HSBC Global Strategy Portfolios

Affordable, globally diversified multi-asset portfolios

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

HSBC Asset Management

A world of opportunities made affordable

Whether you are just starting out on life's journey, at a crossroads with change on the horizon, or approaching the point where you can enjoy some well-earned leisure time, the HSBC Global Strategy Portfolios are designed to help you meet your investment objectives.

Our range of five risk-managed portfolios gives you access to investment opportunities from across the world, through a truly globally diversified range of portfolios, without a UK bias.

With HSBC's Global Strategy Portfolios, you also benefit from the expertise of our well-resourced and highly qualified investment teams, giving you peace of mind that your investments are in expert hands.

- Globally diversified multi-asset portfolios
- Active asset allocation in portfolios to balance risk versus reward
- Five portfolios with different risk profiles
- Strong focus on cost-efficiency, Ongoing Charges Figure (OCF) from 0.19%[1]
- A trusted, reliable institution with global resources

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.

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

Industry recognition

The HSBC Global Strategy portfolios have been widely recognised by external industry bodies.

Amongst the world's leading asset managers[8]

- 660+ investment professionals globally, with 77 dedicated to multi-asset
- We manage USD707bn, USD169bn of which follows a multi-asset approach[9]
- Providing multi-asset solutions for over 30 years
- Fully integrated investment manager of the HSBC Group

(1) HSBC Asset Management as at 31 December 2023.

(2) Morningstar 5-stars ratings are given to funds whose risk-adjusted returns fall within the top 10% relative to category peers, as at 31 December 2023.

(3) Dynamic Planner's Premium badge is allocated to funds that they determine have a five-year track record of success, as at 31 December 2023.

(4) FE fundinfo Crown Ratings are quantitative ratings, ranging from one to five, designed to help investors identify funds which have displayed superior performance in terms of stockpicking, consistency and risk control. The FE Investments 5 Crown Fund Rating relates to the Adventurous Portfolio only as at 31 December 2023.

(5) Defaqto Diamond Ratings provide an independent rating based on fund performance, plus shape where applicable, and a range of other key fund attributes – including cost, scale, access and manager longevity as at 31 December 2023.

(6) Of the Investment Association's universe of 4,000 funds, RSMR filter and only rate approximately 400.

(7) Square Mile is an independent investment consulting and research business.

(8) The Top 500 Asset Managers 2022 Special Report, Investment & Pensions Europe – HSBC Asset Management ranked 47th.

(9) Source: HSBC Asset Management as at 31 December 2023.

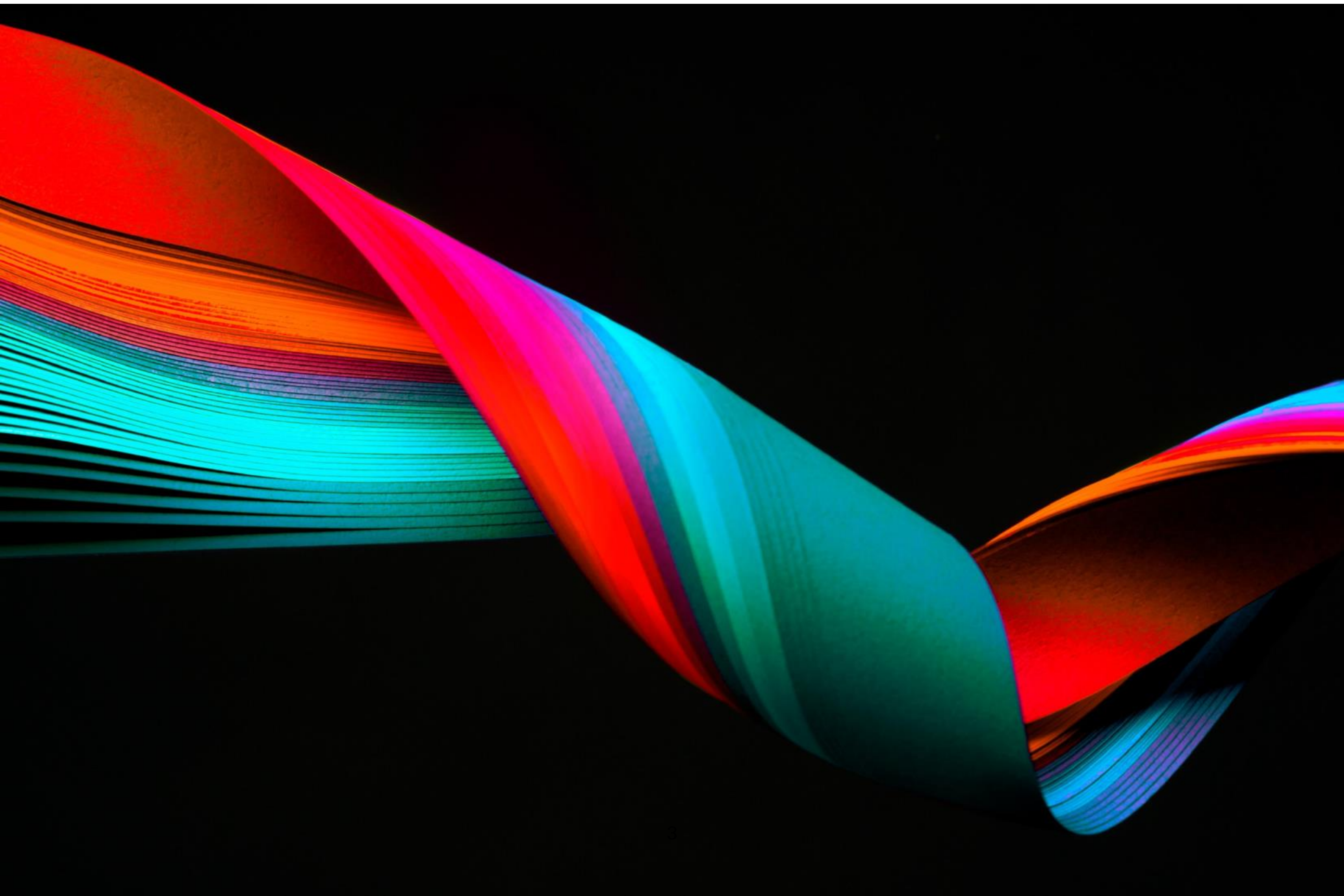
Balancing risk and return, ensuring portfolios remain on track

We believe that managing risk is as important as generating performance. Regular portfolio reviews, run by our investment and control teams, ensure that the portfolios do not drift away from their long-term risk profiles.

To control portfolio risk and benefit from global growth opportunities our multi-asset investment team works to identify a combination of assets across multiple geographies in today's investment markets.

Diversifying the portfolio among multiple asset classes, as well as multiple geographies, is a way of mitigating some of the risks inherent to investing in a single asset class. Combining different asset classes generally improves the overall risk/return profile of a portfolio. As some of the asset classes deliver strong returns at a particular point in the economic cycle, others may be experiencing declines. Consequently, an investor may benefit from a 'smoother' trajectory of returns.

Source: HSBC Asset Management.



Our investment process

1

Long-term portfolio positioning

- Blending asset classes, regions and currencies to identify the optimal long-term portfolio positioning for the specific risk profile

Forward looking allocation

For multi-asset investors, keeping an eye on the road ahead is key. Rather than relying on past performance and hoping that history will repeat itself, our fund managers start building portfolios by creating a long-term asset allocation based on forward looking risk and return expectations.

We employ a disciplined and structured optimisation process which includes quantitative and qualitative components.

2

Adjusting asset allocation

- Reflecting shorter-term views and asset class preferences in the portfolios

Be responsive to opportunities

Responsiveness to changes in the market environment is key to the overall strategy as the investment landscape can shift dramatically in a short period of time. The asset allocation of a multi-asset portfolio should be flexible enough to respond to changing asset class valuations, macro-economic conditions, market sentiment, momentum and other factors.

In the Global Strategy Portfolios, we adjust our asset allocation to reflect our shorter-term views, for example preferences for asset classes or regions. This is reviewed at least monthly.

3

Portfolio implementation

- Capturing the desired asset allocation in a cost-efficient manner
- Portfolio positioning monitored daily

Execute your strategy effectively

Once you define your strategy and asset allocation, it will need to be implemented. Asset allocation is the main driver of multi-asset portfolios' performance. We also believe that cost efficiency is paramount.

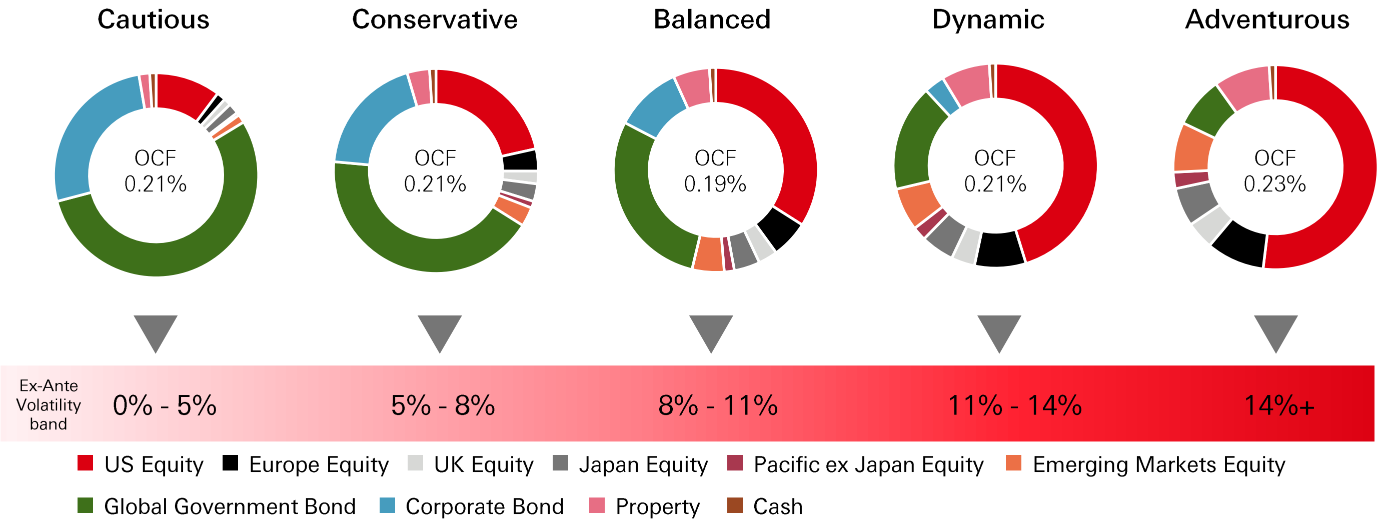
Passively managed investment vehicles are typically the best way to deliver this to end investors in a cost efficient manner. Therefore, the HSBC Global Strategy Portfolios primarily use index tracking funds and exchange traded funds to implement portfolio asset allocation. This allows us to keep the overall costs to the end investor as low as possible.

Source: HSBC Asset Management.

Five ready-made portfolios for you to choose from

The HSBC Global Strategy Portfolios are offered with five different levels of risk, allowing investors to choose the portfolio that best matches their investment goals. Before selecting with your adviser what portfolios to invest in you need to decide on how much you want to invest, the risk you are willing and able to take and what your investment objectives are.

As shown below, our risk profiles range from Cautious to Adventurous. Each portfolio is globally invested, across developed and emerging markets, and holds exposure to global equities, global bonds and global property securities.



Source: HSBC Asset Management, December 2023. Pie charts for illustrative purposes only. Ongoing charges figure (OCFs) from 'C Acc share class' of the relevant fund, as at March 2024.

What does the OCF mean?

The ongoing charges figure or OCF, is the measure of what it costs you to invest in a fund on an ongoing basis. Example: if you invest £100 then this will cost you 19p per annum in the Balanced portfolio.

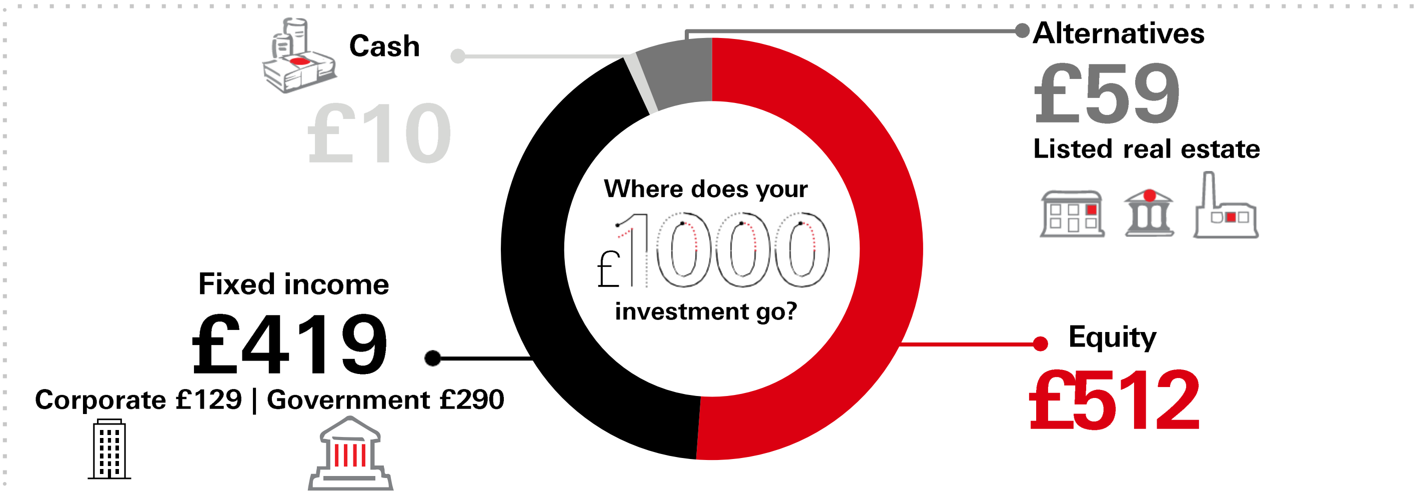
Please see the Jargon Buster on pages 7–8 for a full definition.

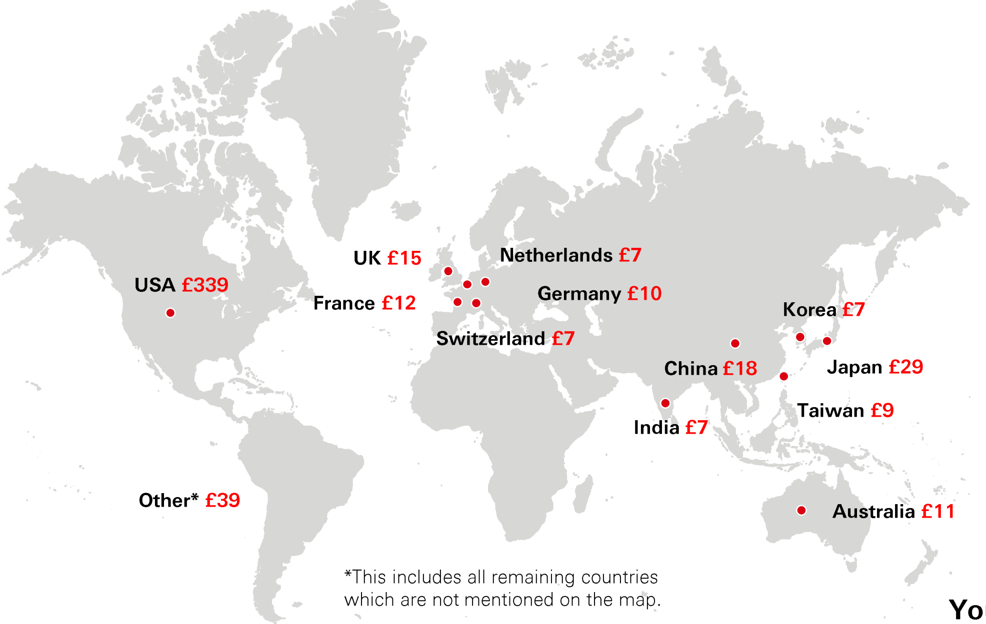
What does volatility mean?

We use volatility – how the investment fluctuates – as a measure of risk. The more that returns fluctuate (up and down) over time, the more volatile (risky) the investment. .

The volatility band is used when building the long term asset allocation, based on our estimates for future returns. This allows us to build different portfolios at different levels of risk.

Portfolio diversification: Where does your money go?





*This includes all remaining countries which are not mentioned on the map.

Your equity investment is split between

48

different countries

Your investment in equities gives you access to more than

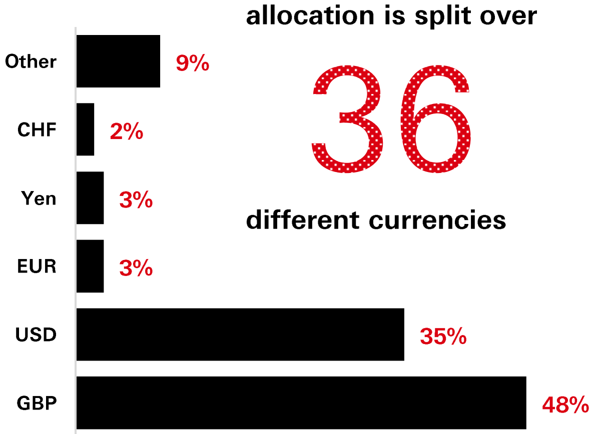
3000

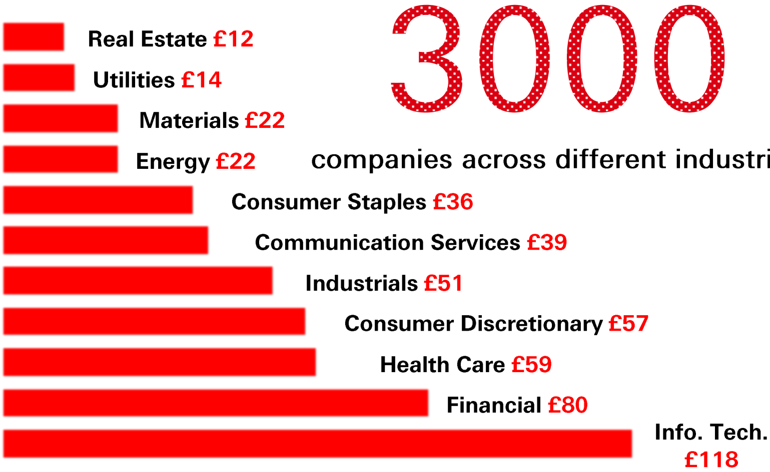
companies across different industries

Your entire asset allocation is split over

36

different currencies





Source: HSBC Asset Management as at November 2023. For illustrative purposes only. This is indicative of the portfolio holdings and not the actual holdings. Any discrepancies may be 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 World Selection Portfolios invest in property, commodities, and style and trend strategies.

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.

Fund of funds
A fund of funds is a fund which invests in other funds rather than investing directly in company shares (equities), bonds or other securities. The HSBC Global Strategy Portfolios are mostly managed on a fund of funds basis.

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.

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.

Volatility band
The volatility band is used when building the long term asset allocation, based on our estimates for future returns. This allows us to build different portfolios at different levels of 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.

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.

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

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.

If you have any questions about the HSBC Global Strategy Portfolios or your investment options, please speak to your financial adviser.

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HSBC Global Strategy Portfolios are actively managed.

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 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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