HSBC Global Managed Portfolio Service

A global investment strategy designed
to help you reach your goals

This is a marketing communication. Please refer to the offering document before making any final investment decisions.

HSBC Asset Management

We all have a goal in mind

What are you saving for? A new home? University for your children? Retirement? Or perhaps you want a more secure financial future.

You already know that investing is one of the best way to make your money work harder toward your goal. That's where your adviser comes in. Together you've probably already decided how much you want to invest and what you hope to achieve. The next step is choosing what type of investment approach is right for you.

We've been working with advisers like yours in the UK for the last 20 years, and in that time they've told us what matters most to their clients when it comes to weighing their options:

- Investments that could grow your money
- A global diversified portfolio that fits your risk profile
- Low-cost solutions that won't eat into your gains
- A clear understanding of how much and what you are paying for

That's exactly what HSBC's Global Managed Portfolio Service gives you.

What HSBC provide?

Using our extensive multi-asset expertise, we developed our Global Managed Portfolio Service, designed to match the diverse preferences and requirements of our clients to deliver long-term risk-adjusted returns across the market cycle.

HSBC has a global team of investment professionals on-the- ground across the Americas, Europe, the Middle East and Asia as well as more than 76[1] professionals in London, Paris, Düsseldorf, Hong Kong and New York focused specifically on the type of multi-asset investment strategy our Global Managed Portfolio Service delivers.

What does that mean for you?

Our locally-based teams gather intelligence right where they live and work, so they know what's happening in the world's most important markets. This helps us find investment opportunities others might not.

We also have economies of scale and a lot of buying power to help us keep costs low, which we pass on to our customers.

Please see our Jargon Buster on pages 7 & 8 for an explanation of some key investment terms.

The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. Diversification doesn't ensure a profit or protection against losses.

1 Source: HSBC Asset Management as of 31 December 2023.

What is HSBC's Global Managed Portfolio Service

A multi-asset investment portfolio is simply a collection of various types of investments, which are often referred to as asset classes. This can include shares in a company – also known as equities – as well as bonds, property funds and cash.

HSBC's Global Managed Portfolio Service (Global MPS) uses a mix of these asset classes in a diversified portfolio. This is what's known as a multi-asset strategy, an approach which we believe might be an effective way to grow your investment.

A managed portfolio is one that is professionally constructed and reviewed. Because we know that everyone has a different comfort level when it comes to investing, we offer five portfolios each taking a different level of risk, so you can choose a portfolio to help grow your savings at a risk level you are comfortable with.

These portfolios can be managed by an individual or by a team of people, as is the case with HSBC. The specialists managing our Global MPS are part of the same experienced team who manage the other multi-asset funds in our range.

The benefits of a Managed Portfolio Service

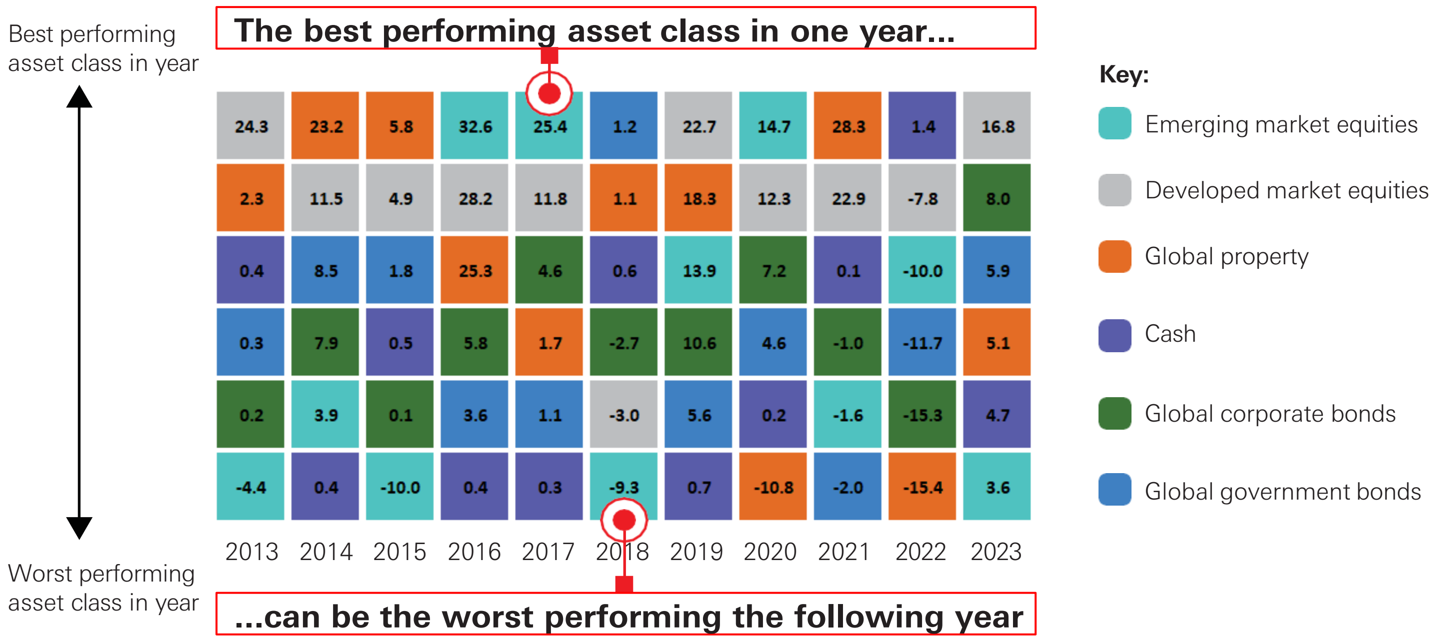
With a Managed Portfolio Service, you have two sets of experts making investment decisions to help keep you moving towards your goal:

- Your adviser, who already understands your aspirations and the level of risk you're comfortable with, can help you choose the right HSBC managed portfolio for you
- A portfolio management team who researches, monitors and makes ongoing adjustments to keep the portfolio you and your adviser choose performing as expected

Our portfolios are actively managed using passive investment vehicles to keep costs low.

Source: HSBC Asset Management as of November 2023.

Global diversification is the key



Our Global MPS invests across regions and countries, and in various companies and industries. Instead of your money going into just one asset class or one part of the world, it is spread out to include many. This is what's known as a globally diversified portfolio and is relatively considered as a less risky approach.

Investing in a single asset class – such as Emerging market equities – can go up and down in value drastically from year to year. As you can see here, what may be the best performing investment one year can easily be the lowest the next.

A globally diversified portfolio adapts to these changes and can provide good results with less risk of losing money.

Here's how it works:

Better performance in developed market equities, for instance, can potentially balance out poorer performance in global property

- Or better performance in an asset class in one part of the world can make up for any downturns in other markets
- With a collection of different types of assets, a loss in one may be offset by gains in another

A global approach also helps avoid what economists call "home country bias," which is a tendency for people to invest mainly in companies and locations they know. Sticking only with what you know could mean missing out on valuable opportunities in other – less familiar – businesses or regions of the world.

Past performance does not predict future returns. As at December 2023. **For illustrative purposes only.** Diversification does not ensure a profit or protect against loss. This information shouldn't be considered as a recommendation to buy or sell specific investments mentioned.

Source: HSBC Asset Management, Bloomberg, Developed Equities (MSCI World in GPB) Emerging Equities (MSCI Emerging Markets in GBP), Global Government Bonds (Bloomberg Global Aggregate Treasuries GBP hedged), Global Corporate Bonds (Bloomberg Global Aggregate Corporates GBP hedged), Global Property (FTSE NAREIT Developed World in GBP), Cash (Bloomberg GBP overnight cash index).

Our Investment Process and Portfolios

1

Long-term Positioning

- Set risk tolerances aligned to a simply bond/equity allocation
- Fulfilment of reference portfolio with wider asset classes based on risk limits

2

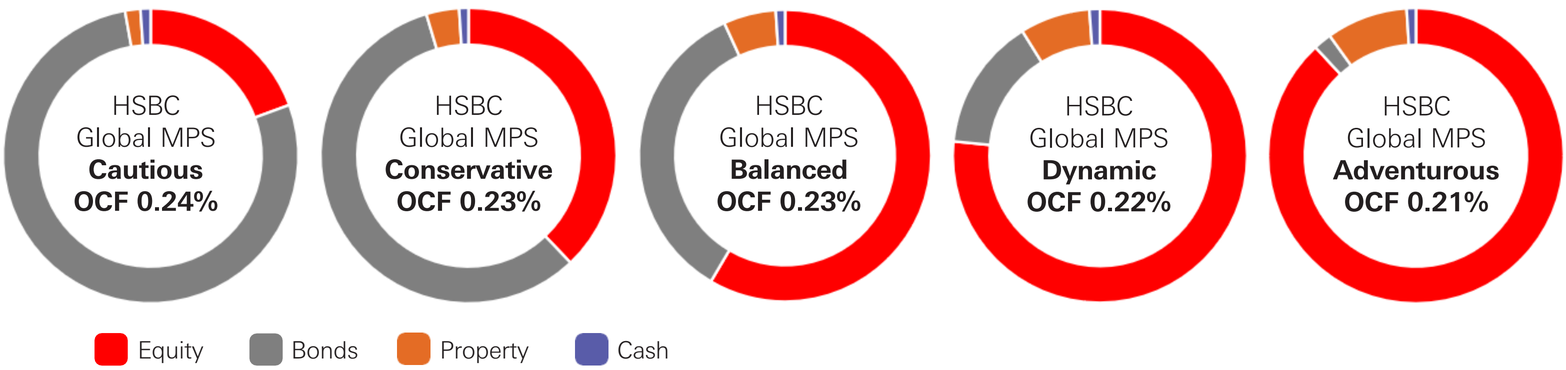
Active Management

- Valuation signal used to forecast medium term asset class returns
- Tactical signals and qualitative views used to account for current market environment

3

Portfolio Implementation

- Investment vehicle selection
- Portfolio attribution and risk monitoring



Five distinct portfolios

Each portfolio invests in a variety of assets across global markets and is managed to a specific level of risk from Cautious to Adventurous. Knowing this, your adviser will work with you to choose the portfolio that can best help you reach your objectives and at a level of risk you're comfortable with.

Lower costs and transparency

OCF's range between 0.21% to 0.24%. We tell you and your adviser upfront what costs will be – including the investment fee, which covers expenses for constructing and managing the portfolio, the cost of underlying funds used in the models and any transaction costs needed to run the funds.

Major Platform Service

- M&G Wealth
- Aviva
- Scottish Widows Platform
- Fidelity Adviser Solutions
- Fundment
- Morningstar Wealth
- Wealthtime
- Abrdn Wrap
- 7IM
- Transact
- Quilter

Ready to get started?

When you choose HSBC's Global Managed Portfolio Service, you get:

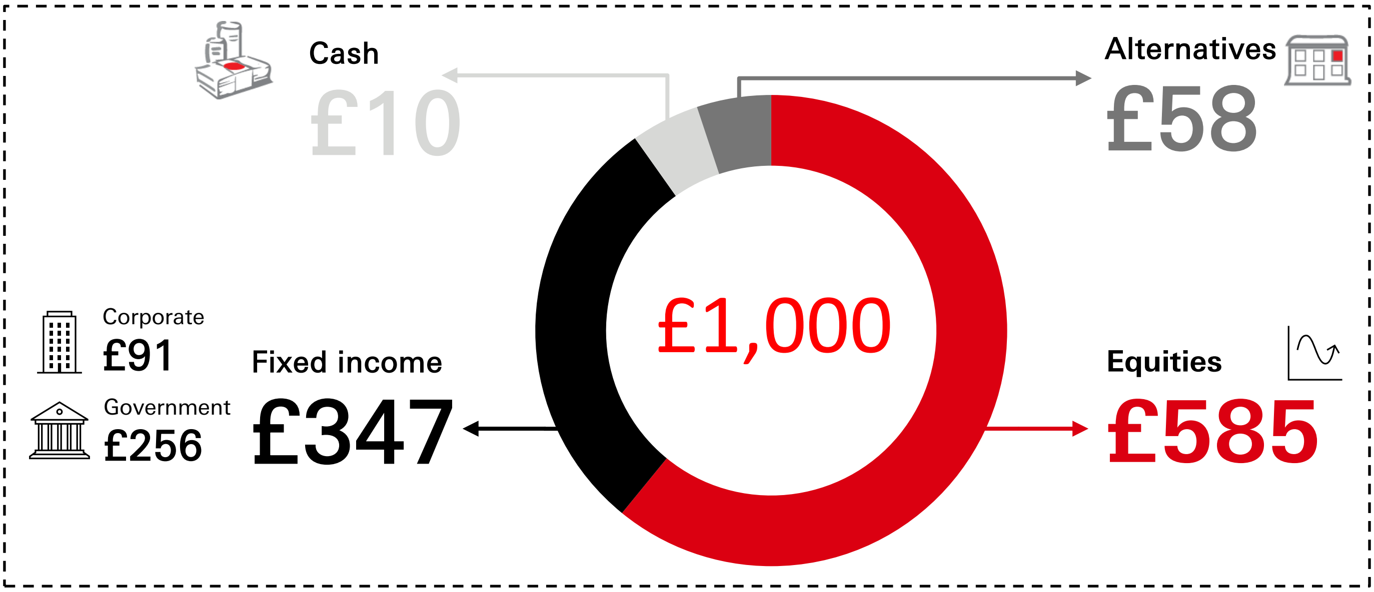
- Guidance from your adviser who already knows you and understands what you're working toward
- The strength of HSBC's experience helping some of the wealthiest people and companies all over the world manage and grow their investments

Call your adviser today to learn more about how you can put our Global Managed Portfolio Service to work for you.

Source: HSBC Asset Management as of 30 April 2024. Diversification does not ensure a profit or protect against loss. This information shouldn't be considered as a recommendation to buy or sell specific investments mentioned.

Diversification: Where does your money go?

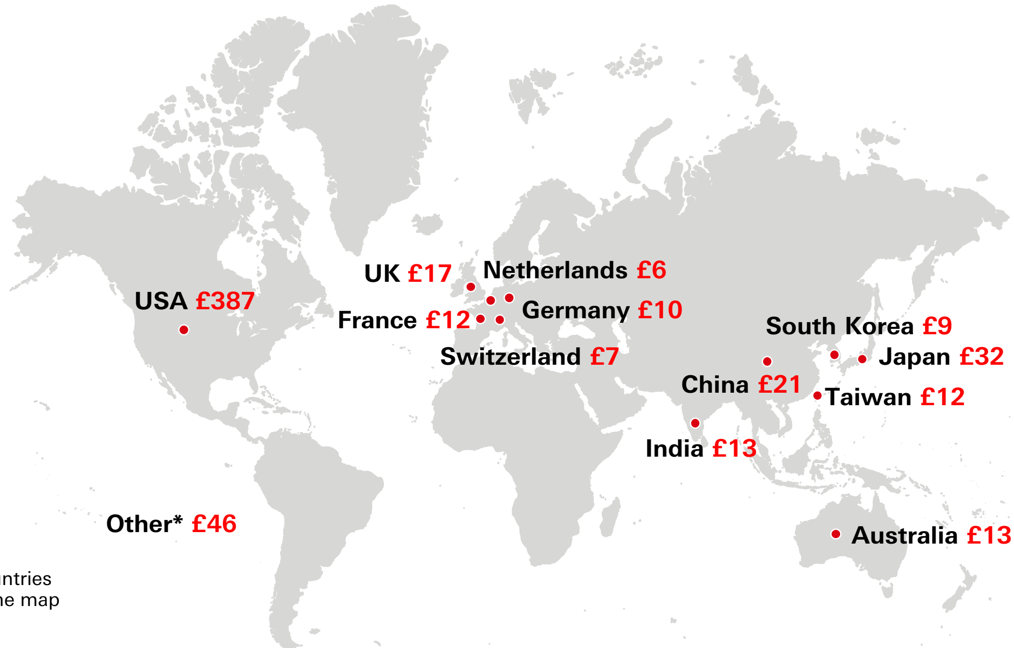
Here's how your £1,000 money go on Balanced HSBC Global Managed Portfolio Service



Your £585 equity investment is split across

45

different countries

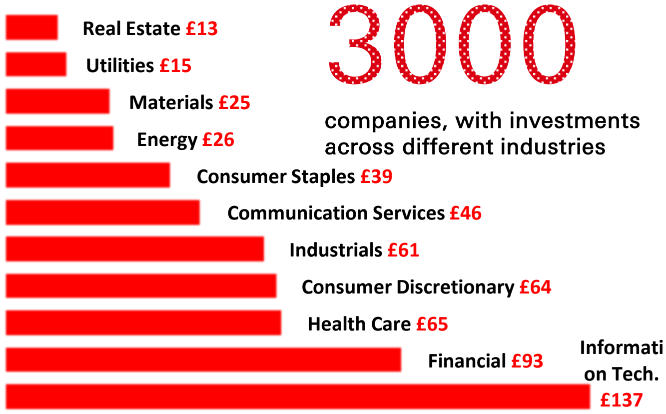


* This include all remaining countries which are not mentioned in the map

Your investment in equities also gives you access to more than

3000

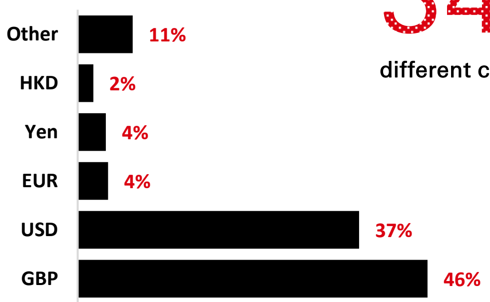
companies, with investments across different industries



Your entire asset allocation is split over

34

different currencies



Source: HSBC Asset Management as at 30 April 2024. **This is for illustrative purposes only.** It is indicative of the portfolio holdings and not the actual holdings. Differences due to rounding.

Jargon Buster

A

Active management

A style of investment management that makes specific investment decisions which aim to outperform an index or benchmark.

Alternatives

Alternatives are investments that fall outside of the traditional asset classes commonly accessed by most investors, such as equities, bonds, or cash. The Managed Portfolio Service invest in property.

Asset allocation

Some funds invest in a range of different asset classes, such as company shares, bonds and property. The distribution of funds to different assets is decided by the fund manager within the broad objectives of the fund and this is called asset allocation.

Asset class

An asset class is a group of securities/investments that have similar financial characteristics and tend to react similarly in different market conditions.

B

Bonds

A bond is a 'debt tool' created for the purpose of raising money. An investor loans money to a company (usually a corporate or government) which borrows the money for a defined period of time, at a predetermined interest rate (which can be fixed or variable). In return for lending the company money, the investor will receive regular interest payments and a promise that the original investment will be paid back at a specified date. There can be corporate bonds, which are bonds issued by a company to raise money. There are also government bonds which are bonds issued by a national government. In the UK we call the UK government bond a gilt.

D

Developed Markets

These are typically countries with a relatively high level of economic growth and security.

Diversification

A method by which a fund's investments are spread, for example, across different types of investments and countries. By doing so, the fund's volatility (movement) can be minimised by the impact of a loss to any one investment being reduced by the rise of another.

E

Emerging Markets

An emerging market economy is a developing nation that is becoming more engaged with global markets as it grows, such as Brazil, Russia, India, China, etc.

Equities/shares

A share is a stake in the company that has issued it. Equities is another name for shares. The value of the shares will depend on a number of factors including how well the company is performing financially.

F

Fund

A fund pools together the money from many individuals allowing a fund manager to invest all the money in the same way. Exactly what the fund manager buys and sells depends on the investment objective of the fund.

Fixed Income

(Please see bonds).

I

Index

An index is a portfolio of securities (investments), representative of a particular market. The index value is calculated using prices of the selected securities. An index allows investors to track a market's investment returns over time without having to track every single security in that market.

O

Ongoing charges figure (OCF)

The ongoing charges figure is a measure of what it costs you to invest in a fund on an ongoing basis. It is made up of the annual management charge (AMC) and other costs incurred in running a fund, such as custodian, auditor and regulatory, and which are paid directly out of the fund – these are also known as additional fund expenses.

Jargon Buster

P

Passive management

A passive approach to investment management is where a fund tracks a specific index or set of indices, such as the FTSE All-Share Index of the S&P500. The fund manager invests in accordance with a pre-determined strategy that does not involve any forecasting. Includes index tracker funds and ETFs.

Portfolio

A portfolio and a fund is essentially the same thing. It is typically a pool of shares or bonds held directly by investors or managed by financial professionals. A portfolio should be put together or chosen by a financial professional based in the investor's risk and investing objectives.

R

Risk profiles

A risk profile identifies the acceptable level of risk you are prepared and able to accept. The risk profile for you should determine your willingness and ability to take on risk. Risk can be thought of as the trade-off between risk and return, where taking on higher risk can expose you to both higher returns and higher losses.

S

Security/securities

A term used to describe financial instruments/investments such as stocks and bonds.

V

Volatility

Volatility is a measure of how much a fund or security's price goes up or down as a percentage of its total value. For example, the price of a low risk fund will typically change very little from day to day and has low volatility. The higher the volatility of a fund, then generally the greater the investment risk.

Key Risks

It is important to remember that the value of investments and any income from them can go down as well as up and is not guaranteed.

Counterparty Risk

The possibility that the counterparty to a transaction may be unwilling or unable to meet its obligations.

Credit Risk

A bond or money market security could lose value if the issuer's financial health deteriorates.

Default Risk

The issuers of certain bonds could become unwilling or unable to make payments on their bonds.

Emerging Markets Risk

Emerging markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.

Exchange Rate Risk

Changes in currency exchange rates could reduce or increase investment gains or investment losses, in some cases significantly.

Interest Rate Risk

When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality.

Investment Fund Risk

Investing in other funds involves certain risks an investor would not face if investing in markets directly. Governance of underlying assets can be the responsibility of third-party managers.

Investment Leverage Risk

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.

Liquidity Risk

Liquidity Risk is the risk that a Fund may encounter difficulties meeting its obligations in respect of financial liabilities that are settled by delivering cash or other financial assets, thereby compromising existing or remaining investors.

Operational Risk

Operational risks may subject the Fund to errors affecting transactions, valuation, accounting, and financial reporting, among other things.

Important Information

The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. Past performance is not an indicator of future returns.

The material contained herein is for marketing purposes and is for your information only. This document is not contractually binding nor are we required to provide this to you by any legislative provision. It does not constitute legal, tax or investment advice or a recommendation to any reader of this material to buy or sell investments. You must not, therefore, rely on the content of this document when making any investment decisions.

This document is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. This document is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe to any investment.

The contents are confidential and may not be reproduced or further distributed to any person or entity, whether in whole or in part, for any purpose. This presentation is intended for discussion only and shall not be capable of creating any contractual or other legal obligations on the part of HSBC Global Asset Management (UK) Limited or any other HSBC Group company.

The document is based on information obtained from sources believed to be reliable but which have not been independently verified. HSBC Global Asset Management (UK) Limited and HSBC Group accept no responsibility as to its accuracy or completeness. Care has been taken to ensure the accuracy of this presentation but HSBC Global Asset Management (UK) Limited accepts no responsibility for any errors or omissions contained therein.

This document and any issues or disputes arising out of or in connection with it (whether such disputes are contractual or non-contractual in nature, such as claims in tort, for breach of statute or regulation or otherwise) shall be governed by and construed in accordance with English law.

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection or target.

Where overseas investments are held the rate of currency exchange may also cause the value of such investments to fluctuate. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Stock market investments should be viewed as a medium to long term investment and should be held for at least five years. Any performance information shown refers to the past and should not be seen as an indication of future returns.

The value of the underlying assets is strongly affected by interest rate fluctuations and by changes in the credit ratings of the underlying issuer of the assets. The performance of bonds, gilts and other fixed interest securities tends to be less volatile than those of shares of companies (equities). However there is a risk that both the relative yield and the capital value of these maybe reduced if interest rates go up. Income offered by bonds often reflects, in part, the risk rating of the issuer. The underlying funds can invest in non-investment grade bonds, which may produce a higher level of income than investment grade bonds, but carry increased risk of default on repayment. This may affect the level of income the investor receives and/or the capital value of their investment.

To help improve our service and in the interests of security we may record and/or monitor your communication with us. HSBC Global Asset Management (UK) Limited provides information to Institutions, Professional Advisers and their clients on the investment products and services of the HSBC Group.

Approved for issue in the UK by HSBC Global Asset Management (UK) Limited, who are authorised and regulated by the Financial Conduct Authority.

HSBC Asset Management is the brand name for the asset management business of HSBC Group, which includes the investment activities provided through our local regulated entity, HSBC Global Asset Management (UK) Limited.

www.assetmanagement.hsbc.com/uk

Content ID:D010192; EXP 31.12.24