

Why choose HSBC for Multi-Asset?

The key differentiators

October 2023

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Why choose HSBC for Multi-Asset?

Investment professionals working across key locations

● HSBC Asset Management offices - Countries and territories where our investment teams sit are in bold



◆ **Dynamic:** Our asset allocation is dynamic, enabling us to respond quickly to market movements; and to take advantage of investment opportunities as and when we identify them



◆ **Diversification:** Our portfolios are truly diversified across different asset classes, regions, internal and external funds, to capture the best returns for our investors and to balance potential risks



◆ **Currency Hedging:** We always hedge our Fixed Income and we take active, tactical views when hedging our equity exposure



◆ **Global investment team:** We favour a global asset allocation approach rather than a home (UK) bias, utilising the experience of our global experts on the ground in the regions



◆ **Active Asset Allocation:** We employ an active asset allocation approach, using passive strategies for fulfilment



◆ **Monitoring:** Portfolios are monitored daily and rebalanced periodically, to ensure that they remain in line with risk profiles



◆ **Cost:** Our HSBC multi-asset portfolios are available from 17bps² OCF, with low, transparent transaction costs

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.

Source: HSBC Asset Management as at June 2023.

1. Asia-Pacific includes employees and assets of Hang Seng Bank, in which HSBC has a majority holding. 2. OCF (Ongoing Charges Figure) from the HSBC Global Strategy Portfolios as at September 2023

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.

Derivatives Risk: Derivatives 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.

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.

Further information on the potential risks can be found in the Key Investor Information Document (KIID) and/or the Prospectus.

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The funds may use derivatives for the purposes of efficient portfolio management i.e. to meet the investment objective of the Fund and it is not intended that their use will raise the overall risk profile of the Fund. Please note derivative instruments may involve a high degree of financial risk. These risks include the risk that a small movement in the price of an underlying security or benchmark may result in disproportionately large movement; unfavourable or favourable in the price of the derivative instrument; the risk of default by counterparty; and the risk that transactions may not be liquid.

There are additional risks associated with specific alternative investments within the portfolios; these investments may be less readily realisable than others and it may therefore be difficult to sell in a timely manner at a reasonable price or to obtain reliable information about their value; there may also be greater potential for significant price movements.

The long term nature of investment in property and the income generated tend to make this type of investment less volatile than equities although it can be difficult to buy and/or sell quickly. Where the underlying funds invest directly in property, the property in the fund may not be readily realisable, and the Manager of the fund may apply a deferral on redemption requests. The value of property is generally a matter of the valuer's opinion rather than fact.

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. 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.

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