

HSBC Global Investment Funds

GLOBAL EQUITY VOLATILITY FOCUSED

Monthly report 31 July 2022 | Share class AC

Investment objective

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

Investment strategy

The Fund is actively managed. In normal market conditions, the Fund will invest at least 90% in shares of companies of any size that are based in, or carry out the larger part of their business activities in, both developed markets and emerging markets. The Fund seeks a portfolio volatility which is lower than that of the MSCI All Country World Index. The Fund uses a quantitative multi-factor investment process to identify stocks from a universe of investable shares, and ranks them from the least attractive to most attractive based upon certain factors, such as value, quality, momentum, low risk and size. The process makes use of proprietary systematic, defensive portfolio construction techniques aiming to maximize risk-adjusted return whilst reducing volatility and drawdowns during period of market turbulence. The Fund can invest up to 20% in China A and China B-shares. For China A-shares, up to 10% through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, and up to 10% in CAAPs. The Fund may invest up to 10% in a combination of participation notes and convertible securities, and up to 10% each in securities issued or guaranteed by single sovereign issuers with a non-investment grade rating, REITs and other funds. See the Prospectus for a full description of the investment objectives and derivative usage.

Main risks

- 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.
- 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.

Share Class Details

Key metrics

NAV per Share	USD 15.00
Performance 1 month	5.00%
Volatility 3 years	18.24%

Fund facts

UCITS V compliant	Yes
Subscription mode	Cash / SRS (Supplementary Retirement Scheme)
Dividend treatment	Accumulating
Dealing frequency	Daily
Valuation Time	17:00 Luxembourg
Share Class Base Currency	USD
Domicile	Luxembourg
Inception date	26 June 2014
Fund Size	USD 129,236,362
Reference benchmark	100% MSCI AC World
Managers	HSBC Index and Systematic Equity Portfolio Management Team

Fees and expenses

Minimum initial investment (SG) ¹	USD 1,000
Maximum initial charge (SG)	5.000%
Management fee	0.800%

Codes

ISIN	LU1066051225
Bloomberg ticker	HSBGLUS LX

¹Please note that initial minimum subscription may vary across different distributors

Performance is annualised when calculation period is over one year. Past performance does not predict future returns.

Fund return: NAV-to-NAV basis or Bid-to-Bid basis. For comparison with benchmark

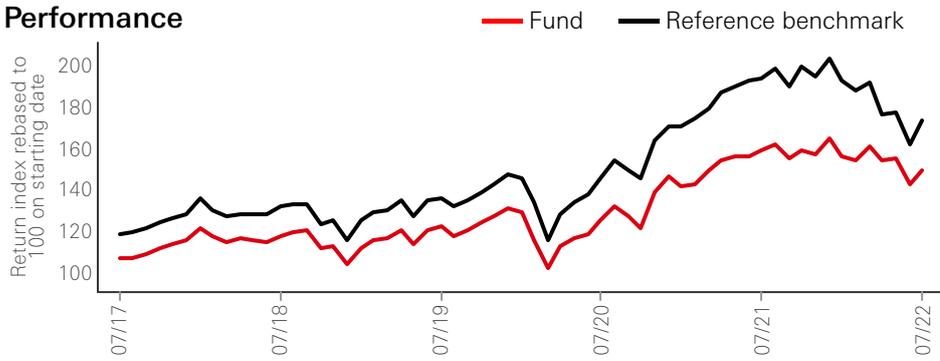
*Share class denoted with "(Net)" refers to fund return net of maximum initial charge (SG) on a single pricing (NAV) basis. No redemption charge is levied.

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

Fund change that may have material impact on performance: 20 Jun 2016 – investment objective changed. 16 Nov 2018 - Change in the manner of charging sales charge / switching charge. Due to the Fund's investment approach, the Fund's investment may have less sensitivity to the market both in up and down markets, especially during periods where the market is momentum driven.

Source: HSBC Asset Management, data as at 31 July 2022

Performance

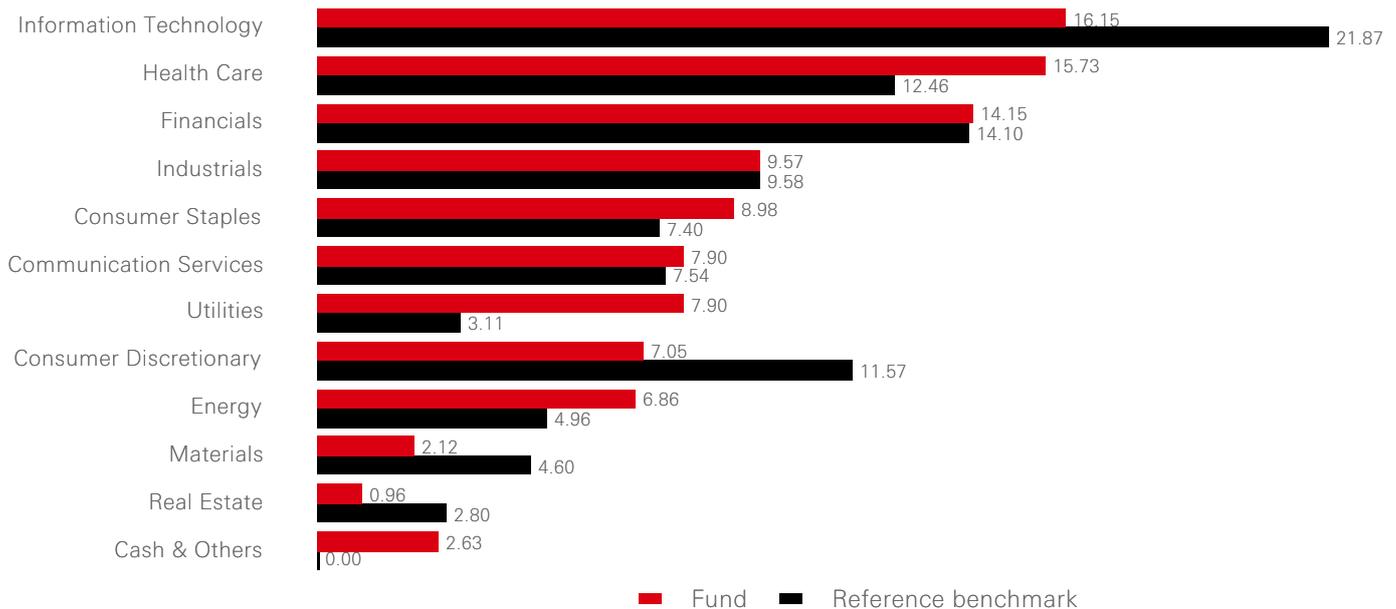


Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
AC	-9.25	5.00	-2.90	-4.51	-5.91	6.86	6.95
AC (Net)*	-13.57	0.00	-7.52	-9.06	-10.39	5.13	5.91
Reference benchmark	-14.66	6.98	-1.92	-10.20	-10.48	8.52	7.86

Calendar year performance (%)	2017	2018	2019	2020	2021
AC	16.55	-9.61	26.02	11.60	12.35
AC (Net)*	11.00	-13.91	20.02	6.29	7.00
Reference benchmark	23.97	-10.01	27.24	16.26	18.79

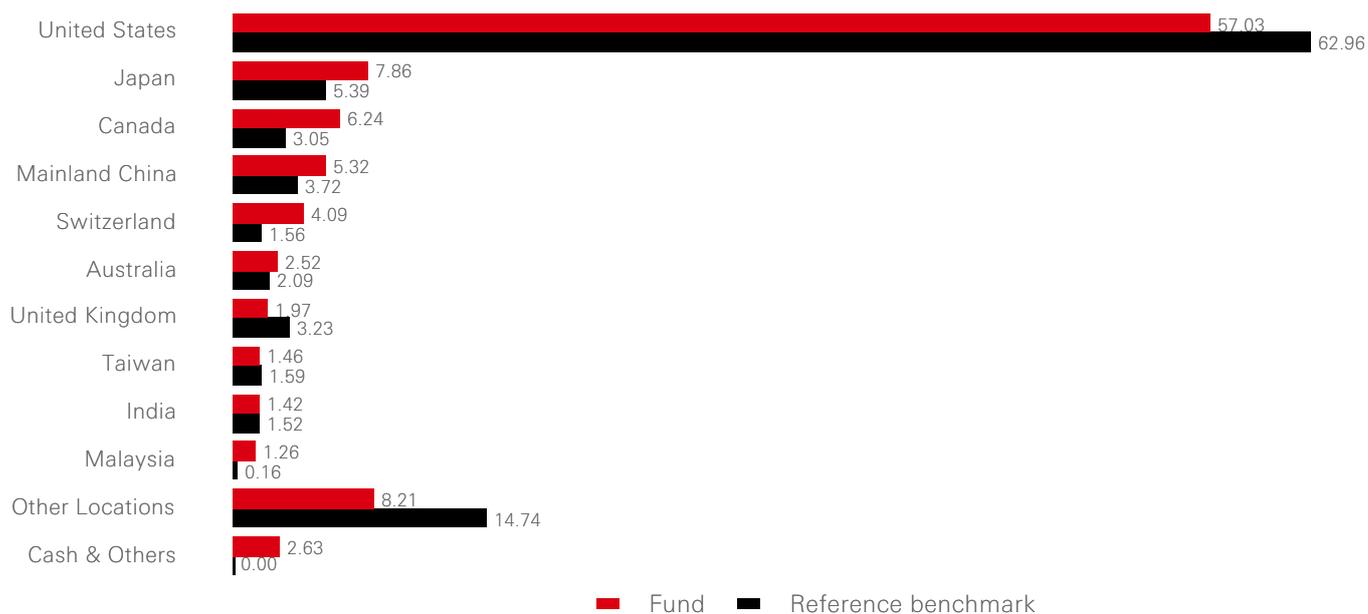
Equity characteristics	Fund	Reference benchmark	3-Year Risk Measures	AC	Reference benchmark
No. of holdings ex cash	300	2,897	Volatility	18.24%	18.16%
Average Market Cap (USD Mil)	236,426	344,102	Information ratio	-0.32	--
			Beta	0.96	--

Sector Allocation (%)



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Geographical Allocation (%)



Top 10 Holdings	Location	Sector	Weight (%)
Apple Inc	United States	Information Technology	3.50
Microsoft Corp	United States	Information Technology	2.52
Johnson & Johnson	United States	Health Care	1.56
Alphabet Inc	United States	Communication Services	1.46
Chevron Corp	United States	Energy	1.32
Pfizer Inc	United States	Health Care	1.28
Texas Instruments Inc	United States	Information Technology	1.20
Cisco Systems Inc	United States	Information Technology	1.15
Novartis AG	Switzerland	Health Care	1.14
Amazon.com Inc	United States	Consumer Discretionary	1.06

Top 10 holdings exclude holdings in cash and cash equivalents and money market funds.

Monthly performance commentary

Market Review

Global equities rebounded in July as Q2 earnings reports were better than expected and investors were optimistic over the potential for future interest rate cuts. In the US, we saw interest rates rise by 75 basis points as the hiking cycle continued. Despite negative economic growth, equities rallied with growth outperforming and more sensitive sectors such as consumer discretionary and tech being the big winners. Meanwhile, defensive sectors such as consumer staples lagged behind. In Europe, the ECB raised interest rates by 50 basis points. Annual inflation reached 8.9% in July with energy prices being the largest contributor due to continued uncertainty over the gas supply to Europe. Despite the challenging macro environment, the market performed well with tech and industrials being the largest contributors. Conversely, Asian equities struggled in July as China declined due to slowing growth, Covid-19 measures and regulatory issues weighing on performance. Hong Kong added to the negative performance with heavy selling of technology stocks. However, despite the negative performance in the region, Japanese stocks gained with positive earnings results being the main driver.

Factor Performance

In July, style factors had a challenging month globally. Within alpha factors, the more dynamic Industry Momentum and the more cyclical Size factor both performed relatively well throughout the month and were the best performing factors of the period. The defensive Quality factor traded broadly sideways throughout the month but finished above the line towards month end as Quality stocks demonstrated resilience during the turbulent market conditions. The more defensive Low Risk factor rallied in the first half of the month, however fell towards month end as higher volatility stocks outperformed. Nevertheless, the Low Risk factor finished above the line. Finally, the more cyclical Value stocks lagged behind growth stocks which rallied as investors began to focus on the potential of interest rate cuts next year and was the laggard of the month.

Fund Commentary

While our exposure to Styles slightly weighed on performance, our industry positioning was the main detractor of performance. On a portfolio level, our exposures to the Industry Momentum, Size, Quality and Low Risk factors contributed to performance, while our exposure to Value weighed on performance.

Industries

On an industry basis, our overweight allocations to Technology, Hardware & Equipment and Commercial & Professional Services coupled with an underweight exposure to Media & Entertainment contributed to performance. Conversely, our overweight allocations to Telecommunication Services, Insurance and Pharmaceuticals, Biotechnology & Life Sciences weighed on performance.

Countries

On a country basis, our overweight allocations to Switzerland, Canada and Australia contributed to performance. Conversely, our overweight allocations to mainland China and Hong Kong along with an underweight exposure to the United States weighed on performance.

Stock Level

On a stock level basis, our overweight allocations to Texas Instruments Inc (Information Technology, USA), Copart Inc (Industrials, USA) and Keysight Technologies Inc (Information Technology, USA) contributed to performance. Conversely, our underweight exposures to Tesla Inc (Consumer Discretionary, USA), Amazon.com Inc (Consumer Discretionary, USA) and Apple Inc (Information Technology, USA) weighed on performance.

Risk Disclosure

- 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.
- Investment involves risk. Past performance figures shown are not indicative of future performance. Investors should read the prospectus (including the risk warnings) and the product highlights sheets, before investing. Daily price change percentage is based on bid-bid price.

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. Any deviations with respect to the benchmark are monitored within a comprehensive risk framework, which includes monitoring at sector level. 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 July 2022

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 **HSBC Asset Management**

Glossary



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Performance is annualised when calculation period is over one year. Net of relevant prevailing sales charge on a single pricing (NAV) basis, calculated on the basis that dividends are reinvested.

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Company Registration No. 198602036R

Should there be any discrepancy, the English version shall prevail. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.

Supplemental information sheet

Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
AC USD	-9.25	5.00	-2.90	-4.51	-5.91	6.86	6.95
AC USD (Net)*	-13.57	0.00	-7.52	-9.06	-10.39	5.13	5.91
ACOAUD AUD	-10.18	4.84	-3.36	-5.36	-7.18	4.86	5.43
ACOAUD AUD (Net)*	-14.46	-0.15	-7.96	-9.87	-11.60	3.17	4.40
ACOEUR EUR	-10.50	4.67	-3.65	-5.70	-7.64	4.79	4.44
ACOEUR EUR (Net)*	-14.76	-0.31	-8.24	-10.19	-12.04	3.10	3.43
ACOSGD SGD	-9.49	4.94	-3.02	-4.74	-6.23	6.06	6.07
ACOSGD SGD (Net)*	-13.80	-0.05	-7.64	-9.28	-10.70	4.35	5.04
AM2 USD	-9.26	5.00	-2.90	-4.52	-5.92	6.86	6.95
AM2 USD (Net)*	-13.58	0.00	-7.53	-9.06	-10.40	5.14	5.91
AM3OAUD AUD	-10.19	4.83	-3.36	-5.37	-7.19	4.84	5.41
AM3OAUD AUD (Net) *	-14.47	-0.16	-7.96	-9.87	-11.61	3.14	4.39
AM3OSGD SGD	-9.49	4.95	-3.02	-4.75	-6.24	6.07	6.08
AM3OSGD SGD (Net)*	-13.80	-0.05	-7.63	-9.29	-10.70	4.36	5.05
Calendar year performance (%)			2017	2018	2019	2020	2021
AC USD			16.55	-9.61	26.02	11.60	12.35
AC USD (Net)*			11.00	-13.91	20.02	6.29	7.00
ACOAUD AUD			16.90	-10.40	24.43	8.14	11.38
ACOAUD AUD (Net)*			11.33	-14.67	18.50	2.99	6.08
ACOEUR EUR			14.11	-12.34	22.19	9.21	11.08
ACOEUR EUR (Net)*			8.68	-16.51	16.37	4.01	5.79
ACOSGD SGD			15.88	-10.57	24.93	10.11	12.00
ACOSGD SGD (Net)*			10.36	-14.83	18.98	4.87	6.66
AM2 USD			16.56	-9.62	26.01	11.63	12.35
AM2 USD (Net)*			11.01	-13.92	20.01	6.32	7.00
AM3OAUD AUD			16.89	-10.42	24.44	8.10	11.37
AM3OAUD AUD (Net)*			11.33	-14.69	18.52	2.95	6.06
AM3OSGD SGD			15.92	-10.59	24.92	10.15	12.01
AM3OSGD SGD (Net)*			10.40	-14.84	18.97	4.90	6.67

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*Share class denoted with "(Net)" refers to fund return net of maximum initial charge (SG) on a single pricing (NAV) basis. No redemption charge is levied.

Source: HSBC Asset Management, data as at 31 July 2022

Supplemental information sheet

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Last Paid Dividend	Annualised Yield based on ex-dividend date
AC	USD	--	--	--	--
ACOAUD	AUD	--	--	--	--
ACOEUR	EUR	--	--	--	--
ACOSGD	SGD	--	--	--	--
AM2	USD	Monthly	27 July 2022	0.031154	3.24%
AM3OAUD	AUD	Monthly	27 July 2022	0.026353	2.92%
AM3OSGD	SGD	Monthly	27 July 2022	0.027112	2.90%

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	26 June 2014	LU1066051225	USD	USD 5,000	15.00	0.800%	Accumulating
ACOAUD	2 April 2015	LU1066052033	AUD	USD 5,000	13.88	0.800%	Accumulating
ACOEUR	25 August 2014	LU1066052207	EUR	USD 5,000	12.71	0.800%	Accumulating
ACOSGD	26 June 2014	LU1066052462	SGD	USD 5,000	14.41	0.800%	Accumulating
AM2	26 June 2014	LU1066051498	USD	USD 5,000	12.01	0.800%	Distributing
AM3OAUD	26 June 2014	LU1066052546	AUD	USD 5,000	11.25	0.800%	Distributing
AM3OSGD	26 June 2014	LU1066053197	SGD	USD 5,000	11.68	0.800%	Distributing

Different classes may have different performances, dividend yields and expense ratios. For hedged classes, the effects of hedging will be reflected in the net asset values of such classes. Expenses arising from hedging transactions may be significant and will be borne by the relevant hedged classes. Hedged class performs the required hedging on a best efforts basis.

The above table cites the last dividend paid within the last 12 months only. Dividend is not guaranteed and may be paid out of capital, which will result in capital erosion and reduction in net asset value. A positive distribution yield does not imply a positive return. Past distribution yields and payments do not represent future distribution yields and payments. Historical payments may comprise of distributed income, capital, or both.

The calculation method of annualised yield prior to August 2019 is the simple yield calculation: (dividend amount / NAV per share or units as of ex-dividend date) x n; The calculation method of annualised yield from August 2019 is the compound yield calculation: $((1 + (\text{dividend amount} / \text{ex-dividend NAV}))^n) - 1$, n depends on the distributing frequency. Annually distribution is 1; semi-annually distribution is 2; quarterly distribution is 4; monthly distribution is 12. The annualised dividend yield is calculated based on the dividend distribution on the relevant date with dividend reinvested, and may be higher or lower than the actual annual dividend yield.

Investors and potential investors should refer to the details on dividend distributions of the Fund, which are available on HSBC Asset Management (Singapore) Limited website.

Source: HSBC Asset Management, data as at 31 July 2022