

HSBC Global Investment Funds

GLOBAL LOWER CARBON BOND

Monthly report 28 February 2023 | Share class BCHEUR



Investment objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of bonds that has a lower carbon footprint than its reference benchmark. The Fund qualifies under Article 8 of SFDR.



Investment strategy

The Fund is actively managed. In normal market conditions, the Fund will invest at least 70% of its assets in investment grade and non-investment grade bonds issued by companies that are based in developed markets and emerging markets. The Fund will invest in bonds issued by companies with consideration of their Lower Carbon Criteria. The Fund will also invest in Green Bonds meeting the Green Bond Principles of the International Capital Market Association. The Fund will not invest in companies involved in the production of tobacco or related activities. The Fund may invest up to 10% in onshore Chinese bonds which are issued within the People's Republic of China and traded on the China Interbank Bond Market. The Fund may invest up to 10% in non-investment grade bonds and up to 10% in ABS and MBS. The Fund may invest up to 10% in contingent convertible securities and up to 10% in other funds, including HSBC funds. The Fund's primary currency exposure is to USD. See the Prospectus for a full description of the investment objectives and derivative usage.



Main risks

- The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.
- Investing in assets denominated in a currency other than that of the investor's own currency exposes the value of the investment to exchange rate fluctuations
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.

Share class details

Key metrics

NAV per share	EUR 8.86
Performance 1 month	-2.32%
Yield to maturity	5.13%

Fund facts

UCITS V compliant	Yes
UK reporting fund status (UKRS)	Yes
ISA eligible	Yes
Dividend treatment	Accumulating
Dealing frequency	Daily
Valuation time	17:00 Luxembourg
Share class base currency	EUR
Domicile	Luxembourg
Inception date	25 March 2020
Fund size	USD 160,437,418
Managers	Jerry Samet Jean Olivier Neyrat Mohamed Imtiaz Siddeeq

Fees and expenses

Minimum initial investment ¹	USD 5,000
Ongoing charge figure ²	0.672%

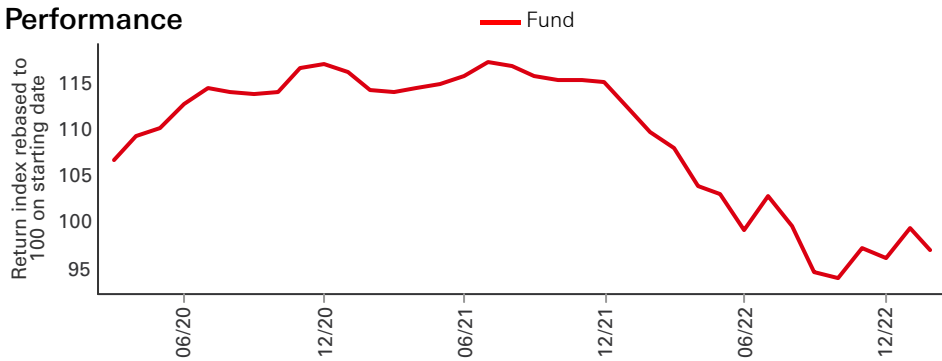
Codes

ISIN	LU1689526868
Bloomberg ticker	HSGLBCE LX
SEDOL	BF3BM86

¹Please note that initial minimum subscription may vary across different distributors

²Ongoing Charges Figure, is based on expenses over a year. The figure includes annual management charge but not the transaction costs. Such figures may vary from time to time.

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
BCHEUR	0.90	-2.32	-0.27	-2.48	-11.56	--	--	-1.07

Rolling performance (%)	28/02/22-28/02/23	28/02/21-28/02/22	29/02/20-28/02/21	28/02/19-29/02/20	28/02/18-28/02/19
BCHEUR	-11.56	-4.00	--	--	--

Carbon footprint	Fund	Reference benchmark	HSBC ESG Score	ESG score	E	S	G
Carbon intensity emissions	72.27	177.07	Fund	6.0	7.6	5.4	5.9
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO ₂ e/USD million revenue) Source: S&P Global Trucost			Reference benchmark	5.8	7.3	5.1	5.9

3-Year Risk Measures	BCHEUR	Reference Benchmark	5-Year Risk Measures	BCHEUR	Reference Benchmark
Volatility	--	--	Volatility	--	--
Sharpe ratio	--	--	Sharpe ratio	--	--

Fixed Income Characteristics	Fund	Reference Benchmark	Relative
No. of holdings ex cash	334	13,945	--
Average coupon rate	2.94	2.94	0.00
Yield to worst	5.06%	5.05%	0.01%
Option adjusted duration	5.61	5.70	-0.09
Modified duration to worst	5.62	5.69	-0.08
Option adjusted spread duration	5.89	5.87	0.02
Average maturity	8.07	7.84	0.23
Rating average	A-	A-/BBB+	--

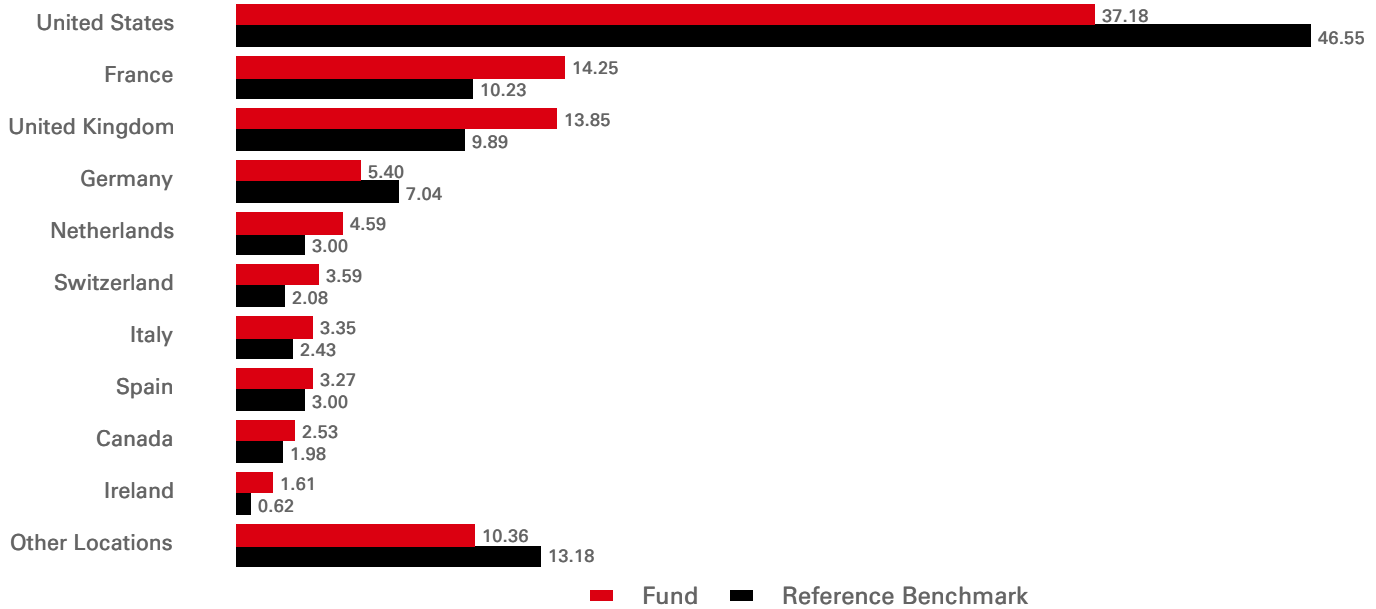
Credit rating (%)	Fund	Reference Benchmark	Relative
AAA	8.36	0.80	7.56
AA	3.01	7.26	-4.25
A	28.31	41.41	-13.10
BBB	53.74	50.52	3.22
BB	1.50	--	1.50
B	0.17	--	0.17
NR	0.01	--	0.01
Cash	4.89	--	4.89

Maturity Breakdown (Option adjusted duration)	Fund	Reference Benchmark	Relative
0-2 years	0.12	0.16	-0.04
2-5 years	1.07	1.16	-0.09
5-10 years	2.25	1.86	0.39
10+ years	2.16	2.51	-0.35
Total	5.61	5.70	-0.09

Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.
The benchmark data is that of the reference benchmark of the fund, as this data is calculated at fund level rather than share class level.
The reference benchmark of the fund is 100% Bloomberg Global Aggregate Corporates Diversified Index Hedged USD
Source: HSBC Asset Management, data as at 28 February 2023

Currency Allocation (%)	Fund	Reference Benchmark	Relative
USD	100.79	100.00	0.79
HKD	0.00	--	0.00
AUD	0.00	--	0.00
CHF	0.00	--	0.00
SGD	0.00	--	0.00
GBP	0.00	--	0.00
EUR	-0.79	--	-0.79

Geographical allocation (%)



Sector allocation (%)	Fund	Reference Benchmark	Relative
Financial Institutions	47.34	41.72	5.63
Treasuries	8.69	--	8.69
Consumer Non cyclical	7.09	13.16	-6.07
Utility	6.66	8.44	-1.78
Communications	6.01	7.17	-1.17
Consumer Cyclical	5.24	7.50	-2.25
Capital Goods	3.82	4.75	-0.93
Technology	3.80	5.72	-1.93
Agencies	2.76	--	2.76
Energy	2.49	5.04	-2.55
Other Sectors	1.21	6.50	-5.29
Cash	4.89	--	4.89

Top 10 holdings	Weight (%)
US TREASURY N/B 2.625 31/07/29	1.74
JPMORGAN CHASE 4.600	1.41
THAMES WATER UTL 4.375 18/01/31	1.31
US TREASURY N/B 3.250 15/05/42	1.26
SOCIETE GENERALE 5.587 21/01/26	1.25
BANK NOVA SCOTIA 5.407 11/04/25	1.24
ENERGY TRANSFER 6.250 15/04/49	1.24
AMGEN INC 4.050 18/08/29	1.16
GOLDMAN SACHS GP 0.925 21/10/24	1.13
US TREASURY N/B 1.875 15/02/32	1.03

Ten lowest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO ² e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO ² e/USD million)
SCOR SE	0.15	STBNO V1.875 09/30/51	0.01
SAMPO OYJ	0.35	JUSTLN V7 04/15/31	0.11
NN GROUP NV	0.57	IIILN 3.75 06/05/40	0.15
ING GROEP NV	0.61	SCOR V1.375 09/17/51	0.15
ALD SA	0.63	SRENVX 4.25 12/06/42 144A	0.22
SYNCHRONY BANK	0.91	SRENVX 6.05 02/15/56	0.22
SYNCHRONY FINANCIAL	0.91	SRENVX V2.534 04/30/50	0.22
SVENSKA HANDELSBANKEN AB	1.13	SRENVX V2.6 PERP	0.22
ALLIANZ SE	1.32	SRENVX V2.714 06/04/52 EMTN	0.22
MUNICH RE	1.33	SRENVX V4.5 09/11/44	0.22

Ten highest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO ² e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO ² e/USD million)
WASTE MANAGEMENT INC	1,072.37	HNINTL 2.25 02/20/25	12,303.07
MPLX LP	1,058.20	UTCMIN 2.8 02/16/31 REGS	9,627.87
WASTE CONNECTIONS INC	922.85	VST 3.55 07/15/24 144A	8,260.15
ENGIE SA	569.42	CNL 3.743 05/01/26	7,333.23
ENEL FINANCE AMERICA LLC	561.77	KALLPA 4.875 05/24/26 REGS	7,276.37
ENEL FINANCE INTL NV	561.77	HXCEME 2.25 11/19/25 emtn	6,086.36
ANGLO AMERICAN CAPITAL	520.28	JERA 3.665 04/14/27	6,060.14
RED ELECTRICA CORP	283.09	RATCH 4.5 03/27/28 EMTN	5,881.85
MOHAWK INDUSTRIES INC	239.68	SOUTAU 4.35 04/14/32 144A	5,396.26
BP CAPITAL MARKETS PLC	227.55	HKE 1.875 08/27/30 EMTN	5,063.40

Company carbon data, can often be “partially disclosed”, i.e. partial geographic coverage, or incomplete operational data. Trucost* undertakes analysis and research to assess company reported results. The proprietary Trucost model enables an estimate of total emissions which relies on more than just reported financial data. Where securities are not covered by Trucost, HSBC assigns a proxy value based on the average intensity score of comparable companies.*Trucost are a division of S&P Global; they assess risks relating to climate change, natural resource constraints, and broader environmental, social, and governance factors.

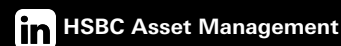
Source of analytics: Trucost / HSBC

Source: HSBC Asset Management, data as at 28 February 2023

Risk disclosures

- The Fund invests in bonds whose value generally falls when interest rates rise. This risk is typically greater the longer the maturity of a bond investment and the higher its credit quality. The issuers of certain bonds, could become unwilling or unable to make payments on their bonds and default. Bonds that are in default may become hard to sell or worthless.
- The Fund may invest in Emerging Markets, these markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.
- Derivatives may be used by the Fund, and these can behave unexpectedly. The pricing and volatility of many derivatives may diverge from strictly reflecting the pricing or volatility of their underlying reference(s), instrument or asset.
- Investment Leverage occurs when the economic exposure is greater than the amount invested, such as when derivatives are used. A Fund that employs leverage may experience greater gains and/or losses due to the amplification effect from a movement in the price of the reference source.
- Further information on the potential risks can be found in the Key Investor Information Document (KID) and/or the Prospectus or Offering Memorandum.

Follow us on:



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wholesale.clientservices@hsbc.com
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Glossary



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Benchmark disclosure

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

Source: HSBC Asset Management, data as at 28 February 2023



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