

## HSBC Global Investment Funds

# GLOBAL LOWER CARBON EQUITY

Monthly report 29 February 2024 | Share class AC



### 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

- 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.

### Share Class Details

#### Key metrics

NAV per Share	<b>USD 16.49</b>
Performance 1 month	<b>2.86%</b>
Volatility 3 years	<b>15.68%</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>USD</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>27 September 2017</b>
Fund Size	<b>USD 356,555,877</b>
Reference benchmark	<b>100% MSCI World Net</b>
Managers	<b>HSBC Index and Systematic Equity Portfolio Management Team</b>

#### Fees and expenses

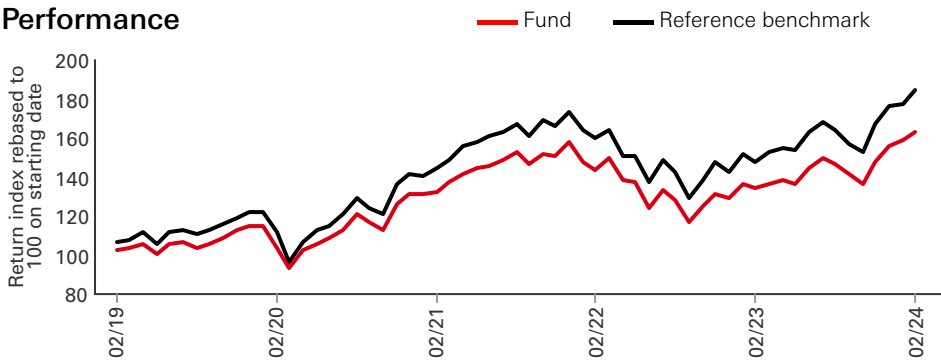
Minimum Initial Investment	<b>USD 5,000</b>
Ongoing Charge Figure <sup>1</sup>	<b>1.150%</b>
Management fee	<b>0.800%</b>

#### Codes

ISIN	<b>LU1674673428</b>
Bloomberg ticker	<b>HSGLCAC 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.

Performance



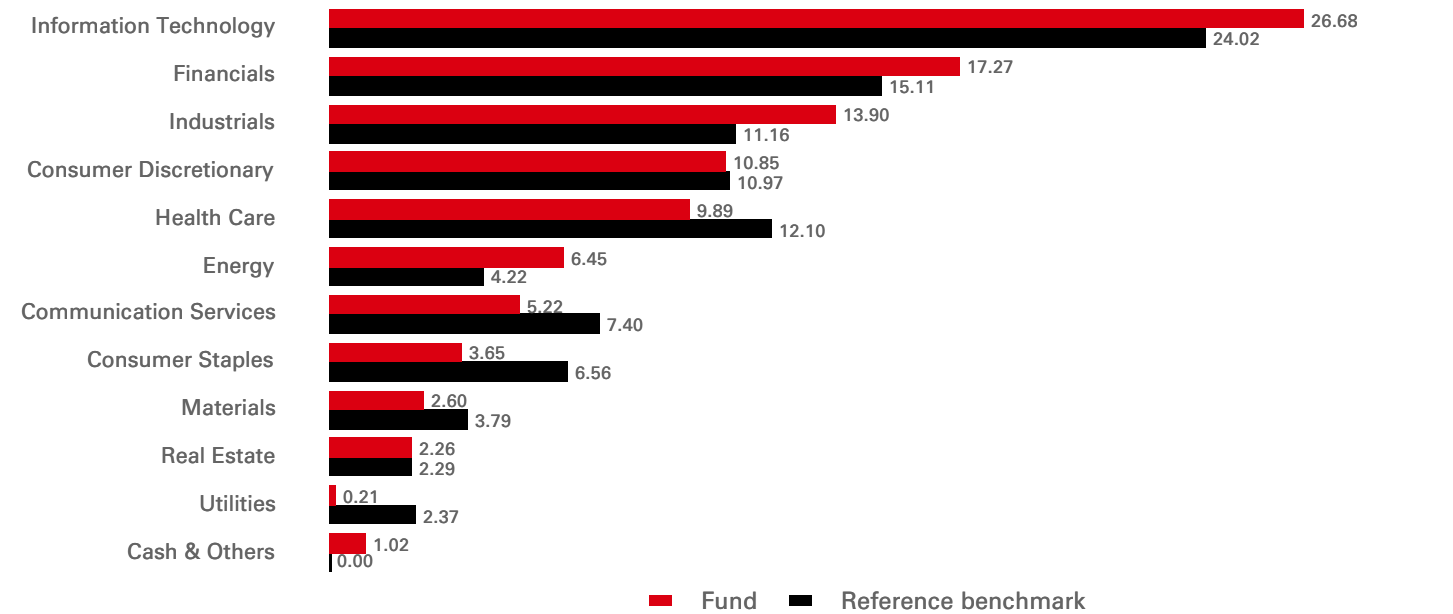
Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
AC	4.69	2.86	10.25	11.16	21.21	7.24	9.69
Reference benchmark	5.20	4.24	10.67	12.46	24.96	8.64	11.66

Rolling Performance (%)	28/02/23-29/02/24	28/02/22-28/02/23	28/02/21-28/02/22	29/02/20-28/02/21	28/02/19-29/02/20
AC	21.21	-6.01	8.23	27.04	1.36
Reference benchmark	24.96	-7.33	10.74	29.34	4.63

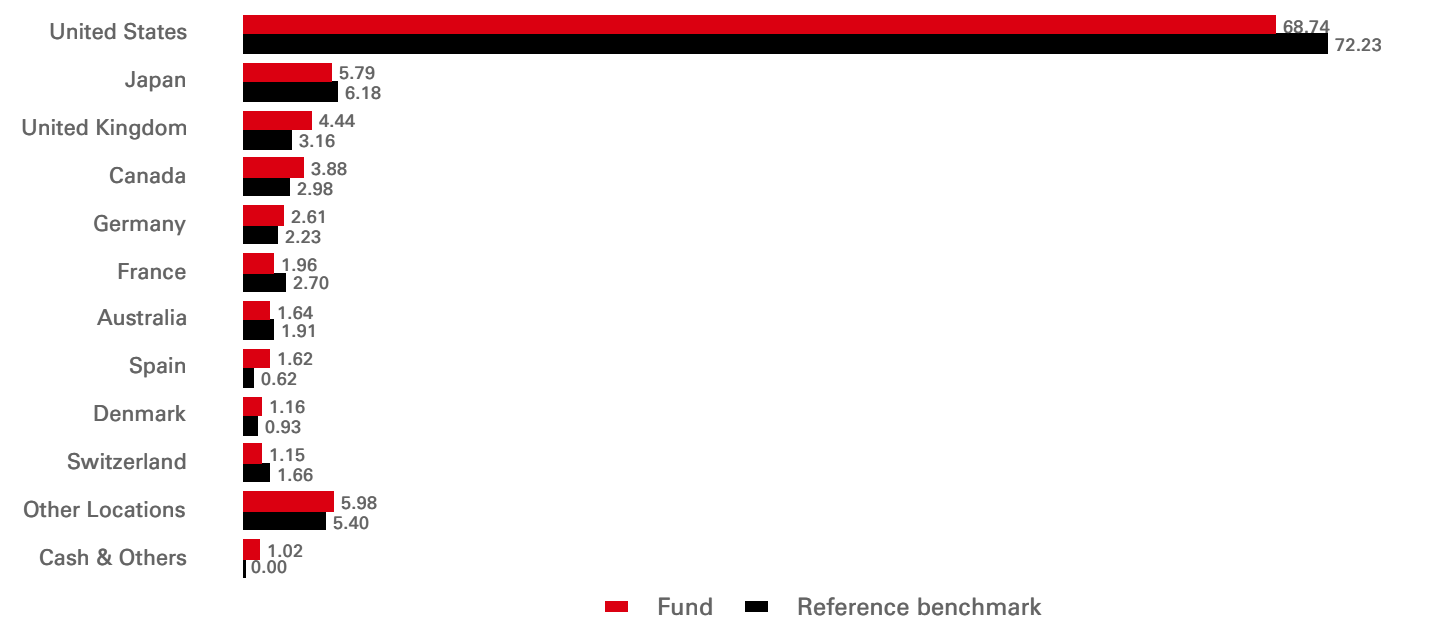
Carbon footprint	Fund	Reference benchmark	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	52.75	99.14	Fund	8.4	6.9	6.1	6.2
			Reference benchmark	6.9	6.8	5.2	5.7

Equity characteristics	Fund	Reference benchmark	3-Year Risk Measures	AC	Reference benchmark
No. of holdings ex cash	281	1,486	Volatility	15.68%	16.78%
Average Market Cap (USD Mil)	456,138	534,119	Information ratio	-0.41	--
			Beta	0.92	--

Sector Allocation (%)



Geographical Allocation (%)



Top 10 Holdings	Location	Sector	Weight (%)
Microsoft Corp	United States	Information Technology	5.41
Apple Inc	United States	Information Technology	3.66
NVIDIA Corp	United States	Information Technology	2.18
Amazon.com Inc	United States	Consumer Discretionary	1.69
Alphabet Inc	United States	Communication Services	1.65
UnitedHealth Group Inc	United States	Health Care	1.51
Home Depot Inc/The	United States	Consumer Discretionary	1.48
Adobe Inc	United States	Information Technology	1.30
SAP SE	Germany	Information Technology	1.20
Applied Materials Inc	United States	Information Technology	1.19

## Monthly performance commentary

### Market Review

Global stock markets rose for a fourth consecutive month in February, supported by resilient economic data and relatively strong corporate earnings. Signs that inflationary pressures have not entirely dissipated suggest that central banks may be on hold for a little while longer. US equities outperformed in February driven by strong Q4 2023 earnings and the high representation of Technology stocks in the wider index which continued to benefit from AI-related optimism. European equities underperformed despite a fall in inflation in February and an improvement in business sentiment in early 2024. UK equities also underperformed amidst news of a contraction in the UK economy of 0.3% in Q4 2023, confirming a technical recession.

### Factor Performance

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

### Fund Commentary

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

### Industries

On an industry basis, our underweight exposures to Media & Entertainment and Utilities coupled with our overweight allocation to Insurance contributed to performance. Conversely, our overweight allocations to Software & Services, Telecommunication Services and Health Care Equipment & Services weighed on performance.

### Countries

On a country basis, our underweight exposures to Netherlands, Japan and Singapore contributed to performance. Conversely, our overweight allocations to Austria and Spain coupled with our underweight exposure to Hong Kong weighed on performance.

### Stock Level

On a stock level basis, our overweight allocations to Applied Mats Inco, Nxp Semiconductors Nv and Lam Research Corp contributed to performance. Conversely, our underweight exposures to Meta Platforms Inco, Nvidia Corp and Eli Lilly Co 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
ARCH CAPITAL GROUP LTD	0.70	M&G PLC	0.25
PRUDENTIAL FINANCIAL INC	0.73	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)
BRIDGESTONE CORP	1,271.94	VISTRA CORP	6,920.55
CRH PLC	1,031.23	EVERGY INC	4,775.06
VOESTALPINE AG	894.68	SEMBICORP INDUSTRIES LTD	4,486.64
ANA HOLDINGS INC	871.92	CLP HOLDINGS LTD	3,450.76
BLUESCOPE STEEL LTD	745.90	PPL CORP	3,431.28
NIPPON YUSEN KK	678.21	AMEREN CORPORATION	3,264.38
DEUTSCHE LUFTHANSA-REG	676.24	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

## 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.
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- Further information on the potential risks can be found in the Key Investor Information Document (KID) and/or the Prospectus or Offering Memorandum.

## Index Disclaimer

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## Benchmark disclosure

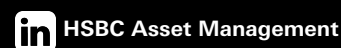
The Investment Advisor will use its discretion to invest in securities not included in the reference benchmark based on active investment management strategies and specific investment opportunities. It is foreseen that a significant percentage of the Fund's investments will be components of the reference benchmark. However, their weightings may deviate materially from those of the reference benchmark. The deviation of the Fund's performance relative to the benchmark is monitored, but not constrained, to a defined range.

## Important Information

HSBC Global Asset Management (Bermuda) Limited (“AMBM”) of 37 Front Street, Hamilton, Bermuda, is a wholly owned subsidiary of HSBC Bank Bermuda Limited (the “Bank”). AMBM and the Bank are licensed to conduct investment business by the Bermuda Monetary Authority. Funds managed by AMBM are offered by Prospectus only in those jurisdictions where they are permitted by law. Persons are required to inform themselves and observe any relevant restrictions. AMBM makes no representation as to the suitability of the funds for investors. Investors should be aware that performance returns are affected by market fluctuations. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future performance. Investors should note that the use of derivatives and investments involving a currency other than their own will create foreign exchange exposure, which involves special risks. It is the aim of the Company to preserve capital and, where applicable, to maintain a stable net asset value per share; these aims are not guaranteed. Additionally, investors should consider their investment objectives, whether or not they can assume these risks and should undertake their own appropriate professional advice. Expressions of opinion contained herein are subject to change without notice. For investors investing via a nominee service provider, the nominee service provider will process the transaction and route all settlement proceeds to you, which may extend the settlement period. Please contact your investment advisor/introducing agent, or in the absence of those the nominee provider directly, to confirm the settlement period. Issued by HSBC Global Asset Management (Bermuda) Limited Licensed to conduct investment business by the Bermuda Monetary Authority © Copyright HSBC Global Asset Management (Bermuda) Limited 2022. All Rights Reserved. Further information can be found in the prospectus.

Source: HSBC Asset Management, data as at 29 February 2024

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### Glossary

