

## HSBC Global Investment Funds

# GLOBAL LOWER CARBON EQUITY

Monthly report 31 July 2023 | Share class ACEUR

### Investment objective

The Fund aims to provide long term capital growth and income by investing in shares of companies that have a lower carbon intensity and higher environmental, social and governance (ESG) rating compared to its reference benchmark. Carbon intensity is calculated as a weighted average of the carbon intensities and ESG ratings of the Fund's investments. 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 90% of its assets in shares (or securities similar to shares) of companies of any size that are based in developed markets. The investment process identifies and ranks stocks in the Fund's investment universe. In order to lower the exposure to carbon intensive businesses and raise the Fund's ESG rating, all holdings in the portfolio are assessed for their individual carbon footprint and ESG scores. A portfolio which aims to maximize growth and income and reduces the carbon footprint is then created. The Fund will not invest in shares of companies that are considered to be non-compliant with the UN Global Compact Principles or have material exposure to specific excluded activities, such as, thermal coal fired power generation and thermal coal extraction. The Fund may invest up to 10% in other funds. See the Prospectus for a full description of the investment objectives and derivative usage.

### Main risks

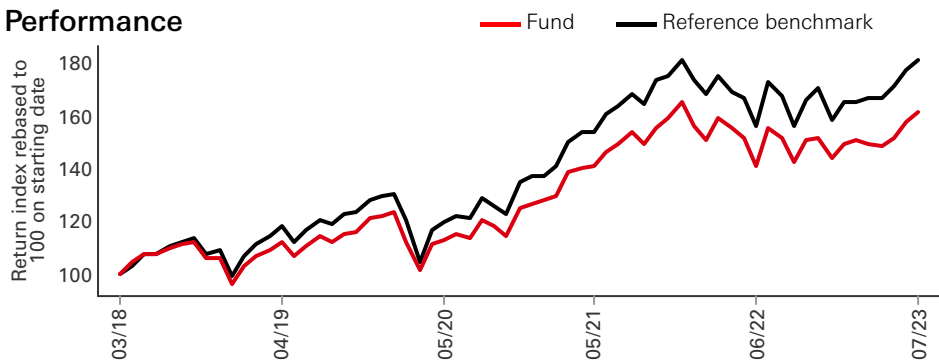
- The Fund's unit value can go up as well as down, and any capital invested in the Fund may be at risk.
- The value of investible securities can change over time due to a wide variety of factors, including but not limited to: political and economic news, government policy, changes in demographics, cultures and populations, natural or human-caused disasters etc.
- 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.

### Share Class Details

Key metrics	
NAV per Share	<b>EUR 15.60</b>
Performance 1 month	<b>2.27%</b>
Volatility 3 years	<b>14.06%</b>
Fund facts	
UCITS V compliant	<b>Yes</b>
Dividend treatment	<b>Accumulating</b>
Dealing frequency	<b>Daily</b>
Valuation Time	<b>17:00 Luxembourg</b>
Share Class Base Currency	<b>EUR</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>15 March 2018</b>
Fund Size	<b>USD 295,188,889</b>
Reference benchmark	<b>100% MSCI World Net</b>
Managers	<b>HSBC Index and Systematic Equity Portfolio Management Team</b>
Fees and expenses	
Ongoing Charge Figure <sup>1</sup>	<b>1.150%</b>
Codes	
ISIN	<b>LU1698195051</b>
Bloomberg ticker	<b>HSGLACE LX</b>

<sup>1</sup>Ongoing 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



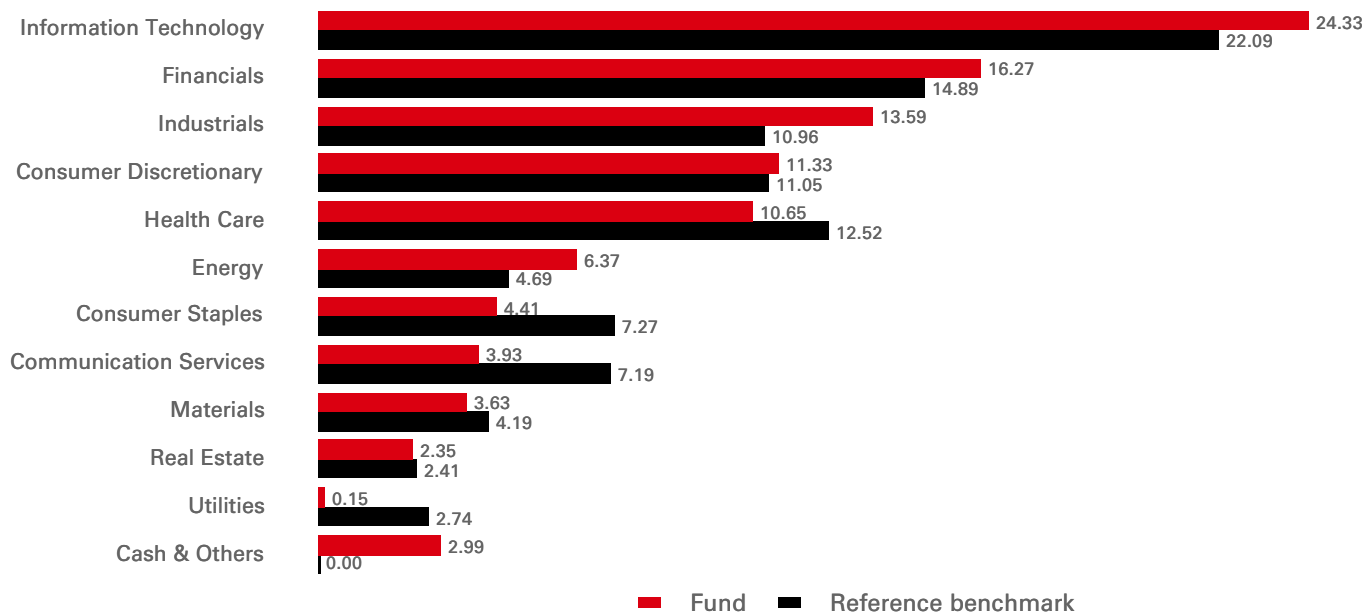
Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	10 years ann	Since inception ann
<b>ACEUR</b>	<b>12.00</b>	<b>2.27</b>	<b>8.37</b>	<b>8.02</b>	<b>3.89</b>	<b>12.39</b>	<b>7.96</b>	--	<b>8.62</b>
Reference benchmark	14.67	2.28	8.66	9.43	4.95	14.30	10.42	--	11.07

Calendar year performance (%)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>ACEUR</b>	--	--	--	--	--	--	<b>27.15</b>	<b>3.76</b>	<b>30.52</b>	<b>-13.07</b>
Reference benchmark	--	--	--	--	--	--	30.93	5.64	32.66	-12.88

Carbon footprint	Fund	Reference benchmark	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	63.02	125.82	Fund	8.4	6.8	6.0	6.2
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO <sub>2</sub> e/USD million) Source of analytics: Trucost			Reference benchmark	6.9	6.7	5.2	5.7

Equity characteristics	Fund	Reference benchmark	3-Year Risk Measures	ACEUR	Reference benchmark
No. of holdings ex cash	275	1,512	Volatility	14.06%	14.64%
Average Market Cap (USD Mil)	393,356	455,445	Information ratio	-0.55	--
			Beta	0.93	--

## Sector Allocation (%)



**Geographical Allocation (%)**



Top 10 Holdings	Location	Sector	Weight (%)
Microsoft Corp	United States	Information Technology	4.76
Apple Inc	United States	Information Technology	4.30
UnitedHealth Group Inc	United States	Health Care	1.68
Alphabet Inc	United States	Communication Services	1.60
NVIDIA Corp	United States	Information Technology	1.50
Home Depot Inc/The	United States	Consumer Discretionary	1.43
Amazon.com Inc	United States	Consumer Discretionary	1.35
Adobe Inc	United States	Information Technology	1.30
Merck & Co Inc	United States	Health Care	1.25
Coca-Cola Co/The	United States	Consumer Staples	1.17

### Ten lowest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO <sub>2</sub> e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO <sub>2</sub> e/USD million)
3I GROUP PLC	0.09	INDUSTRIVARDEN AB-A SHS	0.01
SWISS RE AG	0.22	WHEATON PRECIOUS METALS CORP	0.03
POWER CORP OF CANADA	0.45	3I GROUP PLC	0.09
NN GROUP NV	0.57	ST JAMES'S PLACE PLC	0.11
ELEVANCE HEALTH INC	0.62	IGM FINANCIAL INC	0.16
AXA SA	0.62	SHOPIFY INC - CLASS A	0.19
ZURICH INSURANCE GROUP AG	0.62	SWISS RE AG	0.22
PRUDENTIAL FINANCIAL INC	0.68	M&G PLC	0.25
DNB BANK ASA	0.69	GJENSIDIGE FORSIKRING ASA	0.27
THE CIGNA GROUP	0.69	ADYEN NV	0.35

### Ten highest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO <sub>2</sub> e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO <sub>2</sub> e/USD million)
CRH PLC	1,170.47	VISTRA CORP	8,260.15
BLUESCOPE STEEL LTD	1,095.77	SOUTH32 LTD	5,396.26
VOESTALPINE AG	1,074.71	ENERGY INC	4,751.02
HILTON WORLDWIDE HOLDINGS IN	897.94	PPL CORP	4,680.03
DELTA AIR LINES INC	893.25	AMEREN CORPORATION	4,625.74
ANA HOLDINGS INC	850.28	CLP HOLDINGS LTD	4,436.78
APA CORP	790.21	LAFARGEHOLCIM LTD-REG	4,326.14
DEUTSCHE LUFTHANSA-REG	704.32	ALLIANT ENERGY CORP	4,276.61
NIPPON YUSEN KK	678.21	AES CORP	3,676.17
AP MOLLER-MAERSK A/S-A	601.63	SOUTHERN CO/THE	3,575.78

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.

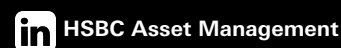
Source of analytics: Trucost / HSBC

Source: HSBC Asset Management, data as at 31 July 2023

## Risk Disclosure

- 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 Information Document (KID) and/or the Prospectus or Offering Memorandum.

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For more information please contact us at Tel: +352404646767.  
[www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)  
[amgtransferagency@lu.hsbc.com](mailto:amgtransferagency@lu.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 31 July 2023



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