

# Assessment of Value Report

As at 30 June 2023

Published October 2023



**HSBC** Asset Management | Opening up a world of opportunity

# A message from the CEO

## of HSBC Global Asset Management (UK) Limited



**Stuart White**  
Chief Executive Officer

The UK began 2023 in danger of going into recession as households and businesses continued to feel the strain from the cost-of-living crisis. Living costs are expected to remain well above pre-Covid levels, with energy costs peaking at well over double historical levels and staying high despite some recent moderation. High inflation has been the dominant theme for many economies for well over a year, resulting in the most aggressive developed-market interest rate hiking cycles since the 1980s.

While we expect inflation and interest rates to moderate, our outlook does not foresee a return to the excessively low inflation and interest rates experienced over the previous decade. In this new environment, traditionally reliable diversifiers such as developed market government bonds have not proved as effective at reducing risk as they have been in the past. We still believe that there are good diversification opportunities within emerging and frontier markets for international investors.

Despite these challenges, we have continued to focus on what is important to the investors in our funds and have made the following improvements over the last year.

### Customer service

- ◆ Our processes have been reinforced with the new Consumer Duty standards which included enhancing product reviews, testing product literature, and improving aspects of our customer journey. We have also extended part of the value assessment we already conduct on our UK funds to the global funds distributed in the UK.
- ◆ Rationalisation of our UK fund range continues with the merger of one fund and closure of another sub-scale fund.
- ◆ Through our Investment Excellence process, our investment teams have been given more flexibility to adopt a multi-style investment approach on our active funds to try to enhance performance and deliver better outcomes for our investors.
- ◆ In the latest Boring Money<sup>1</sup> Fund Investor Tracker results, investors placed us in the top three UK Asset Managers for value in Q2 2023, and, on average, in the top four over the last 12 months.

### Focus on sustainability

- ◆ We published our first set of Task Force on Climate-related Financial Disclosures (TCFD) reports in June 2023. These provide information about the climate impact and risks of the assets held by HSBC Global Asset Management (UK) Limited as a whole, and of the assets held by each of the funds.

- ◆ In line with HSBC Group's Statement on Climate Change, our approach is to increase the resilience of our clients' investments by reducing climate-related financial risk and by investing in the low carbon economy.
- ◆ We have expanded the resources available to our investment professionals for Environmental, Social and Governance (ESG) integration and engagement, with the aim to incorporate all material sustainability issues within our investment process (where appropriate for the product's investment objective) and further engage with investee companies to help minimise climate risk.
- ◆ To support our ambition of building leadership in sustainable investments, at a global level HSBC Asset Management has set Net Zero Asset Managers Initiatives targets, as well as our policy on how we aim to reduce our portfolio's exposure to thermal coal. We have also updated our Responsible Investing policy implementation procedures, climate change, biodiversity and banned weapons policies.

### Diversity, Equity and Inclusion ("DE&I")

The global DE&I programme we introduced four years ago has gone from strength to strength.

- ◆ In the UK, we now have 125 volunteers working across 12 key workstreams to bring a balanced yet comprehensive approach to DE&I development.
- ◆ Over the last year, our work was recognised with several nominations and finalists: Three UK staff were named in the "LGBT Great Top 50 Executive Allies' in 2023", and we were highly commended at the FT Adviser Diversity in Finance awards for "Championing Gender Inclusivity" and finalists in Championing LGBT inclusion, Diversity Champion of the Year and Employer of the Year.

### 2022/23 Assessment of Value report

I am pleased to publish our fourth annual Assessment of Value report. We have made further subtle changes to enhance the quality of the report and provide our investors with a simple to understand and fair appraisal of the value delivered by our funds.

If you have any suggestions on how we can continue to evolve our approach, please contact us at [hsbcenquiries@ntrs.com](mailto:hsbcenquiries@ntrs.com)

We hope this report provides you, and fellow investors, with a transparent view on how we deliver value in the UK domiciled funds we offer and reinforces your trust in HSBC Asset Management and the wider asset management industry.

Best wishes,

**Stuart White**

<sup>1</sup> Boring Money is an independent research and investments commentator

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please only print this if you have to.**

# Introduction to our Assessment of Value report



# About this report

## About us

HSBC Global Asset Management (UK) Limited ("HSBC AM UK") is one of the group of companies that form HSBC Asset Management, the asset management arm of the HSBC Group. Although comprised of different legal entities around the world, HSBC Asset Management is run as a coordinated business across locations. This allows us to leverage the advantages of worldwide presence and scale, plus local expertise.

## What is an Assessment of Value?

The FCA's Asset Management Market Study concluded that market forces in the fund industry were weak, leading to many overpriced and low-quality products. One of the FCA's remedies was to require that Authorised Fund Managers (AFMs) make an annual public attestation to the value their funds offer and outline any corrective actions taken, if appropriate.

## Our Assessment of Value criteria

The Financial Conduct Authority (FCA) provided managers with seven minimum criteria to consider when assessing the value of their funds. We took these criteria and, from an investors point of view, asked ourselves the following questions. We have provided more detail on how we have assessed each of these areas in the methodology section of this report.



### Quality of service

How have our funds measured up against a series of areas that we believe are important to the overall investment experience? These include operational oversight, our investors' experience, risk management, investment capability and our responsible investment framework.



### Performance

Have our funds and share classes achieved their performance objective and other measures within their investment policy and strategy? How does performance compare to other similar funds and share classes available from other fund managers?



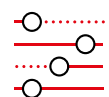
### AFM costs – general

What is the breakdown of our fund charges? Are the costs of our funds and related services offering you fair value?



### Economies of scale

Are savings and benefits that we achieve through our funds and HSBC AM UK's size and scale being shared with investors?



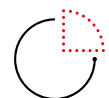
### Comparable market rates

How do the costs compare to the costs of other similar funds available from other fund managers?



### Comparable services

How does the fund compare to other similar funds, institutional mandates and share classes managed by HSBC with similar investment objectives and policies?



### Classes of shares

Are investors in the best share class they are eligible for? Are the points of differentiation between these share classes appropriate and justified?



Throughout this report we explain in more detail how we have reached our conclusions for each of these areas.  
[Click here for the list of funds covered in this report.](#)

# Our Assessment of Value ratings

## Our ratings framework

We have used a two-tier system to conduct our Assessment of Value. Firstly, we assessed our funds and share classes against the seven minimum assessment criteria detailed in the table below and rated each of these individual assessments against a traffic light system using the following principles:

Green	Our assessment of this criteria has found that the fund/share class is delivering good value to investors for these criteria, and no material issues have been found.
Amber	Our assessment of this criteria has found that the fund/share class is delivering moderate value to investors for these criteria, however, there are areas that need management action and/or oversight.
Red	Our assessment of this criteria has found that the fund/share class is delivering poor value to investors for these criteria, and there are areas where management action has been, or will be, taken.


The following table shows each of the seven minimum assessment criteria we have used to assess our funds.

Assessment criteria for each of our funds							Overall value conclusion
Quality of service	Performance	Costs					
		AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of shares	

## Overall value conclusion

Secondly, we considered all of the individual criteria assessments for each fund’s share class at an aggregated level to determine an overall value conclusion for each share class. Considering each of the seven assessment criteria equally, we came up with a quantitative view of the overall value conclusion. Provided with this information, as well as other qualitative information about the funds and other quality of service considerations, the Board was able to take a measured view on the overall value delivered to investors. We used a second traffic light system and set of principles to conclude on our Board’s overall evaluation of each fund/share class. These are the ratings you will see in the two-page summaries for each of the funds:

Met	Having considered the fund’s costs, performance, and the quality of service provided to our investors, we believe that the fund is delivering good value.
Partially Met	Having considered the fund’s costs, performance and the quality of service provided to our investors, we believe that the fund is delivering value in most areas. Management action may be necessary, or has already been taken, and we will review its effectiveness.
Not Met	Having considered the fund’s costs, performance and the quality of service provided to our investors, we believe that the fund is not delivering value and management action has been, or will be, taken.



[Click here for the list of funds included in this assessment.](#)  
[Click here for more information on the methodology we used to rate the funds.](#)



# Chairman's statement



As the new Chair of the HSBC AM UK Board, it has been my pleasure to review and endorse this year's Assessment of Value. The intention of the Board is to provide our fund investors with a transparent and fair appraisal of the value delivered by each of our funds.

This is our fourth Assessment of Value report, so the process is well embedded, but there are always areas we can improve. This year, we have built on the work done in previous years to further enhance the way we allocate the costs to our funds. We have also made improvements to the Assessment of Value Report to

improve accessibility, including the ability to use screen readers on the entire report, and updating the text and colours to improve readability.

## Our Assessment of Value framework

We based our fund performance and cost assessments on actual market data so that we could assess the value of our funds in a consistent, repeatable, and fair manner. For our assessment of the performance of our funds, we developed sets of factors uniquely applicable to the investment strategy of each fund type. For example, while an actively managed fund will typically aim to outperform its benchmark, an index fund is thought to be successful if its benchmark is closely tracked.

Some value factors were applied consistently across all fund ranges. The performance of each fund was assessed against its peers using Morningstar peer groups, which are independent third-party fund groupings. Similarly, we assessed the costs charged to our funds to ensure that they are fair when compared to the cost to the business of providing that service. We also checked that all investors are in the share class that they are most eligible for, and checked that any savings or benefits from our size and scale are identified and shared with investors where applicable.

In this report, we have given each fund a two-page summary where we explain how it has met, partially met, or not met the assessment criteria, and whether we consider each share class has delivered value.

## Our conclusions

The table below shows the overall conclusion of our assessment, and it is encouraging to see that most funds and share classes deliver value. However, the report also identifies funds and share classes that are not, or that are only partially, providing value. For those funds or share classes, we have detailed the actions that we have already taken, or that we commit to take, within the individual two-page fund reports.

	Green	Amber	Red
Assets under Management (AUM)	£44.83bn	£322m	-
Percentage of AUM	99%	1%	-
Number of funds	40	3	-
Percentage of funds	93%	7%	-

Where we have rated a fund or share class as green, we consider that the fund's costs, performance, and the quality of service provided, delivers good value to our investors. Although amber-rated funds or share classes deliver value in most areas, we believe these require more frequent review and/or some management action to be taken. Where we have rated a share class as red, immediate management action has been, or will be, taken.

Since last year, we completed a number of actions to improve value for investors. A full explanation of these actions has been included on [page nine](#). The Board will continue to challenge the business where we feel action needs to be taken.

We hope that this Assessment of Value report provides our investors with a straightforward way to assess the value delivered by their funds. We have made our report available in the Fund Centre section of our website alongside our fund factsheets, to make it even easier for existing and new investors to access information on their funds.

Best wishes,

**Matteo Pardi**

# Meet our Board

Our Board has continued to be engaged with the Assessment of Value process as it has evolved since the first report in 2020. Our independent Non-Executive Directors (“iNEDs”) have been particularly close to the methodology, and have continued to guide the business throughout its development. The main role of the iNEDs is to champion our investors, and to challenge us where they think value has not been delivered.

## Non-Executive Chairman



**Matteo Pardi**  
Non-Executive Board Chairman

30 years’ industry experience  
Joined HSBC in 2001  
Board member since July 2023

## Board independent Non-Executive Directors



**Jennifer Paterson**  
Independent Non-Executive Director

36 years’ industry experience  
Board member since November 2018



**Peter Dew**  
Independent Non-Executive Director

43 years’ industry experience  
Board member since December 2018

## Board Directors



**Jennifer Calvery**  
Non-Executive Director

26 years’ financial services experience  
Joined HSBC in 2016  
Board member since April 2023



**Stuart White**  
UK CEO and Executive Director

24 years’ industry experience  
Joined HSBC in 2010  
Board member since April 2020



**Vis Nayar**  
Global Chief Investment Officer  
Equities and Executive Director

35 years’ industry experience  
Joined HSBC in 1996  
Board member since September 2023



**Natasha Cork**  
Global Chief Risk and Compliance  
Officer and Executive Director

24 years’ industry experience  
Joined HSBC in 2001  
Board member since October 2023



**Joanna Munro**  
CEO, HSBC Alternatives  
and Executive Director

36 years’ industry experience  
Joined HSBC in 2005  
Board member since January 2022



# Improvements since last year's report

## What changes have we made to our funds since last year's report?

The table on the right summarises the main actions we have taken following last year's Assessment of Value review. The action taken column explains the changes we have made to improve the value of these funds for investors.

Update since the last Assessment of Value	Action taken to improve value
Consumer Duty	Our processes have been reinforced with the new Consumer Duty standards. This has included enhanced review processes to consider customers with vulnerabilities, and testing a sample of our product literature for learnings that we can also apply across our other materials. If any customers are experiencing difficulty in understanding any aspects of our customer journey, we are now much better placed to identify and help them earlier. We have also extended part of the value assessment we already conduct on our UK funds to the global funds distributed in the UK.
The Task Force on Climate-related Financial Disclosures (TCFD)	We published our first set of TCFD reports in June 2023. These provide information about the climate impact and risks of the assets held by HSBC AM UK as a whole, and of the assets held by each of the funds. The TCFD's recommendations set an important framework for understanding and analysing climate-related risks, and HSBC AM UK is committed to providing regular and transparent reporting of key climate-related information. The HSBC AM UK report is available <a href="#">here</a> and the fund reports are available <a href="#">here</a> .
Enhanced fund profitability analysis	We have continued to enhance the level of detail and the costs captured by our profitability analysis. Running the analysis across other fund ranges, in addition to the UK funds, has allowed for better comparability and helped identify anomalies in our approach.
Japan Multi-factor Fund merger	Our 2022 report highlighted that the fund did not deliver the good value our investors expect from us so the fund was merged with the Japan Index Fund on 28 October 2022.
Introduced a securities lending programme in 2022 (primarily index and active funds)	<p>The programme was extended in August 2023 to include two additional funds:</p> <ul style="list-style-type: none"> <li>◆ Developed World Sustainable Equity Index Fund</li> <li>◆ USA Sustainable Equity Index Fund</li> </ul> <p>Investors benefit from securities lending because the fee received from borrowers (less charges and expenses) is paid back into the relevant fund as accrued income. When borrowing securities, the counterparty provides collateral to the funds as security, the value of which must be higher than the value of the securities that have been borrowed.</p>
Global Equity Income Fund closure	The fund decreased to a size that was no longer commercially viable so the fund was closed on 17 March 2023.
Assessment of Value Report accessibility	Improvements have been made to the Assessment of Value report to ensure accessibility. This includes the ability to use screen readers on the full report, including the fund two-page summaries, and updating the text and colours to improve readability.

# Our Assessment of Value methodology

## Quality of service



### How have our funds measured up against a range of areas that we believe are important to the overall investment experience?

The term service can mean different things to each of us. It goes beyond just complaint handling, technological advancements and adhering to guidelines. As investors' expectations continue to evolve it is crucial that we listen and evolve too.

To assess the range and quality of services provided to our investors, we considered a wide array of areas in our assessment that we believe are important to the overall investment experience. For our assessment, we gathered key metrics for each of these areas to see how we have measured up and have classified them under four broad categories.



#### Operational oversight

- ◆ How we oversee and monitor third parties to protect investors' assets. Here we consider distributor due diligence, the strength of our conduct framework and how we manage conflicts of interest.
- ◆ Our product development life cycle: how we develop our products from idea generation through to product launch and the effectiveness of our ongoing reviews.



#### Our investors' experience

- ◆ Are our objectives and fund charges clear?
- ◆ What improvements have we made to our website and marketing materials?
- ◆ How quickly and efficiently do we respond to enquiries?
- ◆ Do we have a robust complaints process?



#### Risk management framework

- ◆ How robust is our investment risk oversight and risk governance?



#### Investment capability

- ◆ Our investors' experience: do we run our funds within their investment guidelines and restrictions?
- ◆ Responsible investing: are we delivering on the sustainable investing considerations within the fund objectives?
- ◆ Expertise and experience of our portfolio managers: including their ongoing professional development training and the regulatory Certification Regime.

#### How can we do better?

We are constantly analysing our investors' expectations and working to deliver on their needs. In addition to continuously upskilling our people, we are also determined to improve our diversity and inclusion across the firm. Putting our investors at the centre of everything we do has always been our practice, and we will continue to enhance the breadth and depth of the measures we use to monitor the quality of service we provide to investors.

# Our Assessment of Value methodology (continued)



## Fund performance

### How have we assessed the performance of our funds?

We base our fund performance assessments on actual market data so that we can assess performance of our funds in a consistent, repeatable and fair manner. Each of the factors we use are uniquely applicable to the investment strategy of each fund type. For example, while an actively managed fund will typically aim to outperform its benchmark, an index fund is thought to be successful if its benchmark is closely tracked. We have used five years as the main time period by which to assess performance as we generally consider long term to be five years or more.

To explain this in more detail, we have included information below on the differences between our assessments of the three different types of funds within our UK fund range.

#### Index funds:

We assess the performance of our index funds by checking that the tracking error (movement away from the index being tracked) is sufficiently close to the anticipated tracking error specified in the fund prospectus. We also check that the fund performs well compared to other managers' similar funds, over an appropriate timescale given the fund's objectives and strategy, and we show the relative return of the fund compared to cash on the fund two-page summaries.

#### Multi-asset funds:

We assess the performance of our multi-asset funds by considering whether each fund has met its key objective clauses, such as providing growth or income over the appropriate timescale given the fund's objectives and strategy. We also check whether the return on the fund is higher than the peer group's average return and the volatility<sup>1</sup> (risk taken) is lower. For the sustainable multi-asset funds, we check the Carbon Intensity and ESG Improvement scores.

#### Active funds:

We assess the performance of our active funds by considering whether each fund has met its stated objective such as providing growth, income, or higher returns than the stated benchmark over the period specified. We also consider how the funds compare to other similar active funds within each relevant Morningstar category.

### Share class analysis

The performance assessment has been conducted on all share classes. Where we compare the performance to other similar funds, the two most expensive types of share classes are used due to comparability with similar share classes of competitor funds. This includes the Investment Association (IA) primary share class and the Retail share class. Due to this assessment being performed net of fees, all other share classes with lower charges would have fared equally or better than these share classes.

### How can we do better?

We are always seeking ways to improve the performance, risk management, and the transparency we provide, and continually work to be more innovative in our investment processes to better take advantage of market opportunities and mitigate risks. We have included additional asset classes and portfolio fulfilment strategies which we believe will enhance our ability to deliver strong risk-adjusted returns to our investors. We will continue to make use of new technologies and automated screening of potential investments to obtain wider opportunity and improved level of information to select assets and construct portfolios. We are also continuing to enhance our ESG integration, screening and engagement in line with industry best practices.

To see how each fund has performed, please go to the individual fund two-page summaries. These show the IA primary share class on the first page and the results of other share classes are summarised on the second page.

<sup>1</sup>Volatility is measured by taking the level of return achieved per unit of risk to consider whether it outperformed on a risk-adjusted basis (Sharpe ratio). More information on the Sharpe ratio is available in the Glossary on page 113 and the fund factsheet.

# Our Assessment of Value methodology (continued)



## AFM costs – general

### What is the breakdown of our fund charges?

The Ongoing Charges Figure (OCF) is made up of most of the fees and charges incurred by the fund including the Annual Management Charge (AMC) and operational costs such as custody costs, depository fees and auditor fees. Where the funds invest in other funds, the OCF includes the impact of the charges of those funds. It excludes transaction costs, which are explained below. The OCF provides a standard way of measuring the annual cost of investing in a fund.



The costs assessments have been conducted on all share classes. Where a peer group comparison is required, the assessments have been conducted on the two most expensive types of share classes to allow for comparison with similar share classes of competitor funds. This includes the Investment Association (IA) primary share class and the Retail share class. Due to these assessments being performed net of fees, all other share classes with lower charges would have fared equally, or better than, these share classes.

### Transaction costs

Transaction costs are additional charges paid by the fund. They cover the costs incurred when the fund manager trades in underlying investments within the funds such as broker commissions, stamp duty, and other taxes. Trading is necessary to achieve the investment objectives of the fund. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. These may vary considerably depending on the transaction value, market sentiment and the financial market itself.

While overall costs have an impact on your returns, it is important not to compare transaction costs between funds as an indicator of future performance. Transaction costs vary over time, differ from country to country and between different types of assets and are not predictable.

The transaction costs are disclosed in the two-page summaries for each of our funds. More information on our transaction costs can be found in our Glossary on [page 115](#) and on our [website](#) in our enhanced disclosure of fund charges and costs.

### Are the costs of our funds and related services offering you fair value?

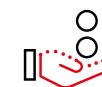
It is important to us that all the products and services we offer deliver fair value to our clients and investors. For this assessment we considered the breakdown of the charges into the OCF and its sub-components. Then we looked at the operational costs and the AMCs to determine whether the charges are reasonable compared to the costs of providing the services to which they relate. We did this by checking operational costs with the external service providers to ensure they are reasonable and appropriate to the services provided, and by considering the level of profitability on a fund-by-fund basis.

### How can we do better?

We have carried out another detailed review of the charges to the funds taking into consideration the recommendations from last year's review by one of the external big-four accountancy firms. We have made further enhancements to the level of detail and the costs captured by our profitability analysis. By running the analysis across other fund ranges, in addition to the UK funds, this has allowed for better comparability and has helped identify and correct anomalies in our approach. We will continue to use this approach for future reviews.

# Our Assessment of Value methodology (continued)

## Economies of scale



### Are savings and benefits that we achieve through our funds' and HSBC AM UK's size and scale being shared with investors?

Passing on economies of scale to our investors and how best to do it has been a key consideration over the past few years. We have considered any reinvestment in our business that will enhance value for investors. Then we reviewed the structure and profitability of our funds to see how any savings or benefits are achieved through economies of scale.

Over the past few years we have taken significant steps to enhance the value we deliver to investors. Having already passed on savings by removing the registration fees from the funds, we continue to identify and negotiate savings with the funds' service providers, which are passed onto investors via the variable operational costs. These have resulted in cost savings for investors across the fund range.

In October 2022 we introduced a tiered pricing structure on our World Selection Portfolios. This structure allows us to share further economies of scale savings that we found are achieved as the size of each fund increases.

The operation of the charging structure is described in more detail below, but in summary, discounts are applied to the Annual Management Charge ("AMC"), for certain share classes of each fund, when the fund reaches a certain size. Where discounts are applied, this has the effect of reducing the overall charges paid by investors in that fund.

### How does the charging structure operate?

The discounts to the AMC that apply for each fund are based on the size of the fund, as measured by its total Net Asset Value ("NAV"), being the value of the assets of the fund (less any liabilities). Where they apply, discounts are only made to the AMC of the Income C and Accumulation C share classes of the fund and no other share classes are affected. The discounts are applied in tiers with the rates determined by the proportion of the fund's total NAV that falls within the ranges shown in the table on the right. A weighted average of the overall discount rate that applies is then calculated and applied to the AMC. This means that only the proportion of the fund's NAV that falls within each range receives the applicable discount for that tier.

NAV range	Discount applied based on the proportion of fund's NAV falling within the range shown
£0 – up to £0.75 billion	0.00%
In excess of £0.75 billion – up to £1.50 billion	0.02%
In excess of £1.50 billion – up to £2.25 billion	0.04%
In excess of £2.25 billion – up to £3.00 billion	0.06%
In excess of £3.00 billion – up to £3.75 billion	0.08%
In excess of £3.75 billion – up to £4.50 billion	0.10%
In excess of £4.50 billion – up to £5.25 billion	0.12%
In excess of £5.25 billion – up to £6.00 billion	0.14%
In excess of £6.00 billion – up to £6.75 billion	0.16%
In excess of £6.75 billion	0.18%

Further detail on the methodology is included in the HSBC OpenFunds prospectus, which is available on our [Fund Centre](#).

### How can we do better?

We continually review the service and compare the costs of our funds' service providers, and negotiate savings where we can. Now that we have established our new tiered pricing structure across one of our multi-asset fund ranges, we are considering extending the framework to other ranges. We will continue to check the NAV of other fund ranges annually to identify when they qualify for the discounts. This will ensure that economies of scale savings are being shared with investors for our larger funds where appropriate.

# Our Assessment of Value methodology (continued)

## Comparable market rates



### How do the costs compare to the costs of other similar funds available from other fund managers?

It is important that our funds and share classes represent fair value to investors and are competitive relative to other funds in the market.

For this assessment, the Investment Association (IA) primary share class and, where different, the most expensive share class for each fund are ranked in quartiles on an OCF basis against the fund's respective Morningstar category. These Morningstar categories are independently classified based on holdings and objectives. We exclude active funds for the index funds' analysis and exclude index funds for the active funds' analysis. We have used the peer group median for this comparison.

When we identify that funds or share classes are more expensive than peers, we look into why that is and whether the additional premium can be justified. If not, we will propose a reduction of the fees.

### Share class analysis

This assessment is conducted on the two most expensive types of share classes due to comparability with similar share classes of competitor funds. This includes the Investment Association (IA) primary share class and the Retail share class. Due to these assessments being performed net of fees, all other share classes with lower charges will fare equally or better than these share classes.

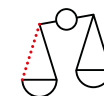
### How can we do better?

Keeping on top of the costs of our funds to investors is a key way of ensuring that our funds remain competitive. We review the pricing of our funds on an ongoing basis and will continue to make reductions where we feel our funds are not as competitively priced as they should be.





# Our Assessment of Value methodology (continued)



## Comparable services

### How does the fund compare to other similar funds, institutional mandates and share classes managed by HSBC?

HSBC provides asset management services to a wide range of clients, including individuals and institutions who invest with us through funds and segregated mandates. It is important to us that all our investors receive fair benefits when they invest with us.

For this assessment we considered the charges of funds and institutional client mandates that we felt were comparable to the share classes within our UK domiciled funds. This included the funds of our associated companies, institutional mandates and the cross-border funds that we market in the UK.

### Comparable factors

Comparability is mainly determined by the same or similar investment objective, strategy and policy including benchmark, and target market. With this comparison we want to make sure that the fees we are charging our investors are reasonable. For funds with comparable mandates, we reviewed any additional benefits provided to our fund investors and assessed if the additional charges were reasonable and justified the added service provided.

Key reasons for price differences were:

- ◆ Costs incurred by the different fund types and domiciles
- ◆ Size of mandates and/or expected flows for funds
- ◆ Scale of the overall client relationship
- ◆ Different servicing requirements, including reporting

For some funds and their respective share classes, there are no comparable products or services.

### Share class analysis

We have conducted this assessment on all share classes. However, for comparability, the IA Primary share class and the Retail share class have been compared to similar funds, but allowing for the rebates paid to the remaining investors in the Retail share classes. The main IA Primary share class is the most appropriate comparator for ETFs and equivalent clean fee share classes in our Luxembourg funds.

Mandate pricing is compared to equivalent institutional fee paying share classes, where available, as those are discounted due to larger holdings.

### How can we do better?

We strive to ensure that all our investors are treated fairly and receiving value for the investments they have made with us. We will continue to review the fees we are charging our investors against the services provided. If we determine that these costs are not justified, we will make relevant changes keeping in mind the best interest of our investors.



It is important to us that all our investors receive fair benefits when they invest with us.

# Our Assessment of Value methodology (continued)

## Classes of shares

Our funds are designed with the needs of different types of investors in mind. This is why there are several types of share classes on offer reflecting the different services we provide, and the different types of investors we provide them to. For more information on these share classes please refer to the fund's prospectus.

### **Are investors in the best share class they are eligible for?**

At the time of our first Assessment of Value review, all investors in share classes with higher charges than those applying to other similar share classes of the same fund were notified and converted to clean fee share classes if they did not opt-out of the conversion. The opt-outs were generally because the remaining investors in these share classes are still in receipt of legacy rebates.

We continue to conduct semi-annual reviews of all share classes to check that all investors are in the appropriate charging share class. Where investors are in more expensive share classes than they should be, we flag this in our assessment and write to these investors advising that they will be converted to the cheaper share class (generally the clean C share class) after 60 days' notice, and where appropriate we will refund the difference in fees.

Sometimes we identify investors in cheaper share classes than they should be. We also write to these investors advising that they will be converted to the share class that they qualify for. This is not flagged in the report, as these investors are paying less than they should be.

### **Are the points of differentiation between these share classes appropriate?**

Over the last two years, the Board has also considered the degree of difference that exists between the prices of each of the share classes. This is to identify the level of differentiation between cheaper and more expensive share classes, and assess whether this difference is fair and proportionate to the size of each investment and the service being offered.

### **How can we do better?**

It is important that our investors are in the most appropriate share class for them. We have checks in place at our administrator to ensure that new investments are directed to the correct share class and we will continue to ensure that these controls operate fairly for all investors.



# Value factors applicable by fund type

For ease of navigation, we have structured our report into three separate sections according to the different type of fund you may hold – index funds, multi-asset funds or active funds. These sections are ordered according to the number of investors in the funds from highest (index funds) to lowest (active funds).

Each fund type section also contains a two-page summary for each fund. The first page contains information on the IA primary share class and the second page provides information on other share classes.



# List of funds included in our Assessment of Value

HSBC fund name	Page
<b>Index funds</b>	
▶ American Index Fund	21
▶ Developed World Sustainable Equity Index Fund	23
▶ European Index Fund	25
▶ FTSE 100 Index Fund	27
▶ FTSE 250 Index Fund	29
▶ FTSE All-Share Index Fund	31
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▶ Japan Index Fund	35
▶ Pacific Index Fund	37
▶ Sterling Corporate Bond Index Fund	39
▶ UK Gilt Index Fund	41
▶ USA Sustainable Equity Index Fund	43

HSBC fund name	Page
<b>Multi-asset funds</b>	
▶ Balanced Fund	48
▶ Global Strategy Adventurous Portfolio	50
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▶ World Selection – Dividend Distribution Portfolio	70
▶ World Selection – Dynamic Portfolio	72
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HSBC fund name	Page
<b>Sustainable multi-asset funds</b>	
▶ Global Strategy Sustainable Adventurous Portfolio	77
▶ Global Strategy Sustainable Balanced Portfolio	79
▶ Global Strategy Sustainable Cautious Portfolio	81
▶ Global Strategy Sustainable Conservative Portfolio	83
▶ Global Strategy Sustainable Dynamic Portfolio	85
▶ Global Sustainable Multi-Asset Adventurous Portfolio	87
▶ Global Sustainable Multi-Asset Balanced Portfolio	89
▶ Global Sustainable Multi-Asset Cautious Portfolio	91
▶ Global Sustainable Multi-Asset Conservative Portfolio	93
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HSBC fund name	Page
<b>Active funds</b>	
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You can use this list of funds to navigate to and from each of the fund two-page summaries by clicking on the icon next to the fund name and then on the LIST OF FUNDS icon at the bottom right of each fund page.

# Index funds

These are funds that track a specific index such as the FTSE All-Share Index or the S&P 500 Index. For these funds, the manager invests in accordance with pre-determined weightings of the index, which does not involve any forecasting. The performance should be as close as possible to that of the index after fees are paid. They are sometimes referred to as 'tracker' funds.



# Index funds overview

Index fund management is at the heart of our business strategy. We have been successfully managing index funds for external clients since the launch of our first fund, the American Index Fund, in October 1988. We've subsequently grown the index fund suite to a total of 12 funds, which includes both equity and fixed income index funds.

We are passionate about our index funds and the benefits they bring. Most managers will explain that managing index funds is about purchasing and selling securities in line with the reference index. While this is true, in doing so we also make use of investment techniques designed to counteract the impact of transaction costs, which we reduce as much as we

can, with the ultimate aim that the performance of the fund matches its reference index as closely as possible and in the most efficient way.

The following table summarises the outcome of our Assessment of Value for the Investment Association (IA) primary share class<sup>1</sup> of each of our UK domiciled index funds for the year ending 30 June 2023. We have used the traffic-light system we explained on [page six](#) to come up with the ratings and overall value conclusion for each of our funds and share classes. The fund two-page summaries explain why we have given these ratings and contain information on the other share classes.

Assessment criteria for each of our funds								Overall value conclusion
HSBC index funds (Investment Association primary share class)	Quality of service	Performance	Costs					
			AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of shares	
American Index Fund	●	●	●	●	●	●	●	●
Developed World Sustainable Equity Index Fund	●	●	●	●	●	●	●	●
European Index Fund	●	●	●	●	●	●	●	●
FTSE 100 Index Fund	●	●	●	●	●	●	●	●
FTSE 250 Index Fund	●	●	●	●	●	●	●	●
FTSE All-Share Index Fund	●	●	●	●	●	●	●	●
FTSE All-World Index Fund	●	●	●	●	●	●	●	●
Japan Index Fund	●	●	●	●	●	●	●	●
Pacific Index Fund	●	●	●	●	●	●	●	●
Sterling Corporate Bond Index Fund	●	●	●	●	●	●	●	●
UK Gilt Index Fund	●	●	●	●	●	●	●	●
USA Sustainable Equity Index Fund	●	●	●	●	●	●	●	●

<sup>1</sup>The Investment Association (IA) primary share class is the highest charging unbundled (free of any rebates or intermediary commission) share class freely available through third-party distributors in the retail market. We have used this share class because it allows common comparisons between funds offered by HSBC AM UK and other providers.



# American Index Fund – Accumulation C



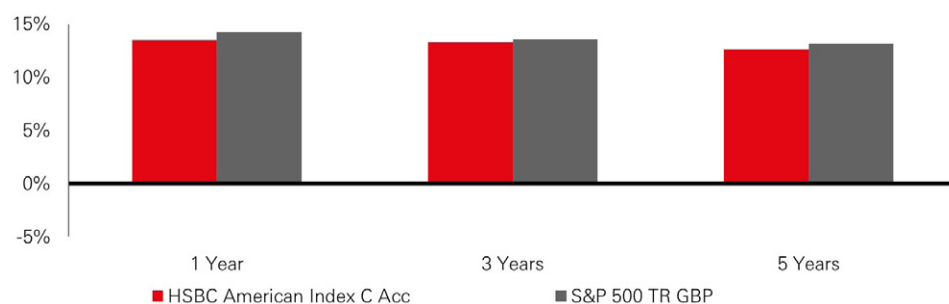
## Fund objective

The Fund aims to track the performance of the S&P 500 Index before the deduction of charges and tax.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective. The fund has successfully tracked the performance of the S&P 500 index, with a tracking error of 0.15%. It has outperformed its peers delivering annualised growth of 12.59% versus a peer group return (median) of 12.28%.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

**5 year annualised performance  
(% and of £1,000)**

**This fund**

12.59%  
£1,809

**Peer group median<sup>1</sup>**

12.28%  
£1,785

**Cash**

1.19%  
£1,061

## Key points – the fund

- ◆ Passively managed fund
- ◆ Size of fund: £10,190 million
- ◆ Benchmark: S&P 500 index
- ◆ Peer group: Morningstar US Large-Cap Blend Equity category

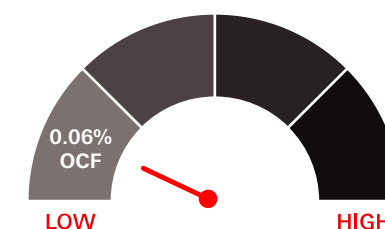
## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.06%
Transaction Costs	0.00%
<b>Total</b>	<b>0.06%</b>

## OCF Compared to Peer group<sup>1</sup>

Peer average: **0.10%**



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'US Large-Cap Blend Equity' category, filtered on Investment Association primary share classes and to include index tracker funds only (14 funds on 30 June 2023). OCF as shown in KIIDs as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# American Index Fund

– FCA criteria by share class

		Fund share classes:	C	Retail <sup>1</sup>
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.06%	0.16%
		Ongoing Charges Figure (OCF) – income share classes:	0.06%	0.16%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# Developed World Sustainable Equity Index Fund – Accumulation C



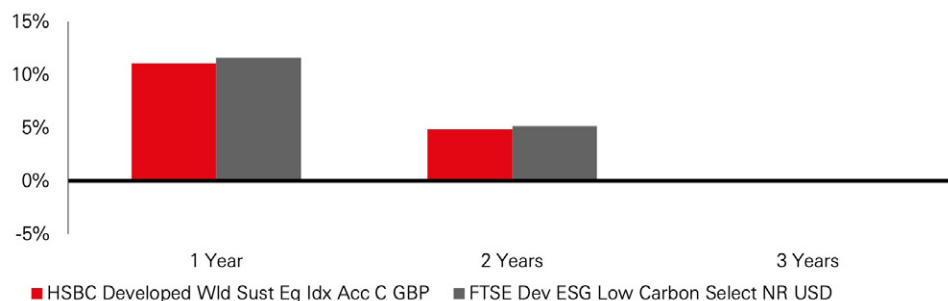
## Fund objective

The Fund aims to track the performance of the FTSE Developed ESG Low Carbon Select Index before the deduction of charges.

## Performance commentary

Over the two-year period to 30 June 2023, the fund has met its objective. The fund has successfully tracked the performance of the FTSE Developed ESG Low Carbon Select index, with a tracking error of 0.08%. It has outperformed its peers delivering annualised growth of 4.87% versus a peer group return (median) of 4.33%. At the end of the reporting period, the fund exhibited a 49% relative reduction in carbon intensity score versus the FTSE Developed Index (the parent index). The fund also had a higher ESG score of 7.5 versus the FTSE Developed Index score of 6.9.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
2 year annualised performance (% and of £1,000)	4.87% £1,000	4.33% £1,088	0.00% £1,044

## Key points – the fund

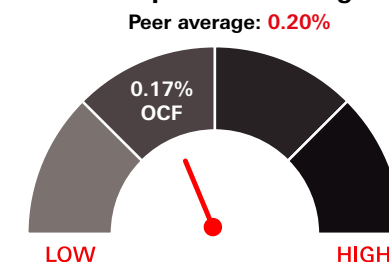
- ◆ Passively managed fund
- ◆ Size of fund: £3,266 million
- ◆ Benchmark: FTSE Developed ESG Low Carbon Select Index
- ◆ Peer group: Morningstar Global Large-Cap Blend Equity category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.17%
Transaction Costs	0.00%
<b>Total</b>	<b>0.17%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'Global Large-Cap Blend Equity' category, filtered on Investment Association primary share classes and to include index tracker funds only (24 funds on 30 June 2023 – includes sustainable and non-sustainable funds). OCF as shown in KIID as at 16/02/2023 compared to peer group funds filtered to include 'sustainable investment overall' funds only (6 funds). Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# Developed World Sustainable Equity Index Fund

– FCA criteria by share class

		Fund share classes:		
		C	S	T
Ongoing Charges Figure (OCF) – accumulation share classes:		0.17%	0.13%	0.03%
Ongoing Charges Figure (OCF) – income share classes:		0.16%	0.13%	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.	●	●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.	●	●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.	●	●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.	●	●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar sustainable funds available from other fund managers.	●	●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.	●	●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.	●	●	●
<b>Overall value conclusion</b>		●	●	●

# European Index Fund – Accumulation C



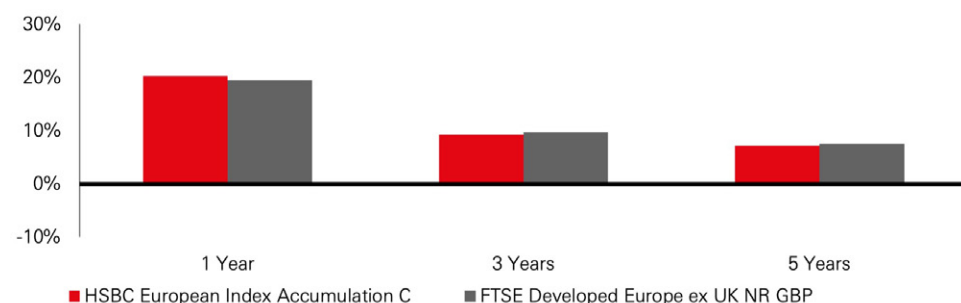
## Fund objective

The Fund aims to track the performance of the FTSE Developed Europe excluding UK Index before the deduction of charges and tax.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective. The fund has successfully tracked the performance of the FTSE Developed Europe ex UK index, with a tracking error of 0.14%. It has outperformed its peers delivering annualised growth of 7.12% versus a peer group return (median) of 7.10%.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	7.12% £1,411	7.10% £1,409	1.19% £1,061

## Key points – the fund

- ◆ Passively managed fund
- ◆ Size of fund: £3,411 million
- ◆ Benchmark: FTSE Developed Europe excluding UK Index
- ◆ Peer group: Morningstar Europe ex-UK Equity category

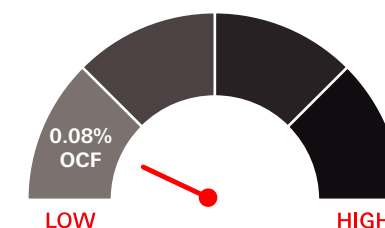
## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.08%
Transaction Costs	0.00%
<b>Total</b>	<b>0.08%</b>

## OCF Compared to Peer group<sup>1</sup>

Peer average: **0.12%**



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








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[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'Europe ex-UK Equity' category, filtered on Investment Association primary share classes and to include index tracker funds only (9 funds on 30 June 2023). OCF as shown in KIIDs as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# European Index Fund

– FCA criteria by share class

		Fund share classes:	C	Retail <sup>1</sup>
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.08%	0.18%
		Ongoing Charges Figure (OCF) – income share classes:	0.08%	0.18%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C share class within this fund was either in line with, or lower than, the OCFs of other similar funds available from other fund managers. The Retail share class was more expensive than the peer average and has been rated amber.		●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.



# FTSE 100 Index Fund – Accumulation C



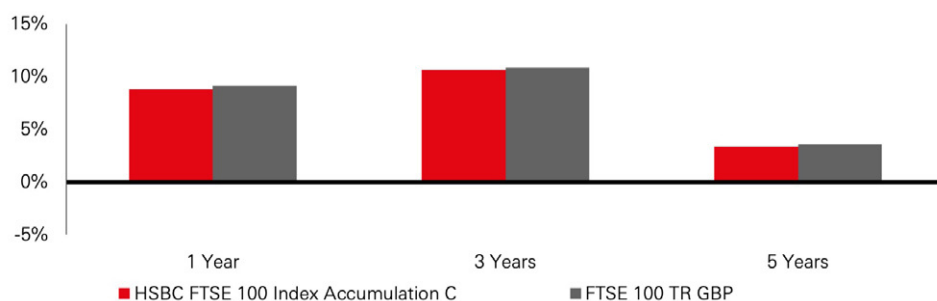
## Fund objective

The Fund aims to track the performance of the FTSE 100 Index before the deduction of charges and tax.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective. The fund has successfully tracked the performance of the FTSE 100 index, with a tracking error of 0.08%. It has outperformed its peers delivering annualised growth of 3.36% versus a peer group return (median) of 2.92%.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

**5 year annualised performance (% and of £1,000)**

**This fund**

3.36%  
£1,179

**Peer group median<sup>1</sup>**

2.92%  
£1,155

**Cash**

1.19%  
£1,061

## Key points – the fund

- ♦ Passively managed fund
- ♦ Size of fund: £1,513 million
- ♦ Benchmark: FTSE 100 Index
- ♦ Peer group: Morningstar UK Large-Cap Equity category

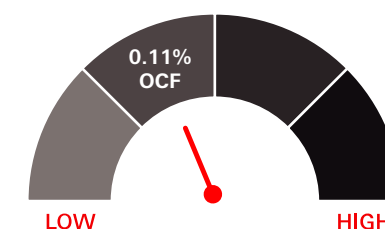
## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.11%
Transaction Costs	0.02%
<b>Total</b>	<b>0.13%</b>

## OCF Compared to Peer group<sup>1</sup>

Peer average: **0.16%**



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'UK Large-Cap Equity' category, filtered on Investment Association primary share classes and to include index tracker funds only (29 funds on 30 June 2023). OCF as shown in KIIDs as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# FTSE 100 Index Fund

– FCA criteria by share class

		Fund share classes:		
		C	Retail <sup>1</sup>	S
Ongoing Charges Figure (OCF) – accumulation share classes:		0.11%	0.29%	0.08%
Ongoing Charges Figure (OCF) – income share classes:		0.11%	0.29%	0.08%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.	●	●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.	●	●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.	●	●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.	●	●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C and S share classes within this fund was either in line with, or lower than, the OCFs of other similar funds available from other fund managers. The Retail share class was more expensive than the peer average and has been rated amber.	●	●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.	●	●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.	●	●	●
<b>Overall value conclusion</b>		●	●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# FTSE 250 Index Fund – Accumulation C



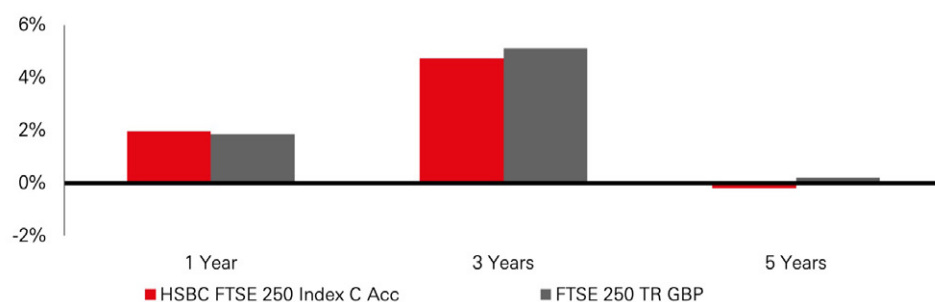
## Fund objective

The Fund aims to track the performance of the FTSE 250 Index before the deduction of charges and tax.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective. The fund has successfully tracked the performance of the FTSE 250 index, with a tracking error of 0.07%. It has outperformed its peers delivering annualised growth of -0.07% versus a peer group return (median) of -0.10%.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

**5 year annualised performance  
(% and of £1,000)**

**This fund**

-0.07%  
£996

**Peer group median<sup>1</sup>**

-0.10%  
£995

**Cash**

1.19%  
£1,061

## Key points – the fund

- ◆ Passively managed fund
- ◆ Size of fund: £1,333 million
- ◆ Benchmark: FTSE 250 Index
- ◆ Peer group: Morningstar UK Mid-Cap Equity category

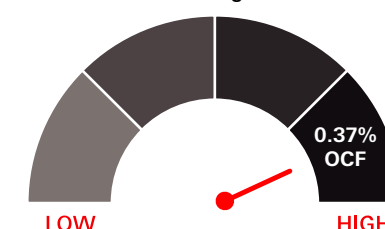
## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.37%
Transaction Costs	0.09%
<b>Total</b>	<b>0.46%</b>

## OCF Compared to Peer group<sup>1</sup>

Peer average: **0.16%**



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.

The OCF in the above diagram shows the fund as fourth quartile compared to peer group funds. However, we are aware that different funds calculate their costs in different ways. The OCF of this fund includes the costs of the underlying vehicles (other funds and investment trusts) held by this fund. When compared with other similar funds on a like-for-like basis, this fund is less expensive than the peer average. Therefore, we have rated this assessment as green for the C and S share classes.








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[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'UK Mid-Cap Equity' category, filtered on Investment Association primary share classes and to include index tracker funds only (3 funds on 30 June 2023). OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# FTSE 250 Index Fund

– FCA criteria by share class

Fund share classes:		C	Retail <sup>1</sup>	S
Ongoing Charges Figure (OCF) – accumulation share classes:		0.37%	0.52%	0.32%
Ongoing Charges Figure (OCF) – income share classes:		0.37%	0.52%	0.32%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.	●	●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.	●	●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.	●	●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.	●	●	●
	<b>Comparable market rates</b> The OCF of this fund includes the costs of the underlying vehicles (other funds) held by this fund. When compared with other similar funds on a like-for-like basis, the C and S share classes are less expensive than the other funds. The Retail share class was significantly more expensive than the peer average and has been rated red.	●	●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.	●	●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.	●	●	●
<b>Overall value conclusion</b>		●	●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# FTSE All-Share Index Fund – Accumulation C



## Fund objective

The Fund aims to track the performance of the FTSE All-Share Index before the deduction of charges and tax.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective. The fund has tracked the performance of the FTSE All Share Index. The tracking error of the fund is slightly above the anticipated tracking error at 0.11% due to market volatility but is broadly in line with expectations. It has outperformed its peers delivering annualised growth of 2.98% versus a peer group return (median) of 2.92%.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	2.98% £1,158	2.92% £1,155	1.19% £1,061

## Key points – the fund

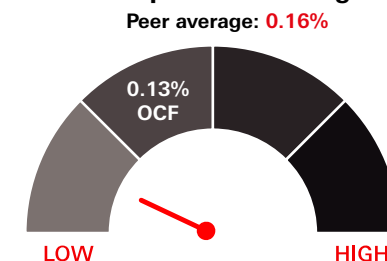
- ♦ Passively managed fund
- ♦ Size of fund: £2,123 million
- ♦ Benchmark: FTSE All-Share Index
- ♦ Peer group: Morningstar UK Large-Cap Equity category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.13%
Transaction Costs	0.01%
<b>Total</b>	<b>0.14%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'UK Large-Cap Equity' category, filtered on Investment Association primary share classes and to include index tracker funds only (29 funds on 30 June 2023). OCF as shown in KIIDs as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# FTSE All-Share Index Fund

– FCA criteria by share class

		Fund share classes:	C	Retail <sup>1</sup>
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.14%	0.24%
		Ongoing Charges Figure (OCF) – income share classes:	0.14%	0.24%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C share class within this fund was either in line with, or lower than, the OCFs of other similar funds available from other fund managers. The Retail share class was more expensive than the peer average and has been rated amber.		●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.



# FTSE All-World Index Fund – Accumulation C



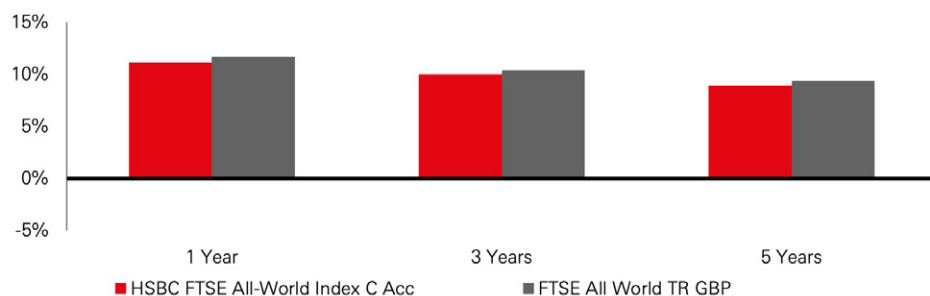
## Fund objective

The Fund aims to track the performance of the FTSE All-World Index before the deduction of charges and tax.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective. The fund has successfully tracked the performance of the FTSE All World index, with a tracking error of 0.17%. It has underperformed its peers delivering annualised growth of 8.91% versus a peer group return (median) of 9.48%.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

**5 year annualised performance (% and of £1,000)**

**This fund**

8.91%  
£1,532

**Peer group median<sup>1</sup>**

9.48%  
£1,573

**Cash**

1.19%  
£1,081

## Key points – the fund

- ◆ Passively managed fund
- ◆ Size of fund: £3,242 million
- ◆ Benchmark: FTSE All-World Index
- ◆ Peer group: Morningstar Global Large-Cap Blend Equity category

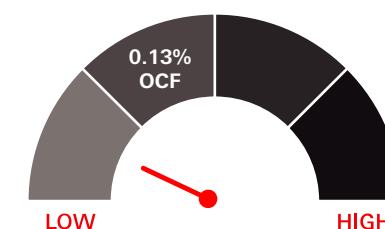
## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.13%
Transaction Costs	0.00%
<b>Total</b>	<b>0.13%</b>

## OCF Compared to Peer group<sup>1</sup>

Peer average: **0.14%**



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








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[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'Global Large-Cap Blend Equity' category, filtered on Investment Association primary share classes and to include index tracker funds only (24 funds on 30 June 2023). OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# FTSE All-World Index Fund

– FCA criteria by share class

		Fund share classes:	C	S
Ongoing Charges Figure (OCF) – accumulation share classes:			0.13%	0.12%
Ongoing Charges Figure (OCF) – income share classes:			0.13%	0.12%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●	●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

# Japan Index Fund – Accumulation C



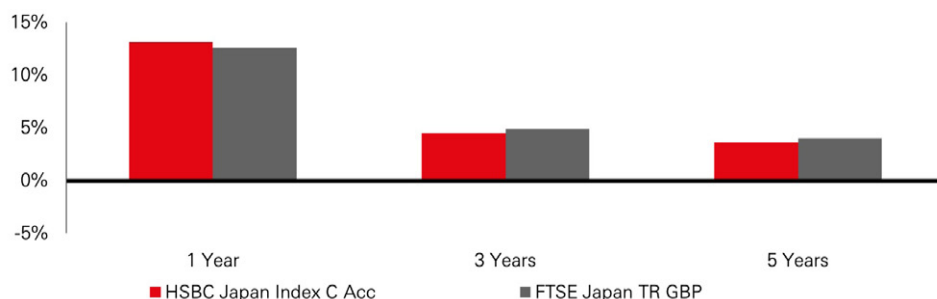
## Fund objective

The Fund aims to track the performance of the FTSE Japan Index before the deduction of charges and tax.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective. The fund has successfully tracked the performance of the FTSE Japan index, with a tracking error of 0.17%. It has performed in line with peers delivering annualised growth of 3.64% which was the same as the peer group return (median) of 3.64%.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

**5 year annualised performance (% and of £1,000)**

**This fund**

3.64%  
£1,196

**Peer group median<sup>1</sup>**

3.64%  
£1,196

**Cash**

1.19%  
£1,061

## Key points – the fund

- ◆ Passively managed fund
- ◆ Size of fund: £1,418 million
- ◆ Benchmark: FTSE Japan Index
- ◆ Peer group: Morningstar Japan Large-Cap Equity category

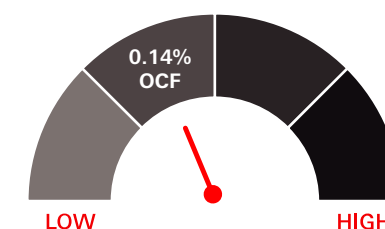
## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.14%
Transaction Costs	0.00%
<b>Total</b>	<b>0.14%</b>

## OCF Compared to Peer group<sup>1</sup>

Peer average: **0.15%**



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'Japan Large-Cap Equity' category, filtered on Investment Association primary share classes and to include index tracker funds only (12 funds on 30 June 2023). OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future..

# Japan Index Fund

– FCA criteria by share class

Fund share classes:		C	Retail <sup>1</sup>	S
Ongoing Charges Figure (OCF) – accumulation share classes:		0.14%	0.29%	0.08%
Ongoing Charges Figure (OCF) – income share classes:		0.14%	0.29%	0.08%
	<b>Quality of service</b> Our assessment concluded that because the significant pricing error which occurred on the fund due to the incorrect application of fair value pricing, we will rate this section as amber.	●	●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.	●	●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.	●	●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.	●	●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.	●	●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.	●	●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.	●	●	●
<b>Overall value conclusion</b>		●	●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# Pacific Index Fund – Accumulation C



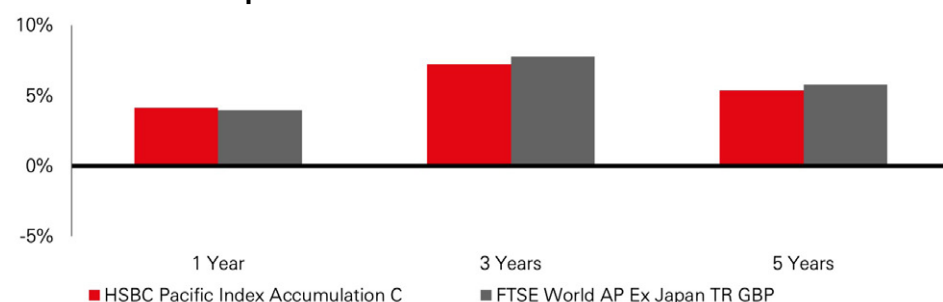
## Fund objective

The Fund aims to track the performance of the FTSE World Asia Pacific excluding Japan Index before the deduction of charges and tax.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective. The fund has successfully tracked the performance of the FTSE World Asia Pacific Ex Japan index, with a tracking error of 0.18%. It has performed in line with peers delivering annualised growth of 5.39% which was the same as the peer group return (median) of 5.39%.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

**5 year annualised performance  
(% and of £1,000)**

**This fund**

5.39%  
£1,300

**Peer group median<sup>1</sup>**

5.39%  
£1,300

**Cash**

1.19%  
£1,061

## Key points – the fund

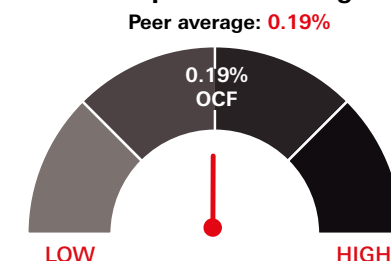
- ◆ Passively managed fund
- ◆ Size of fund: £694 million
- ◆ Benchmark: FTSE World Asia Pacific excluding Japan Index
- ◆ Peer group: Morningstar Asia-Pacific ex-Japan Equity category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.19%
Transaction Costs	0.00%
<b>Total</b>	<b>0.19%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'Asia-Pacific ex-Japan Equity' category, filtered on Investment Association primary share classes and to include index tracker funds only (8 funds on 30 June 2023). OCF as shown in KIID as at 03/03/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# Pacific Index Fund

– FCA criteria by share class

Fund share classes:		C	Retail <sup>1</sup>	S
Ongoing Charges Figure (OCF) – accumulation share classes:		0.19%	0.35%	0.14%
Ongoing Charges Figure (OCF) – income share classes:		0.19%	0.35%	0.14%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.	●	●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy.	●	●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.	●	●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.	●	●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C and S share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers. The Retail share class was significantly more expensive than the peer average and has been rated red.	●	●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.	●	●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.	●	●	●
<b>Overall value conclusion</b>		●	●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# Sterling Corporate Bond Index Fund – Accumulation C



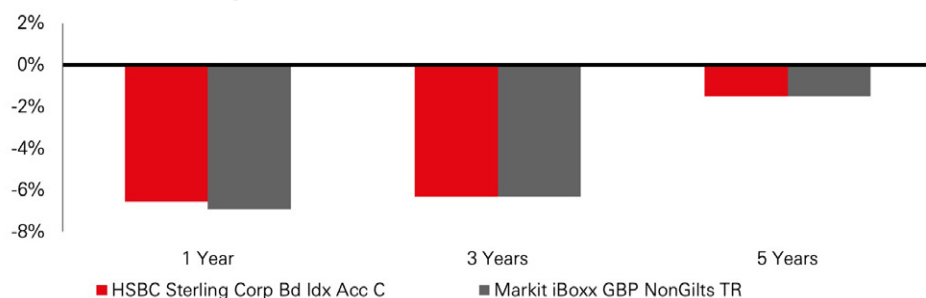
## Fund objective

The Fund aims to track the performance of the Markit iBoxx GBP Non-Gilts Index before the deduction of charges and tax.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective. The fund has tracked the performance of the Markit iBoxx GBP Non Gilts index. The tracking error of the fund is slightly above the anticipated tracking error at 0.43% due to market volatility but is broadly in line with expectations. It has performed in line with peers delivering annualised growth of -1.51% which was the same as the peer group return (median) of -1.51%.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	-1.51% £927	-1.51% £927	1.19% £1,061

## Key points – the fund

- ♦ Passively managed fund
- ♦ Size of fund: £150 million
- ♦ Benchmark: Markit iBoxx GBP Non-Gilts Index
- ♦ Peer group: Morningstar GBP Corporate Bond category

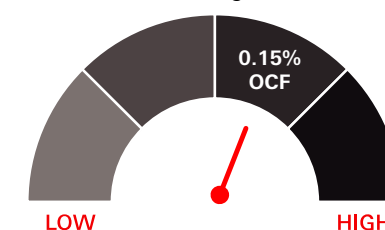
## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.15%
Transaction Costs	0.00%
<b>Total</b>	<b>0.15%</b>

## OCF Compared to Peer group<sup>1</sup>

Peer average: **0.13%**



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved in six out of the seven criteria. The fund has marginally exceeded its anticipated tracking error over the 5-year period due to a highly volatile period in 2022 where the September mini budget caused pricing fluctuations in gilts and corporate bonds. As a result, the tracking error saw a temporary jump which came back in line with expectations. Apart from that period, it has met its objectives and has performed in line with peers, so the fund will continue to be managed within its current framework.

The C share class has an OCF of 0.15%, which is more expensive than the comparable peer OCF. However, this is a relatively small fund so we anticipate that the OCF will decrease over time as the size of the fund increases.

[Click here to see the full Fund Factsheet](#)








[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'GBP Corporate Bond' category, filtered on Investment Association primary share classes and to include index tracker funds only (10 funds on 30 June 2023. OCF as shown in KIIDs as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.



# Sterling Corporate Bond Index Fund

– FCA criteria by share class

		Fund share classes:	C	S
Ongoing Charges Figure (OCF) – accumulation share classes:			0.15%	0.09%
Ongoing Charges Figure (OCF) – income share classes:			0.15%	0.09%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> The fund has marginally exceeded its tracking error threshold over the 5-year period. In 2022, the United Kingdom faced political crisis from the September mini-budget. During that period the market in the UK, including gilts and corporate bonds, was highly volatile. These price fluctuations added to the Covid crisis leading to high market volatility and higher tracking error. The index has also decreased over the 5-year period on the back of an increasing interest rates environment and ongoing recession related risks in the UK.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C share class within this fund was more expensive than the peer average and has been rated as amber. The S share class has been rated as green as the OCF is lower than the average primary share class OCF of other similar funds.		●	●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

# UK Gilt Index Fund – Accumulation C



## Fund objective

The Fund aims to track the performance of the FTSE Actuaries UK Conventional Gilts All Stocks Index before the deduction of charges and tax.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective. The fund has successfully tracked the performance of the FTSE Actuaries UK Conventional Gilts All Stocks index, with a tracking error of 0.11%. It has outperformed its peers delivering annualised growth of -4.42% versus a peer group return (median) of -4.50%.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

**5 year annualised performance (% and of £1,000)**

**This fund**

-4.42%  
£798

**Peer group median<sup>1</sup>**

-4.50%  
£794

**Cash**

1.19%  
£1,061

## Key points – the fund

- ◆ Passively managed fund
- ◆ Size of fund: £269 million
- ◆ Benchmark: FTSE Actuaries UK Conventional Gilts All Stocks Index
- ◆ Peer group: Morningstar GBP Govt Bond category

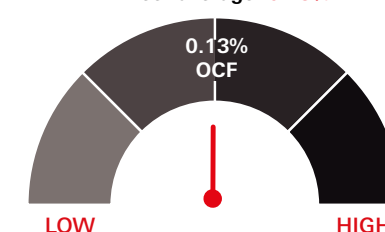
## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.13%
Transaction Costs	0.00%
<b>Total</b>	<b>0.13%</b>

## OCF Compared to Peer group<sup>1</sup>

Peer average: **0.13%**



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'GBP Govt Bond' category, filtered on Investment Association primary share classes and to include index tracker funds only (9 funds on 30 June 2023). OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# UK Gilt Index Fund

– FCA criteria by share class

Fund share classes:		C	Retail <sup>1</sup>	S
Ongoing Charges Figure (OCF) – accumulation share classes:		0.13%	0.28%	0.07%
Ongoing Charges Figure (OCF) – income share classes:		0.13%	N/A	0.07%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.	●	●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy.	●	●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.	●	●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.	●	●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C and S share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers. The Retail share class was significantly more expensive than the peer average and has been rated red.	●	●	●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.	●	●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.	●	●	●
<b>Overall value conclusion</b>		●	●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# USA Sustainable Equity Index Fund – Accumulation C



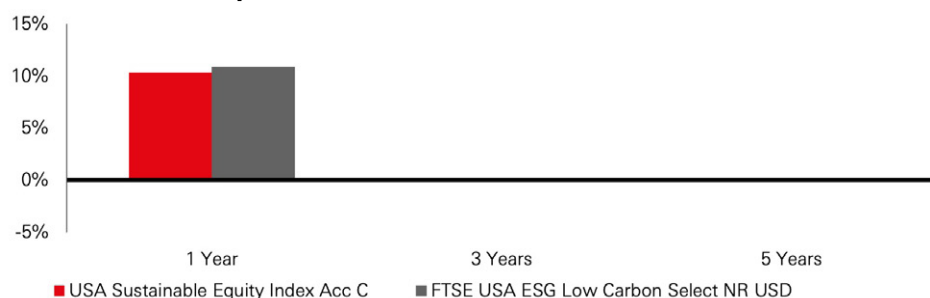
## Fund objective

The Fund aims to track the performance of the FTSE USA ESG Low Carbon Select Index before the deduction of charges.

## Performance commentary

Over the one-year period to 30 June 2023, the fund has met its objective. The fund has successfully tracked the performance of the FTSE USA ESG Low Carbon Select, with a tracking error of 0.10%. It has underperformed its peers delivering annualised growth of 10.34% versus a peer group return (median) of 13.44%. At the end of the reporting period, the fund exhibited a 50% relative reduction in carbon intensity score versus the FTSE USA Index (the parent index). The fund also had a higher ESG score of 7.1 versus the FTSE USA Index score of 6.6.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
<b>1 year annualised performance (% and of £1,000)</b>	10.34% £1,103	13.44% £1,134	3.82% £1,038

## Key points – the fund

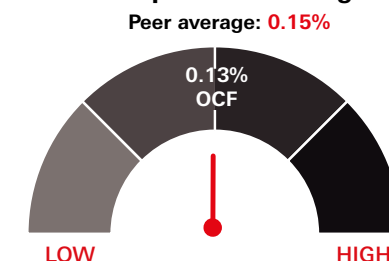
- ♦ Passively managed fund
- ♦ Size of fund: £30 million
- ♦ Benchmark: FTSE USA ESG Low Carbon Select Index
- ♦ Peer group: Morningstar US Large-Cap Blend Equity category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.15%
Transaction Costs	0.00%
<b>Total</b>	<b>0.15%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has Met its aim of delivering value to investors. Value has been achieved across all seven criteria.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'US Large-Cap Blend Equity' category, filtered on Investment Association primary share classes and to include index tracker funds only (14 funds on 30 June 2023 – includes sustainable and non-sustainable funds). OCF as shown in KIID as at 16/02/2023 compared to peer group funds filtered to include 'sustainable investment overall' funds only (2 funds). Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# USA Sustainable Equity Index Fund

– FCA criteria by share class

		Fund share classes:	C	S
Ongoing Charges Figure (OCF) – accumulation share classes:			0.15%	0.12%
Ongoing Charges Figure (OCF) – income share classes:			0.15%	0.12%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> This fund launched in March 2022, therefore performance information is only available for a short period of time. As a result, we do not believe it is appropriate to assess the performance of the fund over this short period.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar sustainable funds available from other fund managers.		●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

# Multi-asset funds

Multi-asset investing is a form of active fund management where the fund manager selects a blend of investments in a globally diversified portfolio designed to achieve specific risk and return objectives. Our multi-asset strategies invest in shares in companies (also known as equities), bonds, property, other alternative asset classes and cash, mainly through investing in other funds that in turn invest in these assets.



# Multi-asset funds overview

Multi-asset strategies are targeted to meet a range of investment objectives which reflect our diverse client base. Our portfolios aim to generate smoother return streams by diversifying across markets, asset classes, geographies and investment styles, and by managing strict risk budgets.

Our strategies benefit from our teams' years of experience in advising clients on investment guidelines, benchmarks and risk tolerance criteria, together with an extensive knowledge of local regulation and industry trends.

The following table summarises the outcome of our Assessment of Value for the Investment Association (IA) primary share class<sup>1</sup> of each of our UK domiciled multi-asset funds for the year ending 30 June 2023. We have used the traffic-light system we explained on [page six](#) to come up with the ratings and overall value conclusion for each of our funds and share classes. The fund two-page summaries explain why we have given these ratings and contain information on the other share classes.

Assessment criteria for each of our funds								Overall value conclusion
HSBC funds (Investment Association primary share class)	Quality of service	Performance	Costs					
			AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of shares	
Balanced Fund	●	●	●	●	●	●	●	●
Global Strategy Adventurous Portfolio	●	●	●	●	●	●	●	●
Global Strategy Balanced Portfolio	●	●	●	●	●	●	●	●
Global Strategy Cautious Portfolio	●	●	●	●	●	●	●	●
Global Strategy Conservative Portfolio	●	●	●	●	●	●	●	●
Global Strategy Dynamic Portfolio	●	●	●	●	●	●	●	●
Global Strategy Sustainable Adventurous Portfolio	●	●	●	●	●	●	●	●
Global Strategy Sustainable Balanced Portfolio	●	●	●	●	●	●	●	●
Global Strategy Sustainable Cautious Portfolio	●	●	●	●	●	●	●	●
Global Strategy Sustainable Conservative Portfolio	●	●	●	●	●	●	●	●
Global Strategy Sustainable Dynamic Portfolio	●	●	●	●	●	●	●	●
Global Sustainable Multi-Asset Adventurous Portfolio	●	●	●	●	●	●	●	●
Global Sustainable Multi-Asset Balanced Portfolio	●	●	●	●	●	●	●	●
Global Sustainable Multi-Asset Cautious Portfolio	●	●	●	●	●	●	●	●
Global Sustainable Multi-Asset Conservative Portfolio	●	●	●	●	●	●	●	●
Global Sustainable Multi-Asset Dynamic Portfolio	●	●	●	●	●	●	●	●
Monthly Income Fund	●	●	●	●	●	●	●	●

<sup>1</sup>The Investment Association (IA) primary share class is the highest charging unbundled (free of any rebates or intermediary commission) share class freely available through third-party distributors in the retail market. We have used this share class because it allows common comparisons between funds offered by HSBC AM UK and other providers.



# Multi-asset funds overview (continued)

Assessment criteria for each of our funds								Overall value conclusion
HSBC funds (Investment Association primary share class)	Quality of service	Performance	Costs					
			AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of shares	
World Selection – Adventurous Portfolio	●	●	●	●	●	●	●	●
World Selection – Balanced Portfolio	●	●	●	●	●	●	●	●
World Selection – Cautious Portfolio	●	●	●	●	●	●	●	●
World Selection – Conservative Portfolio	●	●	●	●	●	●	●	●
World Selection – Dividend Distribution Portfolio	●	●	●	●	●	●	●	●
World Selection – Dynamic Portfolio	●	●	●	●	●	●	●	●
World Selection – Interest Income Portfolio	●	●	●	●	●	●	●	●

# Balanced Fund – Accumulation C



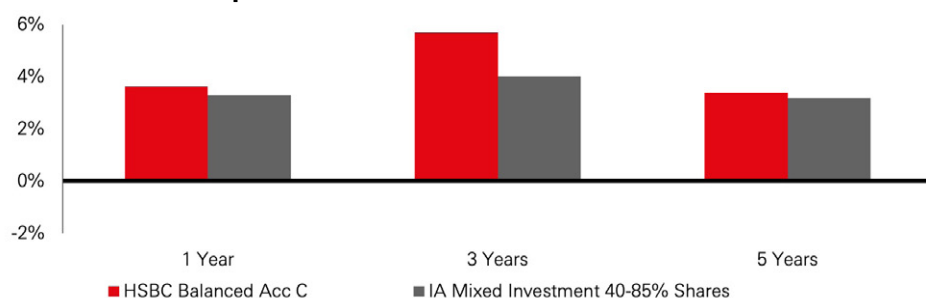
## Fund objective

The Fund aims to provide growth in the long term, which is a period of five years or more, together with income.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term growth together with income. The fund has outperformed the average competitor fund (median) by 0.36% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis. It outperformed its benchmark below, which returned 3.17% annualised over the same period.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	3.38% £1,181	3.00% £1,159	1.19% £1,061

## Key points – the fund

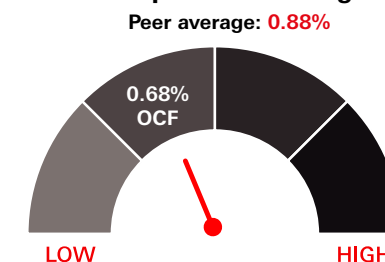
- ◆ Actively managed fund
- ◆ Size of fund: £323 million
- ◆ Benchmark: Investment Association Mixed Investment 40-85% Shares Sector
- ◆ Peer group: Morningstar EAA OE GBP Allocation 60-80% Equity category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.68%
Transaction Costs	0.08%
<b>Total</b>	<b>0.76%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.

[Click here to see the full Fund Factsheet](#)








◀ **LIST OF FUNDS**

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 60-80% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (201 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 13/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

The Investment Association (IA) Mixed Investment 40-85% Shares sector has been selected to compare performance against because it consists of funds with similar characteristics to the Balanced Fund.

# Balanced Fund

– FCA criteria by share class

		Fund share classes:	C	Retail <sup>1</sup>
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.68%	1.65%
		Ongoing Charges Figure (OCF) – income share classes:	0.68%	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> The fund has delivered on its objective of providing long-term growth and income but is marginally behind its benchmark and peer group over the last five years. Performance has been relatively strong in the challenging market environment over the past year, which has significantly reduced the gap against peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C share class within this fund was either in line with, or lower than, the OCFs of other similar funds available from other fund managers. The Retail share class was significantly more expensive than the peer average and has been rated red.		●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

◀ [LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# Global Strategy Adventurous Portfolio – Accumulation C



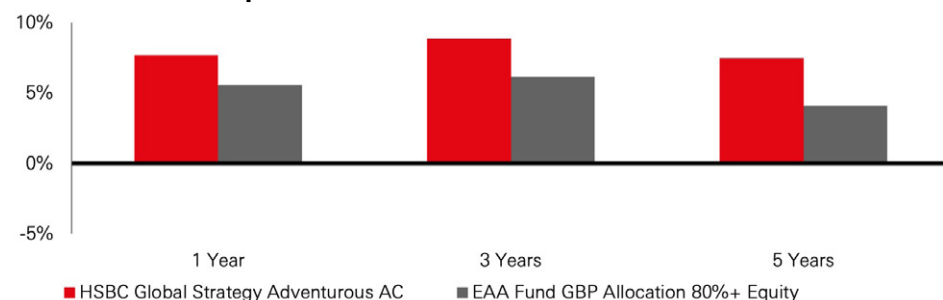
## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 5 where 1 is a lower level of risk and 5 is a higher level of risk.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term growth. The fund has outperformed the average competitor fund (median) by 3.27% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	7.49% £1,435	4.09% £1,222	1.19% £1,061

## Key points – the fund

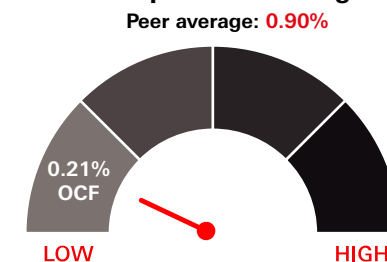
- ◆ Actively managed fund
- ◆ Size of fund: £416 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 80%+ Equity category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.21%
Transaction Costs	0.02%
<b>Total</b>	<b>0.23%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 80%+ Equity' category, filtered on Investment Association primary share classes and fund size >£25m (125 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds). OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# Global Strategy Adventurous Portfolio

– FCA criteria by share class

		Fund share classes:	C
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.21%
		Ongoing Charges Figure (OCF) – income share classes:	0.21%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●
<b>Overall value conclusion</b>			●

# Global Strategy Balanced Portfolio – Accumulation C



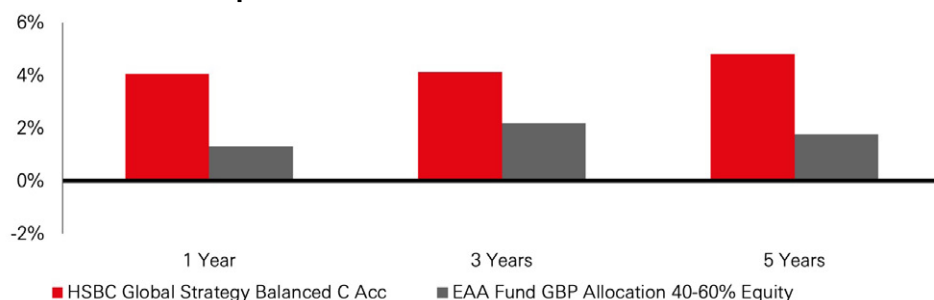
## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 3 where 1 is a lower level of risk and 5 is a higher level of risk.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term growth. The fund has outperformed the average competitor fund (median) by 2.99% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	4.81% £1,265	1.77% £1,092	1.19% £1,061

## Key points – the fund

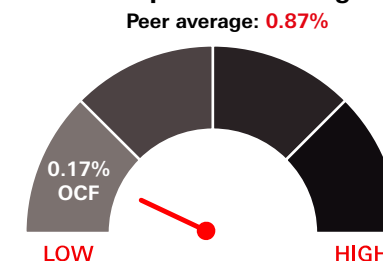
- ◆ Actively managed fund
- ◆ Size of fund: £3,520 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 40-60% Equity category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.17%
Transaction Costs	0.00%
<b>Total</b>	<b>0.17%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








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<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 40-60% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (194 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# Global Strategy Balanced Portfolio

– FCA criteria by share class

		Fund share classes:	C	CTF	Retail X <sup>1</sup>
Ongoing Charges Figure (OCF) – accumulation share classes:			0.17%	0.42%	0.47%
Ongoing Charges Figure (OCF) – income share classes:			0.17%	N/A	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●	●	●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●	●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●	●
<b>Overall value conclusion</b>			●	●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail X share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.



# Global Strategy Cautious Portfolio – Accumulation C



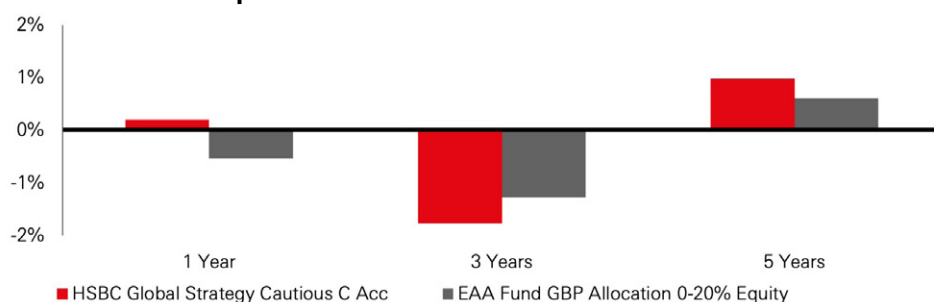
## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 1 where 1 is a lower level of risk and 5 is a higher level of risk.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term growth. The fund has outperformed the average competitor fund (median) by 0.37% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	0.97% £1,050	0.60% £1,030	1.19% £1,061

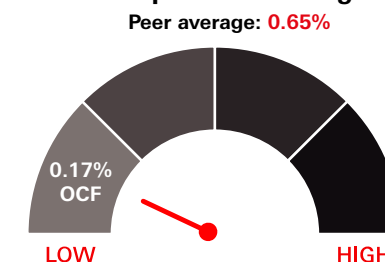
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £359 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 0-20% Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.17%
Transaction Costs	0.00%
<b>Total</b>	<b>0.17%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








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[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 0-20% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (13 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# Global Strategy Cautious Portfolio

– FCA criteria by share class

		Fund share classes:	C	Retail X <sup>1</sup>
Ongoing Charges Figure (OCF) – accumulation share classes:			0.17%	0.47%
Ongoing Charges Figure (OCF) – income share classes:			0.17%	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●	●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail X share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# Global Strategy Conservative Portfolio – Accumulation C



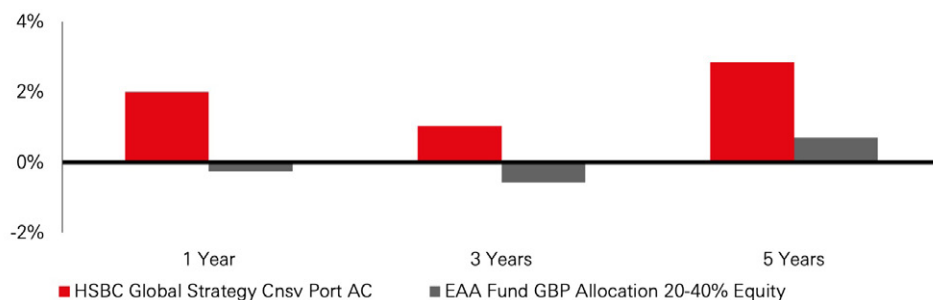
## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 2 where 1 is a lower level of risk and 5 is a higher level of risk.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term growth. The fund has outperformed the average competitor fund (median) by 2.12% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	2.84% £1,150	0.70% £1,038	1.19% £1,061

## Key points – the fund

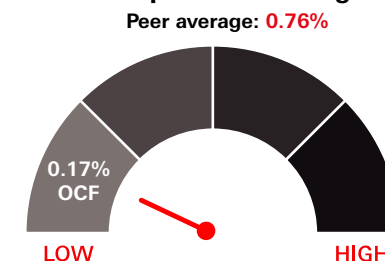
- ◆ Actively managed fund
- ◆ Size of fund: £615 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 20-40% Equity category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.17%
Transaction Costs	0.00%
<b>Total</b>	<b>0.17%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 20-40% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (100 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# Global Strategy Conservative Portfolio

– FCA criteria by share class

		Fund share classes:	C
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.17%
		Ongoing Charges Figure (OCF) – income share classes:	0.17%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●
<b>Overall value conclusion</b>			●

# Global Strategy Dynamic Portfolio – Accumulation C



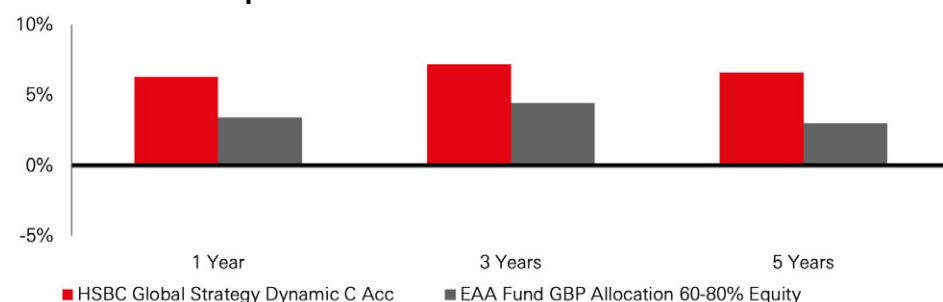
## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 4 where 1 is a lower level of risk and 5 is a higher level of risk.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term growth. The fund has outperformed the average competitor fund (median) by 3.50% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	6.61% £1,377	3.00% £1,159	1.19% £1,061

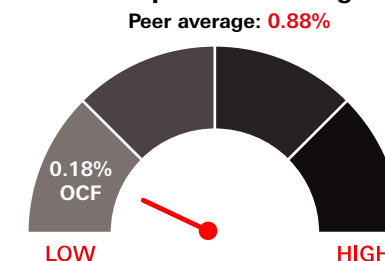
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £1,505 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 60-80% Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.18%
Transaction Costs	0.00%
<b>Total</b>	<b>0.18%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 60-80% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (201 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# Global Strategy Dynamic Portfolio

– FCA criteria by share class

		Fund share classes:	C	Retail X <sup>1</sup>
Ongoing Charges Figure (OCF) – accumulation share classes:			0.18%	0.48%
Ongoing Charges Figure (OCF) – income share classes:			0.18%	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●	●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail X share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# Monthly Income Fund – Accumulation C



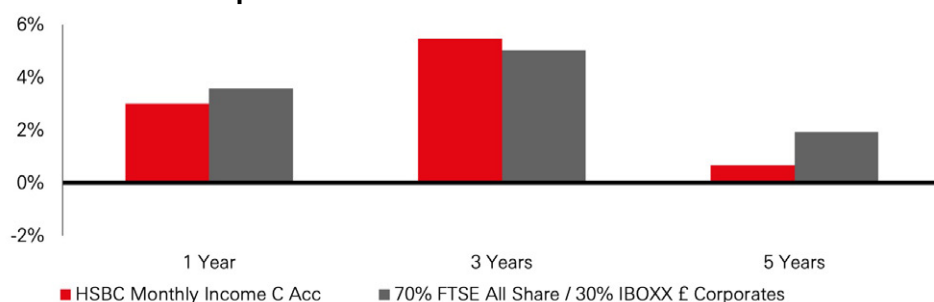
## Fund objective

The Fund aims to provide a monthly income together with growth in the long term, which is a period of five years or more.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term growth and income. The fund has underperformed the average competitor fund (median) by -2.25% per annum. It did not achieve a better Sharpe ratio than the average competitor fund, meaning that it underperformed on a risk adjusted basis. It did not outperform its benchmark below, which returned 1.94% annualised over the same period.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

**5 year annualised performance (% and of £1,000)**

**This fund**

0.68%  
£1,035

**Peer group median<sup>1</sup>**

3.00%  
£1,159

**Cash**

1.19%  
£1,061

## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £80 million
- ◆ Benchmark: 70% FTSE All Share Index / 30% Markit iBoxx GBP Corporates Index
- ◆ Peer group: Morningstar EAA OE GBP Allocation 60-80% Equity category

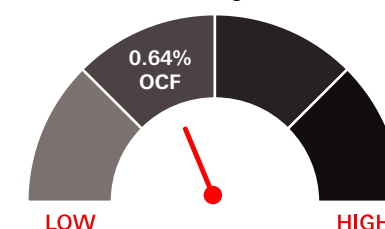
## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.64%
Transaction Costs	0.00%
<b>Total</b>	<b>0.64%</b>

## OCF Compared to Peer group<sup>1</sup>

Peer average: **0.88%**



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved in six out of the seven criteria. The fund has delivered on its objective of providing monthly income but has underperformed the benchmark and peers over the five year period. Several process enhancements were made three years ago and since then the fund has outperformed, as both the UK and undervalued companies have delivered attractive returns over this timeframe.

## Action required

Changes were implemented at the end of 2020 in respect of the equity portion of the fund, including diversifying the types of companies the fund invests in (e.g. increased exposure to technology and healthcare). We continue to consider potential enhancements to the fund going forward.

[Click here to see the full Fund Factsheet](#)








[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 60-80% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (201 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 13/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.



# Monthly Income Fund

– FCA criteria by share class

		Fund share classes:	C	Retail <sup>1</sup>
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.64%	N/A
		Ongoing Charges Figure (OCF) – income share classes:	0.64%	1.34%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> The fund has delivered on its objective of providing monthly income, but has underperformed peers over the five-year period. This underperformance has been driven by the fund's focus on the UK which has underperformed other markets over the past five years. The fund's preference for companies that appeared attractive in terms of their valuation also detracted. Following the changes three years ago, the fund has been outperforming peers, as both the UK and undervalued companies have delivered attractive returns.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C share class within this fund was either in line with, or lower than, the OCFs of other similar funds available from other fund managers. The Retail share class was more expensive than the peer average and has been rated amber.		●	●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

◀ [LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# World Selection Adventurous Portfolio

– Accumulation C



## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 5 where 1 is a lower level of risk and 5 is a higher level of risk.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term growth. The fund has outperformed the average competitor fund (median) by 2.05% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	6.23% £1,353	4.09% £1,222	1.19% £1,061

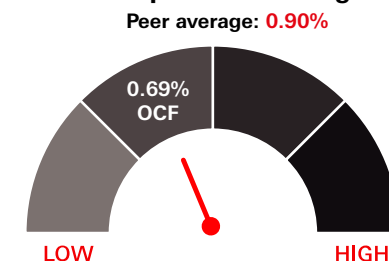
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £172 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 80%+ Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.69%
Transaction Costs	0.05%
<b>Total</b>	<b>0.74%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








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[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 80%+ Equity' category, filtered on Investment Association primary share classes and fund size >£25m (125 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# World Selection Adventurous Portfolio

– FCA criteria by share class

		Fund share classes:	C	P
Ongoing Charges Figure (OCF) – accumulation share classes:			0.69%	0.39%
Ongoing Charges Figure (OCF) – income share classes:			0.69%	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

# World Selection – Balanced Portfolio – Accumulation C



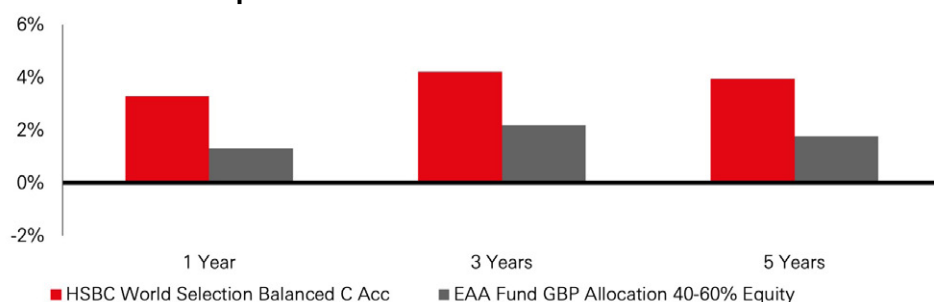
## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 3 where 1 is a lower level of risk and 5 is a higher level of risk.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term growth. The fund has outperformed the average competitor fund (median) by 2.15% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
<b>5 year annualised performance (% and of £1,000)</b>	3.96% £1,214	1.77% £1,092	1.19% £1,061

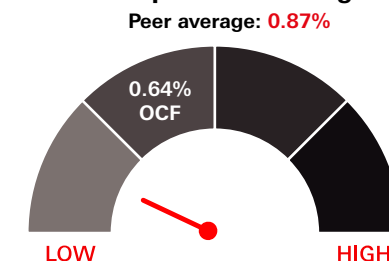
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £4,241 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 40-60% Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.64%
Transaction Costs	0.07%
<b>Total</b>	<b>0.71%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has Met its aim of delivering value to investors. Value has been achieved across all seven criteria.








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[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 40-60% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (194 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# World Selection – Balanced Portfolio

– FCA criteria by share class

Fund share classes:		C	P	Retail <sup>1</sup>
Ongoing Charges Figure (OCF) – accumulation share classes:		0.64%	0.38%	1.38%
Ongoing Charges Figure (OCF) – income share classes:		0.64%	0.38%	1.38%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.	●	●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.	●	●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.	●	●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.	●	●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C and P share classes within this fund was either in line with, or lower than, the OCFs of other similar funds available from other fund managers. The Retail share class was more expensive than the peer average and has been rated amber.	●	●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.	●	●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.	●	●	●
<b>Overall value conclusion</b>		●	●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# World Selection – Cautious Portfolio – Accumulation C



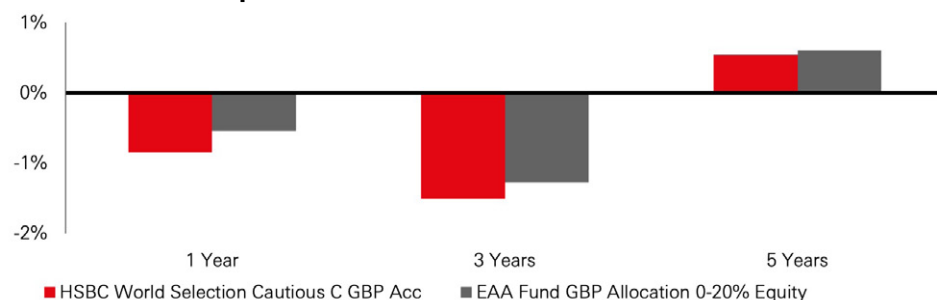
## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 1 where 1 is a lower level of risk and 5 is a higher level of risk.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term growth. The fund has underperformed the average competitor fund (median) by -0.07% per annum. It did not achieve a better Sharpe ratio than the average competitor fund, meaning that it underperformed on a risk adjusted basis.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	0.54% £1,027	0.60% £1,030	1.19% £1,061

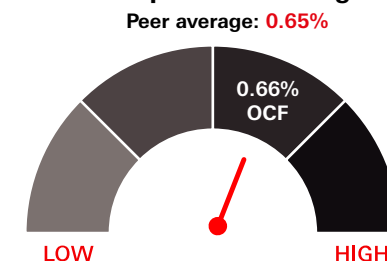
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £549 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 0-20% Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.66%
Transaction Costs	0.08%
<b>Total</b>	<b>0.74%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved in five out of the seven criteria. The fund has delivered on its objective of providing growth over a five year period, however, it has delivered a lower level of return than the average in its peer group. This underperformance is driven by the fund's lower risk setting than the peer group, and notably the fund has also delivered a lower level of volatility than peers.

## Action required

Given that the peer group contains funds with a wide range of risk settings, and that the fund is operating within its stated risk appetite, there is no action to be taken at this stage.








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[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 0-20% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (13 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# World Selection – Cautious Portfolio

– FCA criteria by share class

		Fund share classes:		C	P
		Ongoing Charges Figure (OCF) – accumulation share classes:		0.66%	0.36%
		Ongoing Charges Figure (OCF) – income share classes:		0.66%	0.36%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.			●	●
	<b>Performance</b> The fund has delivered on its objective of providing growth over a five year period, however it has delivered a lower level of return than the average in its peer group. This underperformance is primarily concentrated in 2022, where the fund held on average longer maturity bonds than peers.			●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.			●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.			●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C share class within this fund was more expensive than the peer average and has been rated as amber. The P share classes have been rated as green as the OCF is lower than the average primary share class OCF of other similar funds.			●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.			●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.			●	●
<b>Overall value conclusion</b>				●	●

# World Selection – Conservative Portfolio – Accumulation C



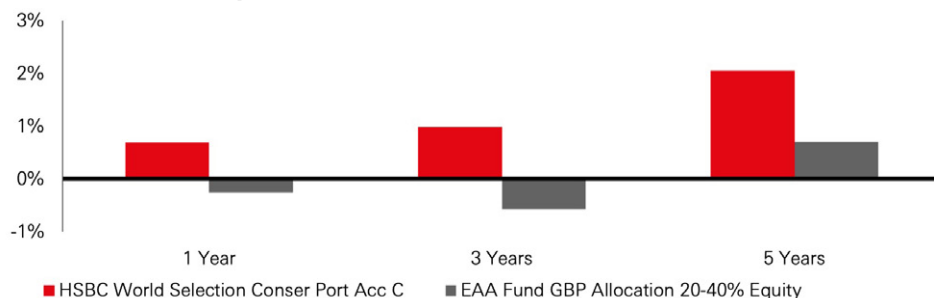
## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 2 where 1 is a lower level of risk and 5 is a higher level of risk.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term growth. The fund has outperformed the average competitor fund (median) by 1.34% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	2.05% £1,107	0.70% £1,036	1.19% £1,061

## Key points – the fund

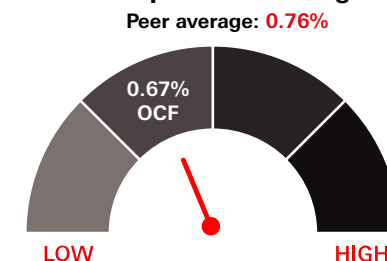
- ◆ Actively managed fund
- ◆ Size of fund: £1,201 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 20-40% Equity category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.67%
Transaction Costs	0.07%
<b>Total</b>	<b>0.74%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has Met its aim of delivering value to investors. Value has been achieved across all seven criteria.

[Click here to see the full Fund Factsheet](#)








[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 20-40% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (100 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.



# World Selection – Conservative Portfolio

– FCA criteria by share class

		Fund share classes:	C	P
Ongoing Charges Figure (OCF) – accumulation share classes:			0.67%	0.38%
Ongoing Charges Figure (OCF) – income share classes:			0.67%	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

# World Selection – Dividend Distribution Portfolio – Accumulation C



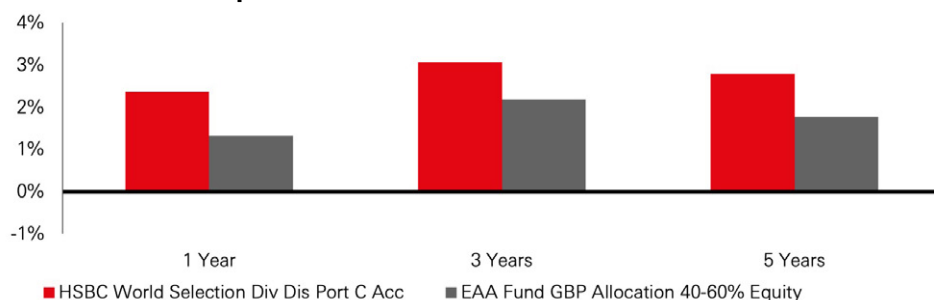
## Fund objective

The Fund aims to provide a high level of income in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 3 where 1 is a lower level of risk and 5 is a higher level of risk.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide a high level of income. The fund has outperformed the average competitor fund (median) by 1.00% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	2.79% £1,147	1.77% £1,092	1.19% £1,061

## Key points – the fund

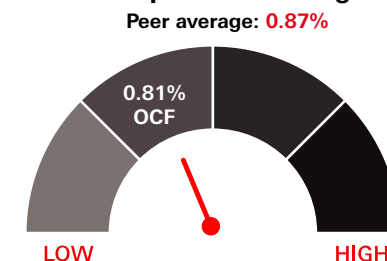
- ◆ Actively managed fund
- ◆ Size of fund: £350 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 40-60% Equity category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.81%
Transaction Costs	0.19%
<b>Total</b>	<b>1.00%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has Met its aim of delivering value to investors. Value has been achieved across all seven criteria.








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[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 40-60% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (194 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# World Selection – Dividend Distribution Portfolio

– FCA criteria by share class

		Fund share classes:	C	Retail <sup>1</sup>
Ongoing Charges Figure (OCF) – accumulation share classes:			0.81%	1.51%
Ongoing Charges Figure (OCF) – income share classes:			0.81%	1.51%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C share class within this fund was either in line with, or lower than, the OCFs of other similar funds available from other fund managers. The Retail share class was more expensive than the peer average and has been rated amber.		●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# World Selection – Dynamic Portfolio – Accumulation C



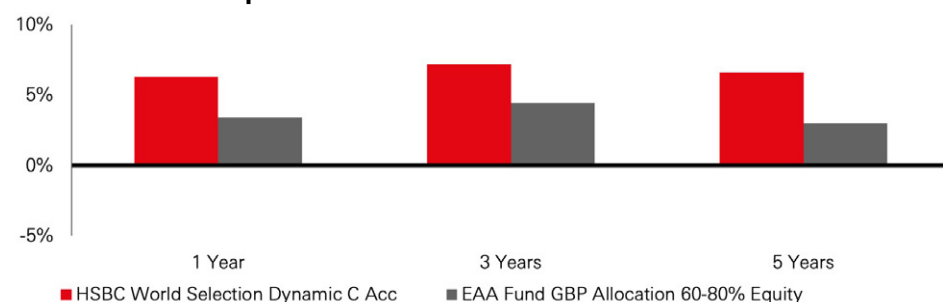
## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 4 where 1 is a lower level of risk and 5 is a higher level of risk.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term growth. The fund has outperformed the average competitor fund (median) by 2.52% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	5.60% £1,313	3.00% £1,159	1.19% £1,061

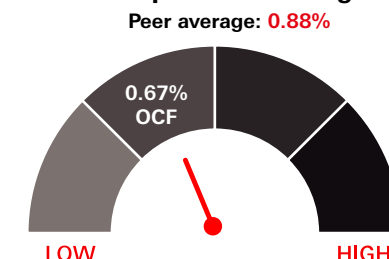
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £1,566 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 60-80% Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.67%
Transaction Costs	0.07%
<b>Total</b>	<b>0.74%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has Met its aim of delivering value to investors. Value has been achieved across all seven criteria.








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<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 60-80% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (201 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# World Selection – Dynamic Portfolio

– FCA criteria by share class

		Fund share classes:	C	P
Ongoing Charges Figure (OCF) – accumulation share classes:			0.67%	0.38%
Ongoing Charges Figure (OCF) – income share classes:			0.67%	0.38%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

# World Selection – Interest Income Portfolio – Accumulation C



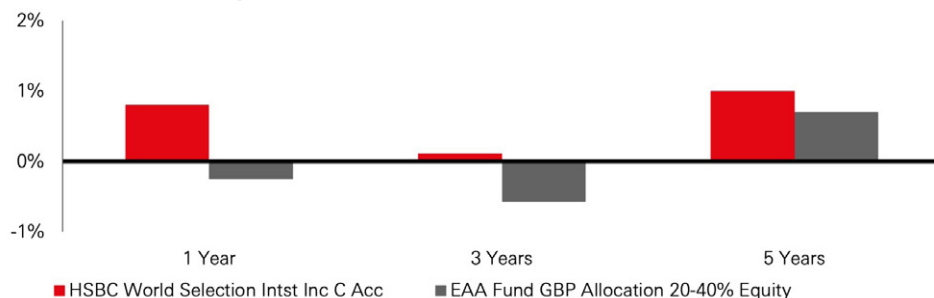
## Fund objective

The Fund aims to provide income in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 2 where 1 is a lower level of risk and 5 is a higher level of risk.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term income. The fund has outperformed the average competitor fund (median) by 0.30% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	1.00% £1,051	0.70% £1,036	1.19% £1,061

## Key points – the fund

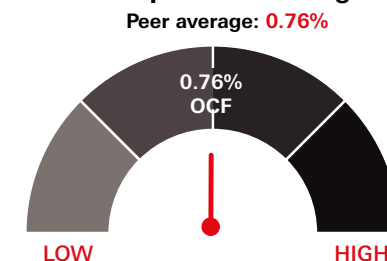
- ◆ Actively managed fund
- ◆ Size of fund: £468 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 20-40% Equity category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.76%
Transaction Costs	0.11%
<b>Total</b>	<b>0.87%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 20-40% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (100 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# World Selection – Interest Income Portfolio

– FCA criteria by share class

		Fund share classes:	C	P
Ongoing Charges Figure (OCF) – accumulation share classes:			0.76%	0.46%
Ongoing Charges Figure (OCF) – income share classes:			0.76%	0.46%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

# Multi-asset sustainable portfolios

## ESG considerations in our sustainable multi-asset portfolios

Within our sustainable multi-asset portfolios, we have specific ESG considerations embedded into our investment process, including:

- ◆ Comparing the ESG and carbon intensity scores of the portfolios to the scores of a reference comparator. This enables investors to validate the sustainability of their portfolios.
- ◆ A multi-stage portfolio construction framework, which incorporates ESG considerations throughout the investment process and thematic asset classes and strategies (e.g. low carbon), where relevant.
- ◆ ESG considerations and integration approaches, tailored within different asset classes, to better match individual asset characteristics and avoid skewing overall allocations and compromise diversification benefits.
- ◆ Actively managing portfolios by adjusting asset allocation with ESG-tilted expected risk and return, and also tilting our overall regional equity allocation with proprietary ESG signals, where possible.
- ◆ Portfolio holdings are tilted towards companies with higher sustainability qualities or exposure to sustainable themes and will provide a better portfolio ESG score and lower carbon footprint than the market.
- ◆ Selected investment funds will be invested according to the sustainable investment strategies defined by HSBC Asset Management or by using investment methods recognised by the Global Sustainable Investment Alliance (GSIA)<sup>1</sup> to provide integrity and diversification of strategies. Some portfolios may have limited exposure to non-sustainable investments where sustainable investment options are not available, providing these investments apply minimum responsible investment criteria such as banned weapons exclusion, ESG integration, and stewardship, where relevant.



<sup>1</sup>Global Sustainable Investment Alliance (GSIA) standards include ESG integration, sustainability themed investing, corporate engagement and shareholder voting, positive/best-in-class screening and negative screening.



# Global Strategy Sustainable Adventurous Portfolio – Accumulation C



## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund is rated as 5, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund aims to invest in assets that form part of a sustainable investment strategy but may also invest in assets that do not form part of a sustainable investment strategy in order to meet the Fund's aim of providing growth in line with its risk profile.

## Performance commentary

Over the one-year period to 30 June 2023, the fund has met its objective to provide growth. The fund has outperformed the average competitor fund (median) by 1.48% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis. At the end of the reporting period, the fund exhibited a 40% relative reduction in carbon intensity score versus its reference comparator.<sup>2</sup> The fund also had a higher ESG score of 7.1 versus its reference comparator score of 6.6.<sup>2</sup>

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
1 year annualised performance (% and of £1,000)	7.15% £1,072	5.59% £1,058	3.82% £1,038

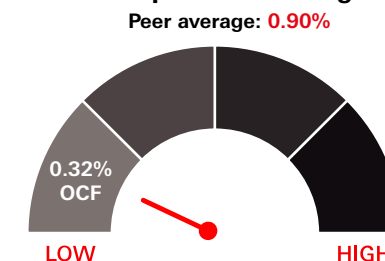
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £7 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 80%+ Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.32%
Transaction Costs	0.08%
<b>Total</b>	<b>0.40%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria. This fund was launched in April 2022 and needs more time to demonstrate performance over the long term.

[Click here to see the full Fund Factsheet](#)








[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 80%+ Equity' category, filtered on Investment Association primary share classes and fund size >£25m (125 funds on 30 June 2023 – includes sustainable and non-sustainable funds). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

<sup>2</sup>The reference comparator is a combination of market capitalisation indices that represent the asset classes held by the fund and in the same proportions (weighting) as the fund. See Factsheet for full details.

# Global Strategy Sustainable Adventurous Portfolio

– FCA criteria by share class

		Fund share classes:	C
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.32%
		Ongoing Charges Figure (OCF) – income share classes:	0.32%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●
<b>Overall value conclusion</b>			●

# Global Strategy Sustainable Balanced Portfolio – Accumulation C



## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund is rated as 3, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund aims to invest in assets that form part of a sustainable investment strategy but may also invest in assets that do not form part of a sustainable investment strategy in order to meet the Fund's aim of providing growth in line with its risk profile.

## Performance commentary

Over the one-year period to 30 June 2023, the fund has met its objective to provide growth. The fund has outperformed the average competitor fund (median) by 3.10% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis. At the end of the reporting period, the fund exhibited a 33% relative reduction in carbon intensity score versus its reference comparator.<sup>2</sup> The fund also had a higher ESG score of 7.0 versus its reference comparator score of 6.5.<sup>2</sup>

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
<b>1 year annualised performance (% and of £1,000)</b>	4.45% £1,045	1.32% £1,013	3.82% £1,038

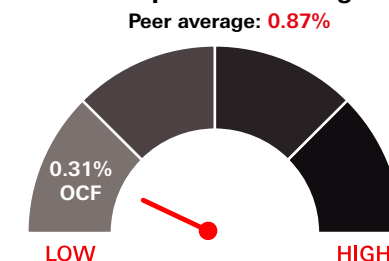
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £9 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 40-60% Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.31%
Transaction Costs	0.08%
<b>Total</b>	<b>0.39%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria. This fund was launched in April 2022 and needs more time to demonstrate performance over the long term.

[Click here to see the full Fund Factsheet](#)








[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 40-60% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (194 funds on 30 June 2023 – includes sustainable and non-sustainable funds). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

<sup>2</sup>The reference comparator is a combination of market capitalisation indices that represent the asset classes held by the fund and in the same proportions (weighting) as the fund. See Factsheet for full details.

# Global Strategy Sustainable Balanced Portfolio

– FCA criteria by share class

		Fund share classes:	C
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.00%
		Ongoing Charges Figure (OCF) – income share classes:	0.00%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●
<b>Overall value conclusion</b>			●

# Global Strategy Sustainable Cautious Portfolio – Accumulation C



## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund is rated as 1, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund aims to invest in assets that form part of a sustainable investment strategy but may also invest in assets that do not form part of a sustainable investment strategy in order to meet the Fund's aim of providing growth in line with its risk profile.

## Performance commentary

Over the one-year period to 30 June 2023, the fund has met its objective to provide growth. The fund has outperformed the average competitor fund (median) by 0.83% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis. At the end of the reporting period, the fund exhibited a 23% relative reduction in carbon intensity score versus its reference comparator.<sup>2</sup> The fund also had a higher ESG score of 6.7 versus its reference comparator score of 6.3.<sup>2</sup>

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
1 year annualised performance (% and of £1,000)	0.29% £1,003	-0.54% £995	3.82% £1,038

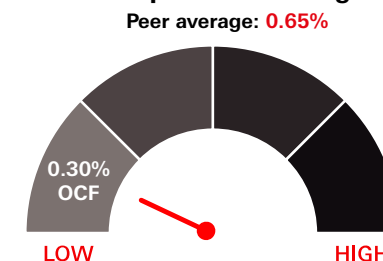
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £5 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 0-20% Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.30%
Transaction Costs	0.06%
<b>Total</b>	<b>0.36%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria. This fund was launched in April 2022 and needs more time to demonstrate performance over the long term.

[Click here to see the full Fund Factsheet](#)








[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 0-20% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (13 funds on 30 June 2023 – includes sustainable and non-sustainable funds). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

<sup>2</sup>The reference comparator is a combination of market capitalisation indices that represent the asset classes held by the fund and in the same proportions (weighting) as the fund. See Factsheet for full details.

# Global Strategy Sustainable Cautious Portfolio

– FCA criteria by share class

		Fund share classes:	C
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.30%
		Ongoing Charges Figure (OCF) – income share classes:	0.30%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●
<b>Overall value conclusion</b>			●

# Global Strategy Sustainable Conservative Portfolio – Accumulation C



## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund is rated as 2, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund aims to invest in assets that form part of a sustainable investment strategy but may also invest in assets that do not form part of a sustainable investment strategy in order to meet the Fund's aim of providing growth in line with its risk profile.

## Performance commentary

Over the one-year period to 30 June 2023, the fund has met its objective to provide growth. The fund has outperformed the average competitor fund (median) by 2.49% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis. At the end of the reporting period, the fund exhibited a 28% relative reduction in carbon intensity score versus its reference comparator.<sup>2</sup> The fund also had a higher ESG score of 6.9 versus its reference comparator score of 6.4.<sup>2</sup>

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
1 year annualised performance (% and of £1,000)	2.23% £1,022	-0.25% £997	3.82% £1,038

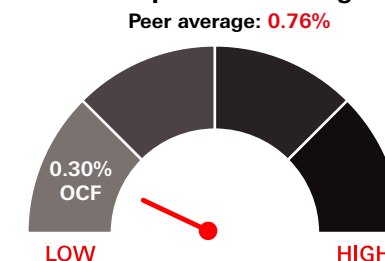
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £6 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 20-40% Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.30%
Transaction Costs	0.06%
<b>Total</b>	<b>0.36%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria. This fund was launched in April 2022 and needs more time to demonstrate performance over the long term.

[Click here to see the full Fund Factsheet](#)








[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 20-40% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (100 funds on 30 June 2023 – includes sustainable and non-sustainable funds). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

<sup>2</sup>The reference comparator is a combination of market capitalisation indices that represent the asset classes held by the fund and in the same proportions (weighting) as the fund. See Factsheet for full details.

# Global Strategy Sustainable Conservative Portfolio

– FCA criteria by share class

		Fund share classes:	C
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.30%
		Ongoing Charges Figure (OCF) – income share classes:	0.30%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●
<b>Overall value conclusion</b>			●



# Global Strategy Sustainable Dynamic Portfolio – Accumulation C



## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund is rated as 4, where 1 is a lower level of risk and 5 is a higher level of risk. The Fund aims to invest in assets that form part of a sustainable investment strategy but may also invest in assets that do not form part of a sustainable investment strategy in order to meet the Fund's aim of providing growth in line with its risk profile.

## Performance commentary

Over the one-year period to 30 June 2023, the fund has met its objective to provide growth. The fund has outperformed the average competitor fund (median) by 2.59% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis. At the end of the reporting period, the fund exhibited a 37% relative reduction in carbon intensity score versus its reference comparator.<sup>2</sup> The fund also had a higher ESG score of 7.1 versus its reference comparator score of 6.6.<sup>2</sup>

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
1 year annualised performance (% and of £1,000)	6.09% £1,061	3.41% £1,034	3.82% £1,038

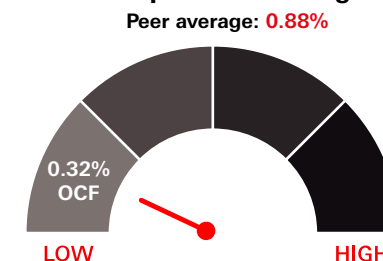
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £8 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 60-80% Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.32%
Transaction Costs	0.10%
<b>Total</b>	<b>0.42%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria. This fund was launched in April 2022 and needs more time to demonstrate performance over the long term.

[Click here to see the full Fund Factsheet](#)








[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 60-80% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (201 funds on 30 June 2023 – includes sustainable and non-sustainable funds). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

<sup>2</sup>The reference comparator is a combination of market capitalisation indices that represent the asset classes held by the fund and in the same proportions (weighting) as the fund. See Factsheet for full details.

# Global Strategy Sustainable Dynamic Portfolio

– FCA criteria by share class

		Fund share classes:	C
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.00%
		Ongoing Charges Figure (OCF) – income share classes:	0.00%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●
<b>Overall value conclusion</b>			●

# Global Sustainable Multi-Asset Adventurous Portfolio – Accumulation C



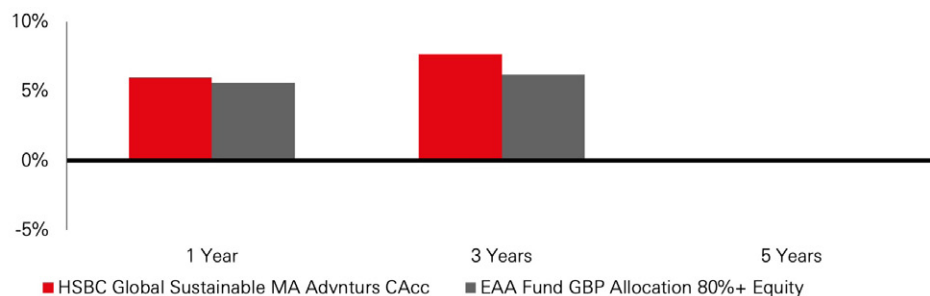
## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 5 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund invests in a range of sustainable investment strategies.

## Performance commentary

Over the three-year period to 30 June 2023, the fund has met its objective to provide growth. The fund has outperformed the average competitor fund (median) by 1.41% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis. At the end of the reporting period, the fund exhibited a 44% relative reduction in carbon intensity score versus its reference comparator.<sup>2</sup> The fund also had a higher ESG score of 7.5 versus its reference comparator score of 6.6.<sup>2</sup>

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
<b>1 year annualised performance (% and of £1,000)</b>	7.64% £1,247	6.14% £1,196	1.48% £1,045

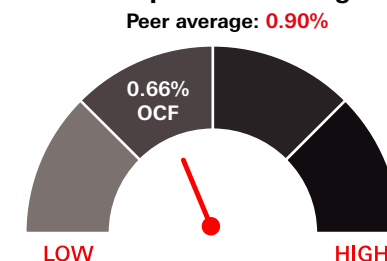
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £28 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 80%+ Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.66%
Transaction Costs	0.04%
<b>Total</b>	<b>0.70%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria. This fund was launched in April 2020.

[Click here to see the full Fund Factsheet](#)








[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 80%+ Equity' category, filtered on Investment Association primary share classes and fund size >£25m (125 funds on 30 June 2023 – includes sustainable and non-sustainable funds). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

<sup>2</sup>The reference comparator is a combination of market capitalisation indices that represent the asset classes held by the fund and in the same proportions (weighting) as the fund. See Factsheet for full details.

# Global Sustainable Multi-Asset Adventurous Portfolio

– FCA criteria by share class

		Fund share classes:	C	P
Ongoing Charges Figure (OCF) – accumulation share classes:			0.66%	0.44%
Ongoing Charges Figure (OCF) – income share classes:			0.66%	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●	●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

# Global Sustainable Multi-Asset Balanced Portfolio – Accumulation C



## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 3 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund invests in a range of sustainable investment strategies which aim to consider financial returns alongside environmental, social and governance factors.

## Performance commentary

Over the four-year period to 30 June 2023, the fund has met its objective to provide growth. The fund has outperformed the average competitor fund (median) by 2.01% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis. At the end of the reporting period, the fund exhibited a 34% relative reduction in carbon intensity score versus its reference comparator.<sup>2</sup> The fund also had a higher ESG score of 7.3 versus its reference comparator score of 6.4.<sup>2</sup>

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
4 year annualised performance (% and of £1,000)	3.60% £1,152	1.59% £1,064	1.27% £1,052

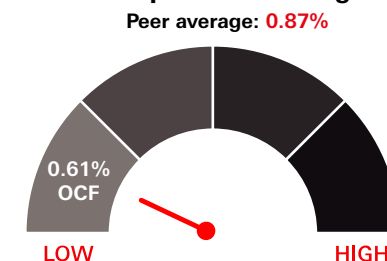
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £611 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 40-60% Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.61%
Transaction Costs	0.08%
<b>Total</b>	<b>0.69%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria. This fund was launched in October 2018.

[Click here to see the full Fund Factsheet](#)








[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 40-60% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (194 funds on 30 June 2023 – includes sustainable and non-sustainable funds). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

<sup>2</sup>The reference comparator is a combination of market capitalisation indices that represent the asset classes held by the fund and in the same proportions (weighting) as the fund. See Factsheet for full details.

# Global Sustainable Multi-Asset Balanced Portfolio

– FCA criteria by share class

		Fund share classes:	C	P
Ongoing Charges Figure (OCF) – accumulation share classes:			0.61%	0.39%
Ongoing Charges Figure (OCF) – income share classes:			0.61%	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●	●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

# Global Sustainable Multi-Asset Cautious Portfolio – Accumulation C



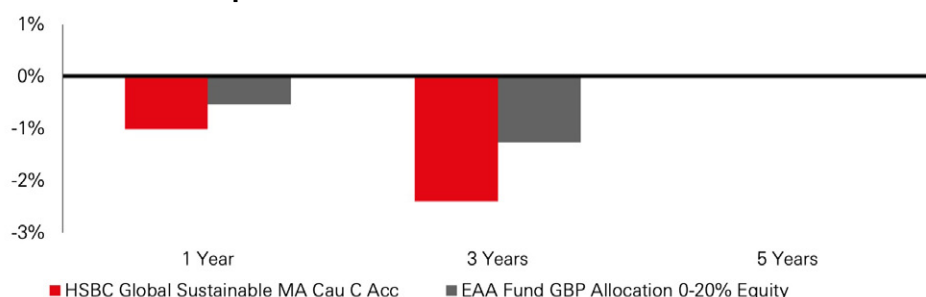
## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 1 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund invests in a range of sustainable investment strategies.

## Performance commentary

Over the three-year period to 30 June 2023, the fund has not met its objective to provide growth. The fund has underperformed the average competitor fund (median) by -1.14% per annum. It did not achieve a better Sharpe ratio than the average competitor fund, meaning that it underperformed on a risk adjusted basis. At the end of the reporting period, the fund exhibited a 28% relative reduction in carbon intensity score versus its reference comparator.<sup>2</sup> The fund also had a higher ESG score of 7.0 versus its reference comparator score of 6.3.<sup>2</sup>

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
3 year annualised performance (% and of £1,000)	-2.40% £930	-1.27% £962	1.48% £1,045

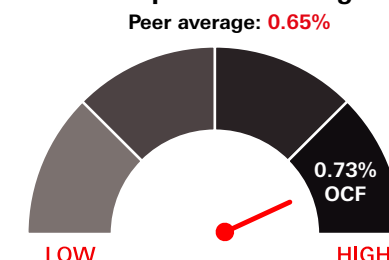
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £15 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 0-20% Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.73%
Transaction Costs	0.05%
<b>Total</b>	<b>0.78%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Partially Met** its aim of delivering value to investors. Value has been achieved in five out of the seven criteria. Over the relatively short three-year period, the fund has underperformed the average competitor fund. The fund took less risk than peers and did not benefit as much from rising equity markets over the period. It is still relatively small which also explains the higher OCF compared to peers. This fund was launched in April 2020.

## Action required

The investment strategy has continued to evolve since launch. In 2023, this has included adding global green bonds and we are researching into including more sustainable alternative investments. It is expected that the additional asset classes will potentially improve risk-adjusted performance over the long term.

[Click here to see the full Fund Factsheet](#)








[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 0-20% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (13 funds on 30 June 2023 – includes sustainable and non-sustainable funds). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

<sup>2</sup>The reference comparator is a combination of market capitalisation indices that represent the asset classes held by the fund and in the same proportions (weighting) as the fund. See Factsheet for full details.

# Global Sustainable Multi-Asset Cautious Portfolio

– FCA criteria by share class

		Fund share classes:	C	P
Ongoing Charges Figure (OCF) – accumulation share classes:			0.73%	0.51%
Ongoing Charges Figure (OCF) – income share classes:			0.76%	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> Over the relatively short three-year period, the fund has underperformed the average competitor fund (median). The fund took less risk than peers and did not benefit as much from rising equity markets over the period. The peer group also contains funds that are not sustainable so have fewer constraints on investments which may help their performance in certain regimes.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C share class within this fund was significantly more expensive than the peer average and has been rated as red. The P share class has been rated as green as the OCF is lower than the average primary share class OCF of other similar funds.		●	●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●



# Global Sustainable Multi-Asset Conservative Portfolio – Accumulation C



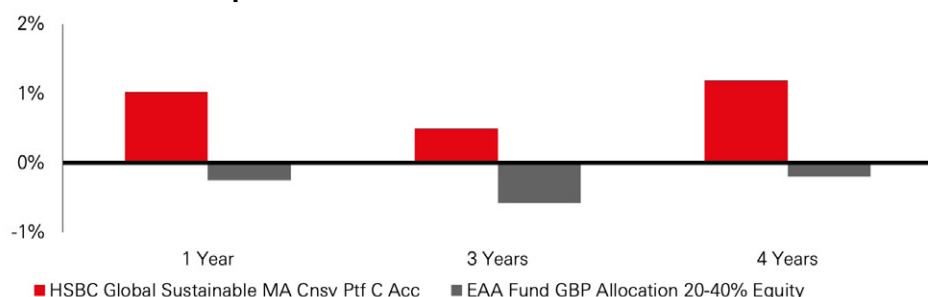
## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 2 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund invests in a range of sustainable investment strategies which aim to consider financial returns alongside environmental, social and governance factors.

## Performance commentary

Over the four-year period to 30 June 2023, the fund has met its objective to provide growth. The fund has outperformed the average competitor fund (median) by 1.19% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis. At the end of the reporting period, the fund exhibited a 29% relative reduction in carbon intensity score versus its reference comparator.<sup>2</sup> The fund also had a higher ESG score of 7.1 versus its reference comparator score of 6.3.<sup>2</sup>

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
4 year annualised performance (% and of £1,000)	1.19% £1,048	-0.01% £1,000	1.27% £1,052

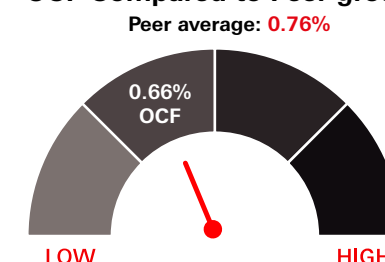
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £287 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 20-40% Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.66%
Transaction Costs	0.06%
<b>Total</b>	<b>0.72%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria. This fund was launched in October 2018.

[Click here to see the full Fund Factsheet](#)








[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 20-40% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (100 funds on 30 June 2023 – includes sustainable and non-sustainable funds). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

<sup>2</sup>The reference comparator is a combination of market capitalisation indices that represent the asset classes held by the fund and in the same proportions (weighting) as the fund. See Factsheet for full details.

# Global Sustainable Multi-Asset Conservative Portfolio

– FCA criteria by share class

		Fund share classes:	C	P
Ongoing Charges Figure (OCF) – accumulation share classes:			0.66%	0.44%
Ongoing Charges Figure (OCF) – income share classes:			0.66%	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●	●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

# Global Sustainable Multi-Asset Dynamic Portfolio – Accumulation C



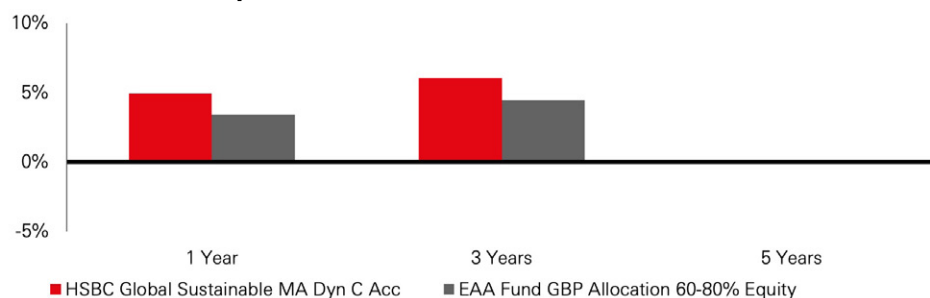
## Fund objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 4 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund invests in a range of sustainable investment strategies.

## Performance commentary

Over the three-year period to 30 June 2023, the fund has met its objective to provide growth. The fund has outperformed the average competitor fund (median) by 1.54% per annum. It achieved a better Sharpe ratio than the average competitor fund, meaning that it outperformed on a risk adjusted basis. At the end of the reporting period, the fund exhibited a 40% relative reduction in carbon intensity score versus its reference comparator.<sup>2</sup> The fund also had a higher ESG score of 7.4 versus its reference comparator score of 6.5.<sup>2</sup>

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	6.02% £1,192	4.41% £1,138	1.48% £1,045

## Key points – the fund

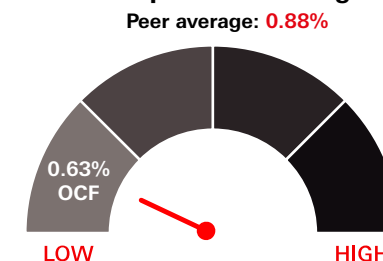
- ◆ Actively managed fund
- ◆ Size of fund: £141 million
- ◆ Peer group: Morningstar EAA OE GBP Allocation 60-80% Equity category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.63%
Transaction Costs	0.05%
<b>Total</b>	<b>0.68%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved across all seven criteria. This fund was launched in April 2020.

[Click here to see the full Fund Factsheet](#)








[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'EAA OE GBP Allocation 60-80% Equity' category, filtered on Investment Association primary share classes and fund size >£25m (201 funds on 30 June 2023 – includes sustainable and non-sustainable funds). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIIDs as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

<sup>2</sup>The reference comparator is a combination of market capitalisation indices that represent the asset classes held by the fund and in the same proportions (weighting) as the fund. See Factsheet for full details.

# Global Sustainable Multi-Asset Dynamic Portfolio

– FCA criteria by share class

		Fund share classes:	C	P
Ongoing Charges Figure (OCF) – accumulation share classes:			0.63%	0.41%
Ongoing Charges Figure (OCF) – income share classes:			0.63%	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●	●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

# Active funds

Active fund management is a style of investment management where a fund manager makes decisions about what the fund will invest in, supported by in-depth fundamental and/or quantitative research and analysis. The performance or level of income of the fund may be compared to a benchmark (e.g. FTSE All-Share Index or the Investment Association UK Equity Income sector), which the fund may aim to outperform.



# Active funds overview

We offer a mix of fixed income and equity funds across a wide range of active strategies. Our fixed income specialists, supported by our global research platform, focus on delivering strong risk-adjusted returns. Our active equity strategies are tailored to meet specific client investment objectives with a disciplined and differentiated investment approach.

Active fundamental strategies typically seek to identify attractive individual securities which aim to outperform the wider market, whereas multi-factor strategies seek to identify broad characteristics of outperformance like momentum or quality and then overweight the more attractive stocks with that characteristic, while underweighting the least attractive. As a result, multi-factor funds tend to be highly diversified while fundamental strategies tend to be more concentrated.

The following table summarises the outcome of our Assessment of Value for the Investment Association (IA) primary share class<sup>1</sup> of each of our UK domiciled active funds for the year ending 30 June 2023. We have used the traffic-light system we explained on [page six](#) to come up with the ratings and overall value conclusion for each of our funds and share classes. The fund two-page summaries explain why we have given these ratings and contain information on the other share classes.

Assessment criteria for each of our funds								Overall value conclusion
HSBC funds (Investment Association primary share class)	Quality of service	Performance	Costs					
			AFM costs – general	Economies of scale	Comparable market rates	Comparable services	Classes of shares	
Corporate Bond Fund	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
Europe Ex-UK Equity Fund	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
Global Property Fund	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
Income Fund	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
UK Growth & Income Fund	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
UK Multi-Factor Equity Fund	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
US Multi-Factor Equity Fund	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>

<sup>1</sup>The Investment Association (IA) primary share class is the highest charging unbundled (free of any rebates or intermediary commission) share class freely available through third-party distributors in the retail market. We have used this share class because it allows common comparisons between funds offered by HSBC AM UK and other providers.

# Corporate Bond Fund – Accumulation C



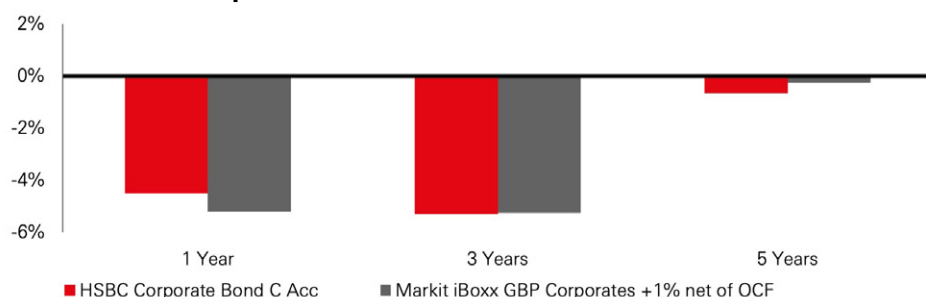
## Fund objective

The Fund aims to provide higher returns (before charges and tax are deducted from the Fund) than the Markit iBoxx GBP Corporates Index plus 1% per year, over three-year periods.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has not met its objective to provide higher returns than the Markit iBoxx GBP Corporates index plus 1% net of OCF per year. The fund returned -0.66% annualised over five years versus -0.25% for the target benchmark. It outperformed the peer group median, which returned -1.36% annualised over five years.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	-0.66% £967	-1.36% £934	1.19% £1,061

## Key points – the fund

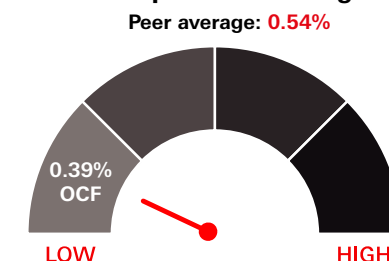
- ◆ Actively managed fund
- ◆ Size of fund: £189 million
- ◆ Benchmark: Markit iBoxx GBP Corporates Index plus 1% per year
- ◆ Peer group: Morningstar GBP Corporate Bond category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.39%
Transaction Costs	0.00%
<b>Total</b>	<b>0.39%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved in six out of the seven criteria. The fund has performed well versus its peers but has not achieved its outperformance objective. This was mainly due to poor performance in 2018 and 2019. The team has added additional sources of return and adjusted some of the allocations. The impact of these changes can be seen in the June 2023 Morningstar data that shows the fund's returns are first or second quartile over one, three and five years compared to peers.

## Action required

The fixed income market has been challenging, and while the bond selection has added value, we are considering further changes to the fund in the short to medium term.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'GBP Corporate Bond' category, filtered on Investment Association primary share classes (67 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIIDs as at 13/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# Corporate Bond Fund

– FCA criteria by share class

		Fund share classes:	C	Retail <sup>1</sup>
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.39%	1.09%
		Ongoing Charges Figure (OCF) – income share classes:	0.39%	1.09%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> The fund has performed well versus its peers but has not yet achieved its outperformance target over the longer-term. This was mainly due to poor performance in 2018/2019, which will take time to roll-off.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C share class within this fund was either in line with, or lower than, the OCFs of other similar funds available from other fund managers. The Retail share class was significantly more expensive than the peer average and has been rated red.		●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.



# Europe Ex-UK Equity Fund – Accumulation C



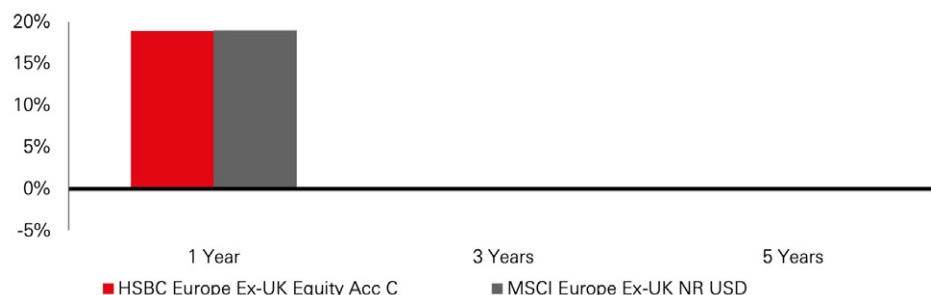
## Fund objective

The Fund aims to provide growth over the long term, which is a period of five years or more.

## Performance commentary

Over the one-year period to 30 June 2023, the fund has met its objective to provide growth. Returning 18.93% over the past 1 year, the fund has underperformed the MSCI Europe ex-UK Index, which returned 19.00% over the same period. It underperformed the peer group median, which returned 19.17% over one year.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
<b>1 year annualised performance (% and of £1,000)</b>	18.93% £1,189	19.17% £1,192	3.82% £1,038

## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £98 million
- ◆ Benchmark: MSCI Europe ex-UK Index
- ◆ Peer group: Morningstar Europe ex-UK Equity category

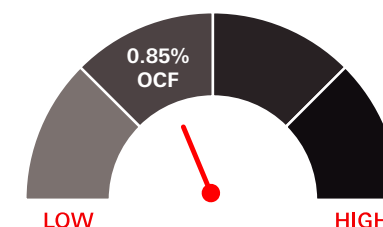
## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.85%
Transaction Costs	0.04%
<b>Total</b>	<b>0.89%</b>

## OCF Compared to Peer group<sup>1</sup>

Peer average: **0.86%**



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved in six out of the seven criteria. The very slight underperformance versus the benchmark and peers can be explained by the fund not being invested in deeply discounted value-oriented energy and banking stocks, which surged courtesy of the interest rate rises in 2022 and 2023.

## Action required

We do not believe any action is required as the fund was only launched in August 2021 and it needs more time to deliver performance in line with its objectives. We continue to stick to our growth and quality-oriented approach, with a disciplined process and a long-term track record, in line with investors' expectations.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'Europe ex-UK Equity' category, filtered on Investment Association primary share classes (86 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIIDs as at 13/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# Europe Ex-UK Equity Fund

– FCA criteria by share class

		Fund share classes:		
		C	Inst A	Retail <sup>1</sup>
Ongoing Charges Figure (OCF) – accumulation share classes:		0.85%	0.78%	1.56%
Ongoing Charges Figure (OCF) – income share classes:		0.85%	N/A	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.	●	●	●
	<b>Performance</b> The very slight underperformance versus the benchmark and peers can be explained by the fact that the fund was not invested in deeply discounted value-oriented energy and banking stocks which surged due to the rapid and unprecedented rise in interest rates during 2023.	●	●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.	●	●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.	●	●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C and Institutional A share classes within this fund was either in line with, or lower than, the OCFs of other similar funds available from other fund managers. The Retail share class was more expensive than the peer average and has been rated amber.	●	●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.	●	●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.	●	●	●
<b>Overall value conclusion</b>		●	●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# Global Property Fund – Accumulation C



## Fund objective

The Fund aims to provide growth in the long term, which is a period of five years or more.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has not met its objective to provide long-term growth. In returning annualised growth of -1.96% the fund underperformed its reference index, a 20%/80% weighting of the IA UK Direct Property and IA Property Other sectors, which together returned -1.03% annualised over the same period. It underperformed the peer group median, which returned an annualised 0.43% annualised over five years.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

## 5 year annualised performance (% and of £1,000)

This fund

-1.96%  
£906

Peer group median<sup>1</sup>

0.43%  
£1,022

Cash

1.19%  
£1,061

## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £47 million
- ◆ Benchmark: 20% Investment Association UK Direct Property sector + 80% Investment Association Property Other sector
- ◆ Peer group: Morningstar Property Other + UK Direct Property category

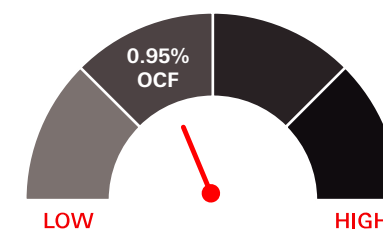
## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.95%
Transaction Costs	0.11%
<b>Total</b>	<b>1.06%</b>

## OCF Compared to Peer group<sup>1</sup>

Peer average: 1.00%



## Overall conclusion

We have concluded that the primary share class has **Partially Met** its aim of delivering value to investors. Value has been achieved in six out of the seven criteria. Performance suffered in March 2020 and in 2022 due to the fund's bias towards listed property equities relative to direct property funds. Listed property experienced exceptionally large declines in March 2020 as a result of the pandemic, and again in 2022 due to the anticipated impact of rising interest rates on property values. However, the fund's positioning enabled it to remain open for dealing during a period when direct property funds suspended.

## Action required

Work proposed in 2022 to enable the fund to invest in direct property funds designed for professional investors was halted due to the market correction in the second half of 2022, and therefore we did not want to introduce less liquid assets to the fund. The current fund structure is being revisited with a view to making changes that we believe will benefit investors.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'Property Other + UK Direct Property' category, filtered on Investment Association primary share classes and filtered further for the charges comparison to exclude index tracker funds (43 funds on 30 June 2023). We have used this combination because it is more representative of the investment strategy of the fund than a single Morningstar sector. OCF as shown in KIIDs as at 16/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# Global Property Fund

– FCA criteria by share class

		Fund share classes:		
		C	Inst A	Retail <sup>1</sup>
Ongoing Charges Figure (OCF) – accumulation share classes:		0.95%	0.95%	1.95%
Ongoing Charges Figure (OCF) – income share classes:		0.95%	N/A	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.	●	●	●
	<b>Performance</b> Performance suffered in March 2020 and in 2022 due to the Fund's bias towards listed property equities relative to direct property funds. Listed property experienced exceptionally large declines in March 2020 as a result of the pandemic, and again in 2022 due to the anticipated impact of rising interest rates on property values. However, the Fund's positioning provided liquidity and enabled it to remain open for dealing during a period when other funds in the sector suspended.	●	● <sup>2</sup>	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.	●	●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.	●	●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C and Institutional A share classes within this fund was either in line with, or lower than, the OCFs of other similar funds available from other fund managers. The Retail share class was significantly more expensive than the peer average and has been rated red.	●	●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.	●	●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.	●	●	●
<b>Overall value conclusion</b>		●	●	●

◀ [LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

<sup>2</sup>The share class launched in March 2019 so we have based this rating on 3 year numbers.

# Income Fund – Accumulation C



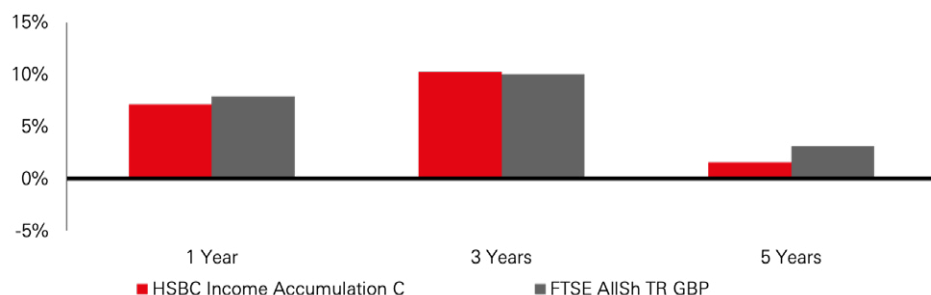
## Fund objective

The Fund aims to provide income together with growth in the long term, which is a period of five years or more. The Fund intends to provide a level of income consistent with the Investment Association UK Equity Income sector definition.

## Performance commentary

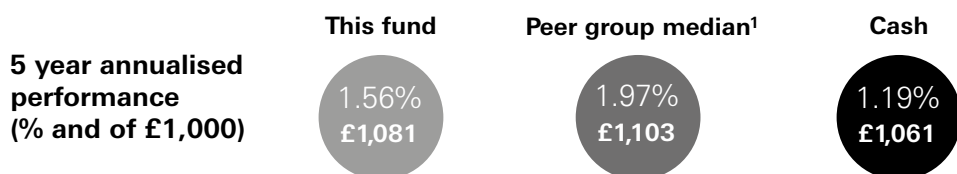
Over the five-year period to 30 June 2023, the fund has met its objective to provide income together with long-term growth. The fund delivered a rolling three-year average income of 3.9% per year (to 15 January) exceeding 3.5% per year for the relevant index which is in line with the IA sector definition. Returning 1.56% annually over the past five years, the fund has underperformed the FTSE All Share index, which returned 3.11% annualised over the same period. It also underperformed the peer group median, which returned 1.97% annualised over five years.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**



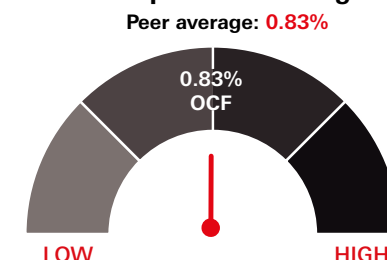
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £113 million
- ◆ Benchmark: FTSE All Share Index
- ◆ Peer group: Morningstar UK Equity Income category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.83%
Transaction Costs	0.00%
<b>Total</b>	<b>0.83%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved in six out of the seven criteria. The fund has provided income but has struggled to provide much growth, underperforming the FTSE All Share index over the 5-year period, but performance has improved in recent years. Over a 3-year basis it slightly outperformed the benchmark but has lost some ground over the past year.

## Action required

At the end of 2020, a number of process enhancements were implemented, including further investment in technology to improve the breadth and depth of our research. Since then, the fund's performance has improved relative to the benchmark and peers. We believe that the current risk budget is appropriate and requires more time to demonstrate value over the long term.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'UK Equity Income' category, filtered on Investment Association primary share classes (84 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 13/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# Income Fund

– FCA criteria by share class

		Fund share classes:	C	Retail <sup>1</sup>
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.83%	1.53%
		Ongoing Charges Figure (OCF) – income share classes:	0.83%	1.53%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●	●
	<b>Performance</b> The fund has underperformed the FTSE All Share over the five-year period, but performance has improved in recent years following action taken to improve the investment process. Relative performance vs benchmark has continued to improve since the previous assessment with 5-year annualised difference -2.55% at June 2022 versus -1.55% at June 2023.		●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C share class within this fund was either in line with, or lower than, the OCFs of other similar funds available from other fund managers. The Retail share class was more expensive than the peer average and has been rated amber.		●	●
	<b>Comparable services</b> Our assessment concluded that the cost of the share classes within this fund were either in line with, or lower than, the costs of other similar funds, institutional mandates and share classes managed by HSBC.		●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●	●
<b>Overall value conclusion</b>			●	●

◀ [LIST OF FUNDS](#)

<sup>1</sup>The Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

# UK Growth & Income Fund – sub



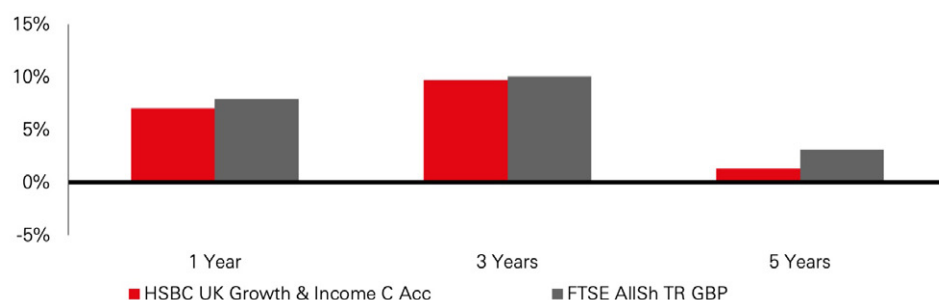
## Fund objective

The Fund aims to provide growth and income in the long term, which is a period of five years or more.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide income together with long term growth. Returning 1.31% annually over the past 5 years, the fund has underperformed the FTSE All Share index, which returned 3.11% annualised over the same period. It also underperformed the peer group median, which returned 2.76% annualised over five years.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

	This fund	Peer group median <sup>1</sup>	Cash
5 year annualised performance (% and of £1,000)	1.31% £1,067	2.76% £1,146	1.19% £1,061

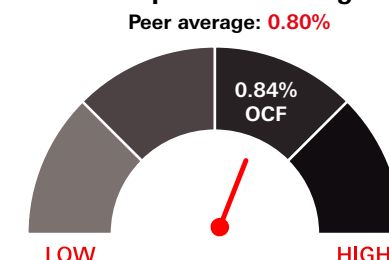
## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £260 million
- ◆ Benchmark: FTSE All Share Index
- ◆ Peer group: Morningstar UK Large-Cap Equity category

## Fund charges

Our fund charges	
Ongoing Charges Figure (OCF)	0.84%
Transaction Costs	0.01%
<b>Total</b>	<b>0.85%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has **Partially Met** its aim of delivering value to investors. Value has been achieved in four out of the seven criteria. The fund has underperformed the FTSE All Share over the 5-year period, but performance has improved in recent years. Since the fund moved to the current team 2.5 years ago, the fund has recovered and is only slightly behind the benchmark on a net basis over this period.

## Action required

At the end of 2020, a number of process enhancements were implemented, including further investment in technology to improve the breadth and depth of our research. Since then, the fund's performance has improved relative to the benchmark and peers. We believe that the current risk budget is appropriate and requires more time to demonstrate value over the long term.








[Click here to see the full Fund Factsheet](#)

◀ **LIST OF FUNDS**

<sup>1</sup>Peer group: Morningstar 'UK Large-Cap Equity' category, filtered on Investment Association primary share classes (75 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 13/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# UK Growth & Income Fund

– FCA criteria by share class

Fund share classes:		C	Inst A	Retail <sup>1</sup>	Retail B <sup>1</sup>
Ongoing Charges Figure (OCF) – accumulation share classes:		0.84%	0.79%	1.54%	0.60%
Ongoing Charges Figure (OCF) – income share classes:		0.82%	N/A	1.52%	0.60%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.	●	●	●	●
	<b>Performance</b> The fund has underperformed the FTSE All Share over the five-year period, but performance has improved in recent years following action taken to improve the investment process. Relative performance vs benchmark has continued to improve since the previous assessment with 5-year annualised difference -2.84% at June 2022 versus -1.80% at June 2023.	●	● <sup>2</sup>	●	●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.	●	●	●	●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.	●	●	●	●
	<b>Comparable market rates</b> Our assessment concluded that the OCF of the comparable C and Retail share classes within this fund were more expensive than the peer average and have been rated accordingly. The Institutional A and Retail B share classes have been rated as green as the OCF is lower than the primary share class average OCF of other similar funds.	●	●	●	●
	<b>Comparable services</b> Our assessment again flagged a mandate we manage to a similar strategy as the fund that was given a short term reduced investment management fee, which will revert back to the original fee when performance improves for two consecutive quarters. The performance of the mandate has not yet improved to the level required and continues to create a disproportionate fee difference between the mandate and the fund.	●	●	●	●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.	●	●	●	●
<b>Overall value conclusion</b>		●	●	●	●

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Retail share classes are closed to new investors. Investors remaining in these share classes opted-out of a conversion to C share classes.

<sup>2</sup>The share class launched in November 2019 so we have based this rating on 3 year numbers.



# UK Multi-Factor Equity Fund – Institutional Income



## Fund objective

The Fund aims to provide growth in the long term, which is a period of five years or more.

## Performance commentary

Over the five-year period to 30 June 2023, the fund has met its objective to provide long-term growth. Returning 2.57% annually over the past 5 years, the fund has underperformed the FTSE 350 Ex Investment Trust index, which returned 3.04% annualised over the same period. It also marginally underperformed the peer group median, which returned 2.76% annualised over five years.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**

## 5 year annualised performance (% and of £1,000)

This fund

2.57%  
£1,135

Peer group median<sup>1</sup>

2.76%  
£1,146

Cash

1.19%  
£1,061

## Key points – the fund

- ◆ Actively managed fund
- ◆ Size of fund: £19 million
- ◆ Benchmark: FTSE 350 Ex Investment Trust Index
- ◆ Peer group: Morningstar UK Large-Cap Equity category

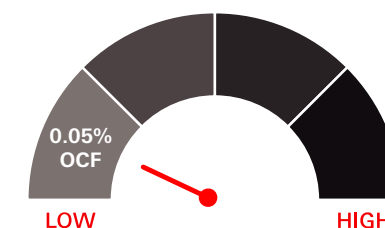
## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.05%
Transaction Costs	0.27%
<b>Total</b>	<b>0.32%</b>

## OCF Compared to Peer group<sup>1</sup>

Peer average: **0.80%**



## Overall conclusion

We have concluded that the primary share class has **Met** its aim of delivering value to investors. Value has been achieved in six out of the seven criteria. The fund has met its objective to provide long term growth but has marginally underperformed the benchmark and peer group. Over the last 12 months, UK inflation was among the worst in the G7 which led to high borrowing costs affecting smaller and more profitable companies disproportionately, in turn detracting performance of the fund more than expected.

## Action required

The investment team has taken action to review UK market specific impact on the fund and concluded that the last 12 months was an outlier year. We believe that targeted segments of the market such as low valuation, profitable, and smaller size stocks continue to show strong expected performance.








[Click here to see the full Fund Factsheet](#)

◀ **LIST OF FUNDS**

<sup>1</sup>Peer group: Morningstar 'UK Large-Cap Eq' category, filtered on Investment Association primary share classes (75 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 13/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# UK Multi-Factor Equity Fund

– FCA criteria by share class

		Fund share classes:	Inst
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.07%
		Ongoing Charges Figure (OCF) – income share classes:	0.05%
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●
	<b>Performance</b> The fund has marginally underperformed the FTSE 350 Ex Investment Trust benchmark and the peer group median over the last 5 years due to the last 12 months underperformance. Over the last 12 months, UK inflation was among the worst in the G7 which led to high borrowing costs affecting smaller and more profitable companies disproportionately, in turn detracting performance of the fund more than expected.		●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●
<b>Overall value conclusion</b>			●

# US Multi-Factor Equity Fund – Institutional A Income



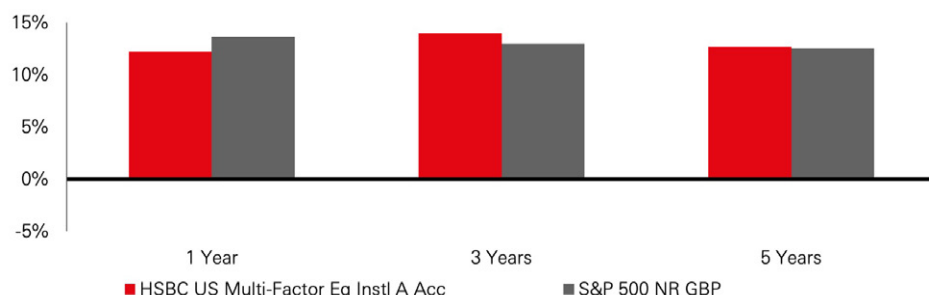
## Fund objective

The Fund aims to provide growth in the long term, which is a period of five years or more.

## Performance commentary

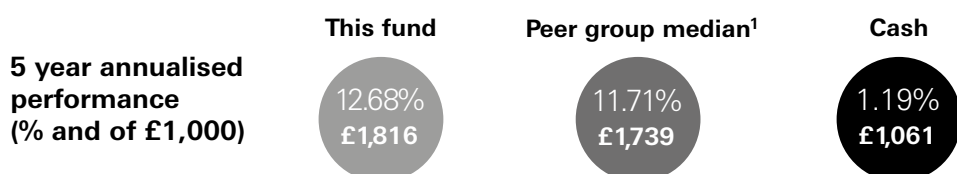
Over the five-year period to 30 June 2023, the fund has met its objective to provide long term growth. Returning 12.68% annually over the past 5 years, the fund has outperformed the S&P 500 index, which returned 12.57% annualised over the same period. It outperformed the peer group median, which returned 11.71% annualised over five years.

## Performance compared to benchmark



Source: Morningstar and HSBC Asset Management as at 30/06/2023.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividends reinvested, net of fees.**



## Key points – the fund

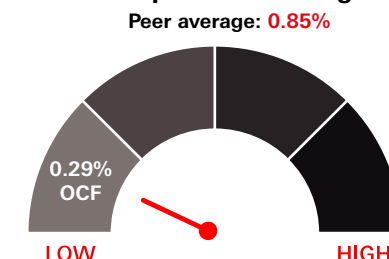
- ◆ Actively managed fund
- ◆ Size of fund: £313 million
- ◆ Benchmark: S&P 500 Index
- ◆ Peer group: Morningstar US Large-Cap Blend Equity category

## Fund charges

### Our fund charges

Ongoing Charges Figure (OCF)	0.29%
Transaction Costs	0.00%
<b>Total</b>	<b>0.29%</b>

## OCF Compared to Peer group<sup>1</sup>



## Overall conclusion

We have concluded that the primary share class has Met its aim of delivering value to investors. Value has been achieved across all seven criteria.








[Click here to see the full Fund Factsheet](#)

[◀ LIST OF FUNDS](#)

<sup>1</sup>Peer group: Morningstar 'US Large-Cap Blend Equity' category, filtered on Investment Association primary share classes (55 funds on 30 June 2023). OCF peer group comparison filtered to exclude index tracker funds. OCF as shown in KIID as at 13/02/2023. Transaction costs as at 30 April 2023. Charges are variable and may change in future.

# US Multi-Factor Equity Fund

– FCA criteria by share class

		Fund share classes:	Inst
		Ongoing Charges Figure (OCF) – accumulation share classes:	0.29%
		Ongoing Charges Figure (OCF) – income share classes:	N/A
	<b>Quality of service</b> Our assessment has concluded that the fund has measured up well against all the quality of service areas within this assessment criterion and delivers value for investors across all share classes.		●
	<b>Performance</b> All the fund's share classes have achieved their performance objective and other measures within their investment policy and strategy and the fund performs well versus peers.		●
	<b>AFM costs – general</b> Having considered the breakdown of our fund charges and the costs of running the funds and any related services, we have concluded that fair value has been delivered across all share classes.		●
	<b>Economies of scale</b> Our assessment of this criteria has concluded that economies of scale savings and benefits have been shared with investors where appropriate.		●
	<b>Comparable market rates</b> Our assessment concluded that the OCFs of the share classes within this fund were either in line with, or lower than, the OCFs of other similar funds available from other fund managers.		●
	<b>Comparable services</b> Our assessment concluded that this fund was not comparable to any other funds, institutional mandates or share classes offered by HSBC.		●
	<b>Classes of shares</b> Our assessment of the share classes within the fund concluded that all investors are in the most appropriately priced share class and the points of differentiation between each of the share classes are justified.		●
<b>Overall value conclusion</b>			●

# Glossary of terms

**Accumulation share:** Funds are divided into portions called shares. With accumulation shares, the income earned by the fund is not paid out to investors but is instead retained in the fund and reflected by an increase in the value of each accumulation share.

**Actively managed:** Where the fund manager uses their expertise to pick investments to achieve the fund's objectives.

**Annual Management Charge (AMC):** An ongoing fee paid to the management company for managing the fund, usually charged as a percentage of the value of the investment.

**Asset allocation:** Dividing the money invested in the fund across different investments ('assets'), e.g. in different geographic areas or by industry sectors such as oil and gas or financial companies.

**Assets Under Management (AUM):** The total market value of the investments. This could be presented as the value of a fund or the value that an entity manages on behalf of clients.

**Authorised Corporate Director (ACD):** HSBC Global Asset Management (UK) Limited is the management company of the fund range.

**Bond(s):** A loan, usually to a company or government in return for regular payments (known as the coupon) and a promise that the original investment (principal) is paid back at a specified date.

**Carbon intensity score:** Measuring the portfolio's exposure to carbon-intensive companies, expressed in tons CO<sub>2</sub>e/USD million revenue, compared to the composition of a reference comparator.

**Clean share classes:** The charges for clean share classes reflect the costs of managing and operating a fund, but do not generally reflect trail commission paid to financial advisers or rebates paid to fund supermarkets and other distributors. Investors pay financial advisers and fund supermarkets separately for the services they provide. This means that clean share classes usually have lower charges compared to legacy (also known as bundled) share classes. Clean share classes are widely available to retail investors through distributors such as fund supermarkets.

**Credit rating:** An assessment of the credit risk of a company, government or other organisation. It seeks to measure how likely it is that the issuer of a bond will be able to continue to make interest payments and repay the money loaned to it.

**Currency exposure:** The potential for a fund that invests overseas to lose or gain money purely because of changes in the currency exchange rate.

**Derivatives:** Investments whose value is linked to another investment, or to the performance of a stock exchange or to some other variable factor, such as interest rates.

**Developed markets:** Countries with relatively high levels of personal income and established economies.

**Dilution levy/adjustment also known as swing or Anti-Dilution Levy (ADL):** An amount you pay to cover the dealing costs of the fund when it buys or sells investments as a result of you buying or selling shares in the fund. Any dilution levy/adjustment is paid into the fund and is normally only charged when those dealing costs are significant. Its purpose is to protect investors already in the fund from the costs incurred when others buy or sell shares.

**Diversification:** Holding a variety of investments that typically perform differently from one another.

**Emerging markets:** Countries that are progressing economically toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body.

**Environmental, Social, and Governance (ESG):** Three key factors used for measuring the sustainability and ethical impact of an investment in a business or company. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

**Equities:** Shares issued by a company.

**ESG Improvement score:** ESG scores measure companies' characteristics relating to Environmental, Social and Governance factors. These can be scored either as a rating of AAA (best) to CCC (worst) or 0-10 where 10 is the highest rating.

**Exchange Traded Fund (ETF):** Types of funds that are traded on a stock exchange. Most ETFs aim to track the performance of a particular index of stocks, bonds or other assets and often have low management costs.

**Futures:** A financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price.

**Government bond or Gilt:** A loan to a national government in return for regular payments (known as the coupon) and a promise that the original investment (principal) is paid back at a specified date. Gilts are loans to the UK government.

# Glossary of terms (continued)

**Growth:** The increase in value of investments.

**Hedge or hedging:** Using some investments as a way to reduce risk.

**High yield bond:** A bond paying a higher level of interest but which has a lower credit rating than investment grade.

**Income:** Money paid out by an investment, such as interest from a bond or a dividend from a share.

**Income share:** Funds are divided into portions called 'shares.' With income shares, the income earned by the fund is paid out to investors.

**Information ratio:** Measures of the active return of an investment (e.g. a security or portfolio) compared to a benchmark index relative to the volatility of the active return (also known as active risk or benchmark tracking risk).

**Investment Association (IA) primary share class:** This is usually the C Accumulation share class which is free of any rebates or intermediary commission. We have used this share class throughout this report because it allows common comparisons between funds offered by HSBC AM UK and other providers.

**Investment grade:** A credit rating that indicates the issuer of a bond has a relatively low risk of being unable to make interest payments or repay the money owed.

**Legacy share classes:** The charges for legacy (also known as bundled) share classes reflect the costs of managing and operating a fund and also reflect trail commission paid to financial advisers or rebates paid to fund supermarkets and other distributors. This means that legacy share classes usually have higher charges compared to clean share classes. The legacy share classes are closed to new investors.

**Liquidity:** The degree to which an investment can be quickly bought or sold on a market without affecting its price.

**Market capitalisation:** The total market value of a company's or fund's outstanding shares. Commonly referred to as "market cap," it is calculated by multiplying a company's shares outstanding by the current market price of one share.

**Markets in Financial Instruments Directive (MiFID):** European regulation that increases the transparency across the European Union's (EU) financial markets and standardizes the regulatory disclosures required for firms operating in the European Union. Although the UK has left the EU this regulation still applies to UK funds.

**Maturity:** The period of time left for a bond or gilt to remain outstanding before the original loan and any final interest is repaid to the lender.

**Money market instruments:** Investments usually issued by banks or governments that are a short term loan to the issuer by the buyer. The buyer receives interest and the return of the original amount at the end of a certain period.

**Ongoing Charges Figure (OCF):** A measure of what it costs to invest in a fund. It includes the fee paid to the management company and other operating costs.

**Packaged Retail and Insurance-based Investment Products (PRIIPs):** Category of financial assets that are regularly provided to consumers in the European Union (EU) through banks or other financial institutions as an alternative to savings accounts. Although the UK has left the EU this regulation still applies to UK funds.

**Passively managed:** The fund manager aims to track the performance of a stock exchange index or another investment.

**Platform:** An online service that allows you to buy and sell shares and funds and see your investments in one place.

**Property-related securities:** Shares of funds or property companies that own, manage or develop property and Real Estate Investment Trusts (REITs), which are investment companies that own buildings and land.

**Relative return:** The profit or loss on an investment compared to how other investments have performed.

**Return(s):** The money made or lost on an investment.

**Rolling three-year period:** Any period of three years, no matter which day you start on.

**Securities lending:** Process whereby those holding investments (such as the shares of a company in which a fund has invested) lend those shares to other parties who pay the fund a fee for borrowing.

**Share(s):** An equal portion representing part ownership of a company. Can also apply to a fund.

**Share class:** One of the types of share representing part ownership of the fund that is different to other share classes for some reason, such as it pays out income rather than retaining it in the fund.

**Sharpe ratio:** A measure for calculating the risk-adjusted return. This ratio has become the industry standard for such calculations.

# Glossary of terms (continued)

**Tracking error:** Measure of the consistency between an index fund's performance and the performance of the index. In general, the lower the tracking error, the more consistent the fund's performance is relative to the Index, and vice-versa. Tracking error can be impacted by various factors including the difference in timing between the Fund Valuation (12 noon UK time) and the Index calculation (close of business) and market volatility.

**Transaction costs:** Transaction costs calculation methodologies are prescribed under the PRIIPs and MIFID regulations. Since June 2021 HSBC AM UK includes the impact of anti-dilution (ADL) in the transaction costs calculation.

**Unit:** An equal portion representing part ownership of a fund (note: 'Share' has a similar meaning but for funds structured as corporate entities such as an open-ended investment company).

**Volatility:** A measure of the size of short term changes in the value of an investment.

**Yield:** The income from an investment, usually stated as a percentage of the value of the investment.





# Important information

## Key risks

There are inherent risks in investing in securities markets. Security prices are subject to market fluctuations and can move irrationally and be unpredictably affected by many and various factors including political and economic events, pandemics and market rumours. There can be no assurance that any appreciation in the value of investments will occur. **The value of investments and the income derived from them may go down as well as up and investors may receive back less than the original amount invested.** There is no guarantee that the investment objectives of any fund will be achieved. It is important to note that past performance cannot be regarded as an indication of future performance. Please remember that inflation will reduce what you can buy in the future with your investment.

**The following risks may be applicable to the funds featured in this document. Further information on each fund's potential risks can be found in the Key Investor Information Document (KIID) for the relevant fund and the relevant Company Prospectus.**

**Exchange rate risk:** investing in assets denominated in a currency other than that of the investor's own currency perspective exposes the value of the investment to exchange rate fluctuations.

**Counterparty Risk:** the possibility that the counterparty to a transaction may be unwilling or unable to meet its obligations.

**Liquidity risk:** Liquidity is a measure of how easily an investment can be converted to cash without a loss of capital and/or income in the process. The value of assets may be significantly impacted by liquidity risk during adverse market conditions.

**Operational risk:** the main risks are related to systems and process failures. Investment processes are overseen by independent risk functions which are subject to independent audit and supervised by regulators.

**Derivative risk:** the value of derivative contracts is dependent upon the performance of an underlying asset. A small movement in the value of the underlying can cause a large movement in the value of the derivative.

**Emerging market risk:** investments in emerging markets have, by nature, higher risk and are potentially more volatile than those made in developed countries. Markets are not always well regulated or efficient, and investments can be affected by reduced liquidity.

**Interest rate risk:** as interest rates rise, debt securities will fall in value. The value of debt securities is inversely proportional to interest rate movements.

**Default Risk:** the issuers of certain bonds could become unwilling or unable to make payments on their bonds.

**Credit risk:** Issuers of debt securities may fail to meet their regular interest and/or capital repayment obligations. All credit instruments therefore have potential for default. Higher yielding securities are more likely to default.

**CoCo Bond Risk:** contingent convertible securities (CoCo bonds) are comparatively untested, their income payments may be cancelled or suspended, and they are more vulnerable to losses than equities, and can be highly volatile.

**Equity risk:** portfolios that invest in securities listed on a stock exchange or market could be affected by general changes in the stock market. The value of investments can go down as well as up due to equity markets movements.

**Index Tracking Risk:** To the extent that the Fund seeks to replicate index performance by holding individual securities, there is no guarantee that its composition or performance will exactly match that of the target index at any given time ("tracking error").

**Foreign exchange risk:** where overseas investments are held, the rate of exchange of the currency can cause the value to go down as well as up.

**Model risk:** Model risk occurs when a financial model used in the portfolio management or valuation processes does not perform the tasks or capture the risks it was designed to. It is considered a subset of operational risk, as model risk mostly affects the portfolio that uses the model.

**Concentration risk:** Funds with a narrow or concentrated investment strategy may experience higher risk and return fluctuations and lower liquidity than funds with a broader portfolio.

**Volatility risk:** volatility risk is the risk of a change of price of a portfolio as a result of changes in the volatility of a risk factor. It usually applies to portfolios of derivatives instruments, where the volatility of its underlyings is a major influencer of prices. In option pricing formulae, the volatility risk is showing the extent to which the return of the underlying asset will fluctuate between now and the option's expiration. The use of volatility futures (ie. VIX future) could expose (hedge) the portfolio to (against) the volatility fluctuation.

**Commodity risk:** commodity risk refers to the uncertainties of future market values caused by the fluctuation in the prices of commodities. The future price of a commodity can be affected by various factors affecting regulatory or political changes, seasonal changes, technological advancements, etc.



# Important information (continued)

**Intervention on forwards' market risk:** Exposure to markets, assets, indices through forward financial instruments may lead to significantly higher or faster declines in net assets value than the change observed for the underlying instruments.

**Discretionary Management risk:** Discretionary management is based on anticipating the evolution of different markets and securities. There is a risk that sub-funds will not be invested at any time in the most efficient markets and securities.

**Total return risk:** If a strategy applies a Total Return strategy, it does not imply there is any protection of capital or guarantee of a positive return over time. These strategies are subject to market risks at any time.

**High yield risk:** Please note that strategies invested in High Yield issues, have exposure to a higher risk of default compared to Investment Grade issues

**Asset backed securities (ABS) risk:** Please note that strategies may be authorised to invest all of its assets in Asset Backed Securities (ABS), which are less liquid than standard bond issues.

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Further Information can be found in the prospectus and in our Key Investor Information Documents published in our Fund Centre at [www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)

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## Contact Information

UK Investor/Adviser Tel: 0800 358 3011 Lines are open 9am to 5pm Monday to Friday (excluding public holidays). To help the ACD and the Administrator continually improve their services and in the interests of security, they may monitor and/or record your communications with them.

# Important information (continued)

## Our funds

All of the funds covered in this Assessment of Value report are sub funds of one of the following Open Ended Investment Companies (OEICs):

- ◆ HSBC Index Tracker Investment Funds
- ◆ HSBC Investment Funds
- ◆ HSBC OpenFunds
- ◆ HSBC Universal Investment Funds

These are shown in the following tables:

HSBC Index Tracker Investment Funds
American Index Fund
Developed World Sustainable Equity Index Fund
European Index Fund
FTSE 100 Index Fund
FTSE 250 Index Fund
FTSE All-Share Index Fund
FTSE All-World Index Fund
Japan Index Fund
Pacific Index Fund
Sterling Corporate Bond Index Fund
UK Gilt Index Fund
USA Sustainable Equity Index Fund

HSBC OpenFunds
Global Strategy Portfolios
Global Strategy Sustainable Portfolios <sup>1</sup>
Global Sustainable Multi-Asset Portfolios <sup>1</sup>
World Selection Portfolios
Global Property Fund

## HSBC Investment Funds

Balanced Fund

Corporate Bond Fund

Europe ex UK Equity Fund

Monthly Income Fund

Income Fund

UK Growth & Income Fund

## HSBC Universal Investment Funds

UK Multi-Factor Equity Fund

US Multi-Factor Equity Fund

Each of the OEICs listed here is authorised in the UK by the Financial Conduct Authority. The Authorised Corporate Director and Investment Manager for each OEIC is HSBC Global Asset Management (UK) Limited.

Any application to invest in our funds is made on the basis of the relevant company Prospectus, Key Investor Information Document (KIID), Supplementary Information Document (SID) and most recent annual and semi-annual report. These can be obtained from us free of charge and can be found on our website at:

[www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)

Investors and potential investors should read and note the risk warnings in the relevant OEIC Prospectus and relevant fund KIID. Additionally, retail clients should also read the information contained in the supporting SID.

**The \*Global Strategy Sustainable Portfolios and \*Global Sustainable Multi-Asset Portfolios invest in sustainable strategies as detailed in the relevant Prospectus. These portfolios are not guaranteed to outperform those which do not meet sustainable criteria.**

Our funds do not invest in companies involved in the manufacture of cluster munitions or anti-personnel mines.

# Information about our licensing agreements

We use a number of different third party firms to provide us with information we use to measure, monitor and report on our funds. The following information is detailed below to meet our obligations under the licensing agreements we have with these firms.

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