian equities funded from our US equity exposure, developed market financials funded from our broader developed market equity exposure, and UK mid-caps funded from UK large caps.

Bonds

We are underweight both corporate and government bonds within the portfolios, we have zero exposure to inflation linked bonds, and we are neutral Securitised Credit.

Risky Fixed Income

We have a marginal overweight to risky fixed income within the portfolio, this is primarily driven by our overweight to EMD in local currency, while we remain underweight EMD in hard currency and Global High Yield bonds, although we maintain our allocation to Asia High Yield bonds.

Portfolio

Portfolio Asset Allocation (%)	
Global Equity	17.93
Global Fixed Income	69.85
Global Government Bond	40.73
Global Corporate Bond	20.87
Global High Yield Bond	1.11
Global Asset Backed Bond	3.61
Emerging Market Debt - Hard Currency	1.35
Emerging Market Debt - Local Currency	1.37
Global Inflation Linked Bonds	0.00
Global Credit Short Duration	0.00
Asia High Yield Bond	0.81
Property	1.79
Style Factors	2.41
Trend Following	2.87
Commodities	0.00
Cash	5.14

Currency Exposure at Portfolio Level (%)	
US dollar	90.63
Canadian dollar	2.17
Japanese yen	1.50
South Korean won	0.75
Norwegian krone	0.64
Australian dollar	0.61
Hong Kong dollar	0.50
British pound	0.49
New Taiwan dollar	0.28
Chinese yuan	0.24
Other Currencies	2.31

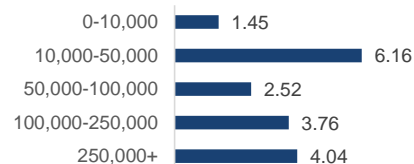
Portfolio Top 10 Holdings	Weight (%)
HSBC GIF Global Govt Bd ZQ1	17.90
HSBC FTSE All-World Index Instl Acc	6.89
HSBC GIF GlnGd Sctsd Crdt Bd ZC	3.61
HSBC Multi Factor Worldwide Equity ETF	3.40
STRUCT INV SI CRSS AST T-EU	2.87
HSBC GIF Multi-Asset Style Factors ZC	2.41
HSBC S&P 500 UCITS ETF	2.36
LYXOR MSCI WORLD FINANC	2.02
HSBC MSCI Canada UCITS ETF	1.93
HSBC GIF Global RE Eq ZQ1	1.79

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

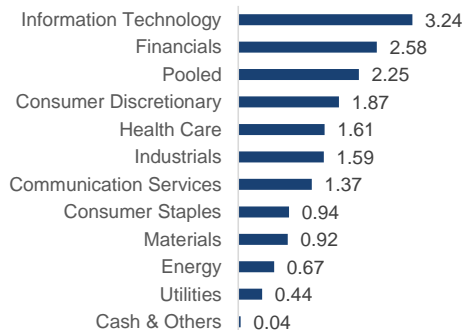
Equity

Equity Characteristics	
P/E Ratio	20.49
Weighted Average Market Cap (USD Mil)	294,942.70
Dividend Yield	1.85

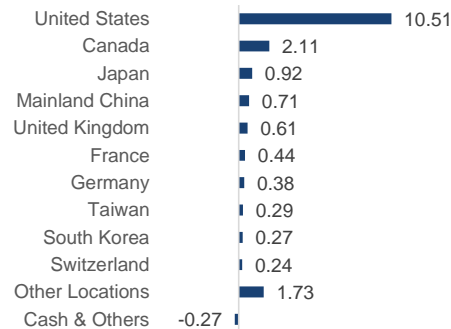
Equity Average Market Cap Breakdown (USD Mil, %)



Equity Sector Allocation (%)



Equity Geographical Allocation (%)



Equity Top 10 Holdings	Location	Sector	Weight (%)
APPLE INC	United States	Information Technology	0.48
MICROSOFT CORP	United States	Information Technology	0.42
AMAZON.COM INC	United States	Consumer Discretionary	0.33
ALPHABET INC-CL A	United States	Communication Services	0.33
FACEBOOK INC-CLASS A	United States	Communication Services	0.19
ROYAL BANK OF CANADA	Canada	Financials	0.16
SHOPIFY INC - CLASS A	Canada	Information Technology	0.15
TORONTO-DOMINION BANK	Canada	Financials	0.14
TAIWAN SEMICONDUCTOR CO LTD	Taiwan	Information Technology	0.12
TESLA INC	United States	Consumer Discretionary	0.12

Please note some securities are unclassified against these sector and/or country schemes and will therefore appear under the Cash & Others category.

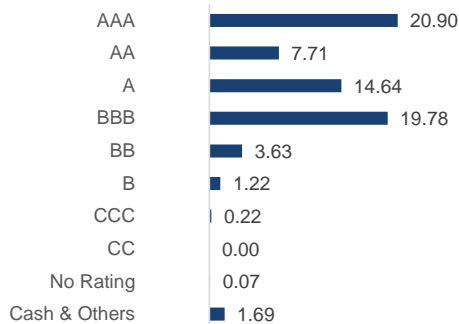
The data displayed in above sections is shown on a look-through basis. This means that the fund may not directly hold these securities and the investment in these securities may be via other funds.

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

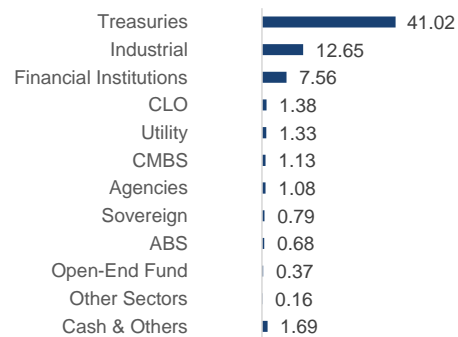
Fixed Income

Fixed Income Characteristics		Fixed Income Characteristics	
Yield to Maturity (Gross)	1.66	Option Adjusted Duration	6.55
Yield to Worst (Gross)	1.60	Rating Average	AA-/A+

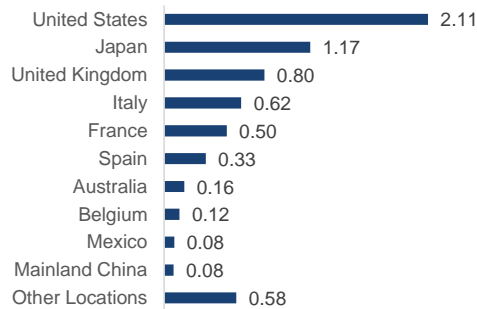
Fixed Income Quality Rating Allocation (%)



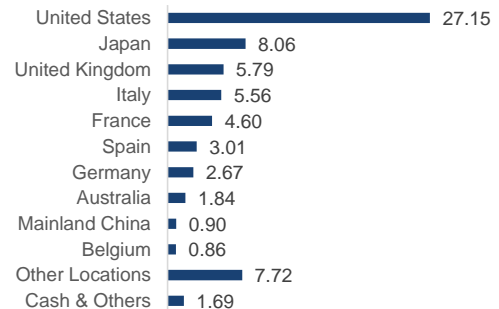
Fixed Income Sector Allocation (%)



Fixed Income Option Adjusted Duration Allocation by Location



Fixed Income Geographical Allocation (%)



Fixed Income Top 10 Holdings	Location	Instrument Type	Weight (%)
US TREASURY N/B 2.500 15/05/2024	United States	Treasury Note	1.41
US TREASURY N/B 3.375 15/05/2044	United States	Government Bond	1.05
BUONI POLIENNALI DEL TES 0.900 01/04/2031	Italy	Government Bond	1.04
US TREASURY N/B 0.125 28/02/2023	United States	Treasury Note	0.99
BUONI POLIENNALI DEL TES 0.950 01/08/2030	Italy	Government Bond	0.93
US TREASURY N/B 0.125 31/01/2023	United States	Treasury Note	0.76
JAPAN (20 YEAR ISSUE) 1.800 20/03/2032	Japan	Government Bond	0.74
US TREASURY N/B 1.375 31/01/2025	United States	Treasury Note	0.74
UK TREASURY 0.125 1/31/2023 GBP	United Kingdom	Government Bond	0.72
US TREASURY N/B 0.125 15/02/2024	United States	Treasury Note	0.71

Please note that the fixed income allocation tables are calculated using contributions to the fixed income portion, with the equity portion excluded here.

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

Important Information

Issued by HSBC Global Asset Management that is a group of companies in many countries and territories throughout the world that are engaged in investment advisory and fund management activities, which are ultimately owned by HSBC Holdings Plc. Approved in the UK by HSBC Global Asset Management (UK) Limited which is registered in England at 8 Canada Square, London E145HQ. Authorised and regulated by the Financial Conduct Authority and entered on the Financial Conduct Authority register as number 122335. Distributed by HSBC Bank International Limited which is registered in Jersey under registration number 2818. Its registered office is at HSBC House, Esplanade, St Helier, Jersey JE4 8WP. HSBC Bank International Limited is regulated by the Jersey Financial Services Commission for Investment and Fund Services Business. Investors in HSBC Portfolios will not be afforded some of the protections conveyed by the provisions of the Financial Services and Markets Act 2000. This factsheet does not constitute an invitation, or solicitation to make an investment in the Fund to any person to whom it is unlawful. All applications are made on the basis of the current HSBC Portfolios Prospectus and most recent annual and semi-annual reports which are available at www.expat.hsbc.com. The shares in HSBC Portfolios 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.

Further Information can be found in the prospectus.

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

Bond(s): a loan, usually to a company or government, that pays interest

Bond Index Futures: a contract stating that the holder agrees to purchase a bond index at a particular price on a specified future date

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

Credit Rating: an assessment of the credit risk of a company, government or other organisation. It seeks to measure how likely it is that the issuer of a bond will be able to continue to make interest payments and repay the money loaned to it

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

Duration: a measure of how long it takes in years for an investor in a bond to recoup the price they paid for the bond from its interest payments. It provides an indication of how much bond prices are likely to change if and when interest rates change

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

Government Bond or Gilt: a loan to a national government in return for regular payments (known as the coupon) and a promise that the original investment (principal) is paid back at a specified date. Gilts are loans to the UK government

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

High yield bond: a bond paying a higher level of interest but which has a lower credit rating than investment grade

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

Investment Grade: a credit rating that indicates the issuer of a bond has a relatively low risk of being unable to make interest payments and repay the money to it

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

Maturity: the period of time left for a bond or gilt to remain outstanding before the original loan and any final interest is repaid to the lender

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

Option adjusted duration (OAD): a duration value based on the probability of early redemption call by the bond issuer

Option adjusted spread duration (OASD): estimates the price sensitivity of a bond to a 100 basis-point movement (either widening or narrowing) in its spread relative to treasuries, taking into account the likelihood of early redemption

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

Yield to Maturity: the total return anticipated on a bond if the bond is held until the end of its lifetime, excluding strategic currency hedges for Portfolio/Benchmark calculations. Number is shown in percentage

Yield to Worst: the lowest potential yield that can be received on a bond without the issuer actually defaulting, excluding strategic currency hedges for Portfolio/Benchmark calculations. Number is shown in percentage