

# HSBC Global Investment Funds - Economic Scale US Equity

Share Class PD

31 May 2021

## Fund Objective and Strategy

### Investment Objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of United States of America (USA) shares.

### Investment Policy

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, or carry out the larger part of their business activities in, the USA. The Fund's investment process identifies and invests in companies according to their economic scale, measured by their contribution to Gross National Product. This is also referred to as Value Added - the difference between a company's outputs and inputs. The Fund may invest up to 10% in Real Estate Investment Trusts, and may also invest up to 10% of its assets in other funds, including HSBC funds. See the Prospectus for a full description of the investment objectives and derivative usage.

Performance (%)	YTD	1M	3M	1Y	3Y <sup>1</sup>	5Y <sup>1</sup>	Since Inception <sup>1</sup>
PD USD	22.46	3.01	13.98	60.81	14.80	14.01	6.14
PD USD (Net) <sup>2</sup>	16.63	-1.90	8.55	53.15	12.95	12.90	5.99
Reference Benchmark USD	13.14	0.65	10.60	39.65	17.35	16.30	10.11

Calendar Year Performance (%)	2016	2017	2018	2019	2020
PD USD	15.99	15.96	-11.78	28.06	8.22
PD USD (Net) <sup>2</sup>	10.47	10.44	-15.98	21.96	3.07
Reference Benchmark USD	16.72	16.24	-5.75	31.43	17.34

3-Year Risk Measures	PD	Reference Benchmark	Characteristics	Fund	Reference Benchmark
Volatility	21.62%	18.51%	Number of Holdings ex Cash	1,088	505
Information Ratio	-0.38	-	Avg Market Cap (USD mil)	174,084	450,854
Beta	1.12	-			

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, NAV-to-NAV basis or Bid-to-Bid basis, dividend reinvested.**

Source: HSBC Global Asset Management, data as at 31 May 2021

### Risk Disclosure

- 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.
- 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 Fund's potential risks can be found in the Prospectus and Product Highlights Sheet, or Information Memorandum, as applicable.

Share Class Details	
UCITS V Compliant	Yes
Subscription Mode	Cash / SRS (Supplementary Retirement Scheme)
Distribution Type	Distributing
Distribution Frequency	Annually
Dealing Frequency	Daily
Valuation Time	17:00 Luxembourg
Min. Initial Investment	USD 1,000
Max. Initial Charge	5.00%
Management Fee	0.40%
Share Class Base Currency	USD
Domicile	Luxembourg
ISIN	LU0011818662
Share Class Inception Date	16 Jan 1987
NAV per Share	USD 70.17
Fund Size	USD 322,962,271
Bloomberg Ticker	HSBNOAL LX
Reference Benchmark	S&P 500 Net
Manager	HSBC Index and Systematic Equity Portfolio Management Team

<sup>1</sup>Result is annualised when calculation period is over one year.

<sup>2</sup>Net of relevant prevailing sales charge on a single pricing (NAV) basis.

Historically the comparative investment benchmark has been: S&P 500 Composite Net from launch until 15/03/2015; HSBC Economic Scale US Index from 16/03/2015 until 25/10/2017. Prior to 25/10/2017 the fund was named HSBC Global Investment Funds - Economic Scale Index US Equity; Prior to 25/11/2002 the fund was named North American Equity; Prior to 16/03/2015 the fund was named US Equity.

## Monthly Performance Commentary

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### Market Review

Global equities continued to advance in May as investors focused on economic recovery despite ongoing concerns over building inflationary pressures. US stocks rose mutedly as strong corporate earnings were partially offset by a historic high inflation print during the month, which sparked rising interest rate concerns, and a weaker than expected monthly new job creation number. European stocks rallied strongly as investors grew increasingly more confident over the economic recovery, backed by the progress of the vaccination programme and easing of COVID-19 restrictions. The European Central Bank also indicated that it would still be too soon to withdraw stimulus measures. Asian stocks mostly advanced in the month despite the weak picture of COVID-19 infections, with some countries seeing rising cases like Japan and Taiwan, and a slow rollout of COVID-19 vaccines. Corporate earnings across Asia were broadly ahead of consensus expectations, which supported higher share prices.

### Fund Commentary

#### Overall Performance

Both our asset allocation and stock selection contributed to performance.

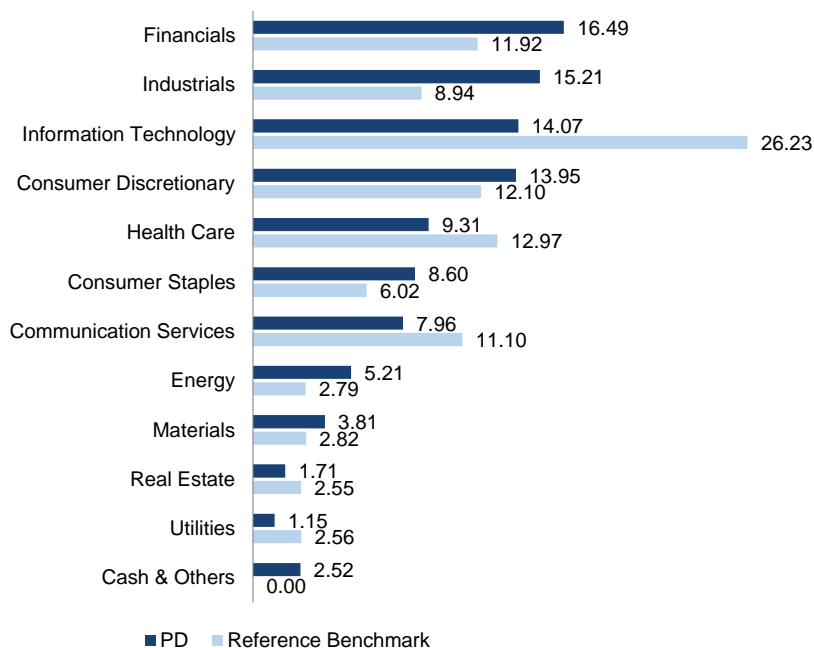
#### Sectors

On a sector basis, our overweight allocations to Financials, Industrials and Energy coupled with an underweight exposure to Information Technology contributed to performance. Conversely, an overweight allocation to Consumer Discretionary coupled with an underweight exposure to Health Care weighed on performance.

#### Stock Level

On a stock level basis, an overweight allocation to AMC Entertainment Holdings Class A (Communication Services) coupled with our underweight exposures to Amazon.com Inc (Consumer Discretionary) and Apple Inc (Information Technology) contributed to performance. Conversely, our overweight allocations to AT&T Inc (Communication Services) and HP Inc (Information Technology) coupled with an underweight exposure to Nvidia Corp (Information Technology) weighed on performance.

## Sector Allocation (%)



Top 10 Holdings (%)	Sector	Weight (%)
Walmart Inc	Consumer Staples	2.37
Wells Fargo & Co	Financials	1.81
General Electric Co	Industrials	1.53
JPMorgan Chase & Co	Financials	1.52
Bank of America Corp	Financials	1.49
Apple Inc	Information Technology	1.46
AT&T Inc	Communication Services	1.15
Berkshire Hathaway Inc	Financials	1.03
Citigroup Inc	Financials	1.02
Exxon Mobil Corp	Energy	1.00

Source: HSBC Global Asset Management, data as at 31 May 2021

## Index Disclaimer

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HSBC Global Asset Management (Singapore) Limited  
 10 Marina Boulevard, Marina Bay Financial Centre, Tower 2, #48-01, Singapore 018983  
 Telephone: (65) 6658 2900 Facsimile: (65) 6225 4324  
 Website: [www.assetmanagement.hsbc.com/sg](http://www.assetmanagement.hsbc.com/sg)  
 Company Registration No. 198602036R

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## Terms of Glossary

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**Accumulation Share:** a type of share where the income earned by the Fund is retained in the Fund

**ACD:** HSBC Global Asset Management (UK) Limited, the Authorised Corporate Director of the Company

**Actively Managed:** where the fund manager uses their expertise to pick investments to achieve the fund's objectives

**Beta:** an historical measure of volatility to measure how a fund moves versus its benchmark (i.e. an Index)

**Collective Investment Scheme:** a fund that more than one person contributes to with the aim of increasing the value of their investments or receiving income from a pooled investment. A fund manager will invest the pooled money into one or more types of asset, such as stocks, bonds or property

**Developed Markets:** countries with relatively high levels of personal income and established economies

**Emerging Markets (EM):** countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body

**Equities:** shares issued by a company

**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

**Growth:** the increase in the value of investments

**Hedge Funds:** an investment fund that pools money from investors and invests in a variety of assets, often with complex investment strategies and risk management techniques

**Hedge or Hedging:** using derivative type investments as a way to reduce risk

**Income:** money generated by a fund, such as interest from a bond or a dividend from a share, which can be paid out to its investors or paid back into the fund and reinvested

**Income Share:** the type of Share where the income earned by the Fund is paid out to you

**Information Ratio:** a measure of the risk-adjusted return of a fund against its benchmark

**Market Capitalisation:** the total dollar market value of a company'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

**Net Asset Value (NAV):** the value of the scheme property of a fund less the liabilities of the fund

**Ongoing Charges Figure:** a measure of what it costs to invest in a fund. It includes the fee paid to the ACD and other operating costs

**Price Earnings (P/E) Ratio:** the price paid for a share divided by the annual profit earned by the firm per share

**Preference Shares:** shares of a company which entitle the holder to a fixed dividend, whose payment takes priority over that of ordinary share dividends. Preference shares may be convertible to the ordinary shares of a company

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

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

**Share(s):** an equally valued holding in a fund of a company, representing part ownership of that fund, (including larger denomination shares and smaller denomination shares)

**Sharpe ratio:** a measure for calculating risk-adjusted return, and this ratio has become the industry standard for such calculations

**Volatility:** a measure of the size and frequency of changes in the value of an investment over a short space of time

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

# HSBC Global Investment Funds - Economic Scale US Equity

Supplement Information Sheet

31 May 2021

Performance (%)	Return Currency	YTD	1M	3M	6M	1Y	3Y <sup>1</sup>	5Y <sup>1</sup>	Since Inception <sup>1</sup>
AD	USD	22.36	2.99	13.92	26.69	60.49	14.57	13.78	7.88
AD (Net) <sup>2</sup>	USD	16.54	-1.91	8.50	20.66	52.84	12.72	12.67	7.60
PD EUR	EUR	23.66	1.79	13.57	24.53	46.84	13.18	11.97	6.07
PD EUR (Net) <sup>2</sup>	EUR	17.77	-3.05	8.16	18.60	39.85	11.35	10.89	5.92
PD SGD	SGD	22.51	2.45	13.42	25.25	50.55	14.39	13.11	4.67
PD SGD (Net) <sup>2</sup>	SGD	16.67	-2.43	8.02	19.29	43.38	12.54	12.01	4.52
PD USD	USD	22.46	3.01	13.98	26.82	60.81	14.80	14.01	6.14
PD USD (Net) <sup>2</sup>	USD	16.63	-1.90	8.55	20.78	53.15	12.95	12.90	5.99
YD	USD	22.64	3.03	14.07	27.03	61.37	15.20	14.41	12.40
YD (Net) <sup>2</sup>	USD	16.80	-1.87	8.64	20.98	53.68	13.34	13.30	11.92

Calendar Year Performance (%)	Return Currency	2016	2017	2018	2019	2020
AD	USD	15.76	15.73	-11.96	27.80	8.01
AD (Net) <sup>2</sup>	USD	10.25	10.22	-16.15	21.72	2.86
PD EUR	EUR	19.46	1.85	-7.35	30.70	-1.43
PD EUR (Net) <sup>2</sup>	EUR	13.77	-3.00	-11.76	24.48	-6.12
PD SGD	SGD	18.12	7.27	-9.82	26.41	6.16
PD SGD (Net) <sup>2</sup>	SGD	12.50	2.16	-14.12	20.39	1.11
PD USD	USD	15.99	15.96	-11.78	28.06	8.22
PD USD (Net) <sup>2</sup>	USD	10.47	10.44	-15.98	21.96	3.07
YD	USD	16.39	16.37	-11.47	28.51	8.61
YD (Net) <sup>2</sup>	USD	10.85	10.83	-15.68	22.39	3.43

<sup>1</sup> Result is annualised when calculation period is over one year.

<sup>2</sup> Net of relevant prevailing sales charge on a single pricing (NAV) basis.

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, NAV-to-NAV basis or Bid-to-Bid basis, dividend reinvested.**

Share Class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Last Paid Dividend	Annualised Yield
PD	USD	Annually	08 Jul 2020	0.459765	1.03%
AD	USD	Annually	08 Jul 2020	0.344851	0.81%
YD	USD	Annually	08 Jul 2020	0.225938	1.42%

The above table cites the last dividend paid within the last 12 months only.

Dividend is not guaranteed and may be paid out of capital, which will result in capital erosion and reduction in net asset value. A positive distribution yield does not imply a positive return. Past distribution yields and payments do not represent future distribution yields and payments. Historical payments may comprise of distributed income, capital, or both.

The calculation method of annualised yield prior to August 2019 is the simple yield calculation: (dividend amount / NAV per share or units as of ex-dividend date) x n; The calculation method of annualised yield from August 2019 is the compound yield calculation:  $((1 + (\text{dividend amount} / \text{ex-dividend NAV}))^n) - 1$ , n depends on the distributing frequency. Annually distribution is 1; semi-annually distribution is 2; quarterly distribution is 4; monthly distribution is 12.

The annualised dividend yield is calculated based on the dividend distribution on the relevant date with dividend reinvested, and may be higher or lower than the actual annual dividend yield.

Investors and potential investors should refer to the details on dividend distributions of the Fund, which are available on HSBC Global Asset Management (Singapore) Limited website.

Share Class	Share Class Inception Date	ISIN	Share Class Base Currency	Min. Initial Investment	NAV per Share	Annual Management Fee	Distribution Type
PD	16 Jan 1987	LU0011818662	USD	USD 1,000	70.17	0.40%	Distributing
AD	17 Dec 2002	LU0149725797	USD	USD 1,000	67.10	0.60%	Distributing
YD	14 Dec 2009	LU0449516656	USD	USD 1,000	25.04	0.15%	Distributing

Different classes may have different performances, dividend yields and expense ratios. For hedged classes, the effects of hedging will be reflected in the net asset values of such classes. Expenses arising from hedging transactions may be significant and will be borne by the relevant hedged classes. Hedged class performs the required hedging on a best efforts basis.

Source: HSBC Global Asset Management, data as at 31 May 2021