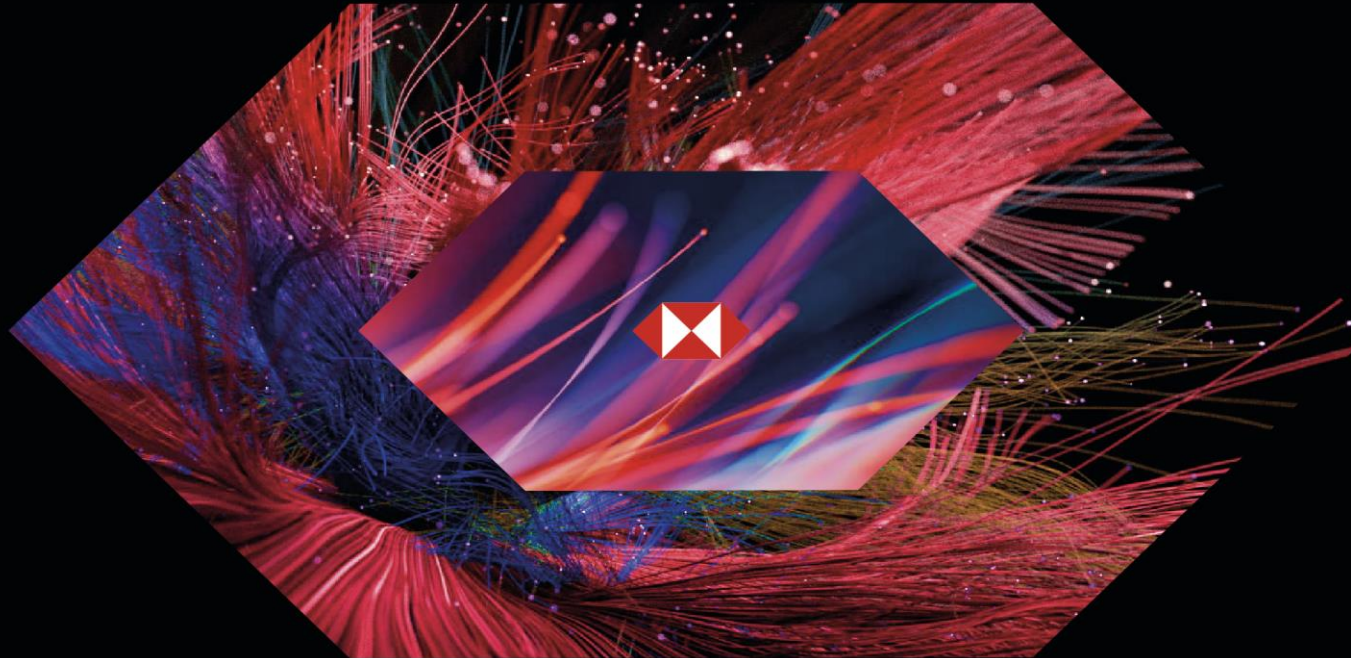


Investment Monthly

Calm before the storm?

May 2023

For Professional Clients only.



This commentary has been produced by HSBC Asset Management to provide a high level overview of the recent economic and financial market environment, and is for information purposes only. The views expressed are those of HSBC Asset Management, they were held at the time of preparation, and are subject to change without notice. These views are based on our global views and may not necessarily align with our local views, nor reflect the views expressed in other HSBC Group communications or strategies. This marketing communication does not constitute investment advice or a recommendation to any reader of this content to buy or sell investments nor should it be regarded as investment research. The content has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination. You should be aware that the value of any investment can go down as well as up and investors may not get back the amount originally invested. Furthermore, any investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in established markets. Any performance information shown refers to the past and should not be seen as an indication of future returns. You should always consider seeking professional advice when thinking about undertaking any form of investment.

Macro Outlook

- ♦ Macroeconomic data has held up better than feared but recession is the most probable outcome, particularly as we head into late 2023. Banking sector challenges add to pre-existing headwinds, especially in the **West**
- ♦ Inflation is rolling over and although still tight, there are early signs that labour markets are cooling. The **non-housing services side of inflation remains a sticking point**, but we anticipate these disinflationary trends to continue
- ♦ Stronger growth dynamics and a less persistent inflation mix leaves **Asia** in a 'parallel world'. Trade may come under pressure from weaker external demand, but China's re-opening looks set to spur a cyclical recovery

House View

- ♦ We advocate for a **defensive asset allocation** ahead of what looks set to be a choppy 6 to 12 months for markets. Noisy economic data and reactive monetary policy will create an environment conducive to market volatility
- ♦ **Short-duration fixed income is preferred** amid still negative term premia, and we also favour high-quality credits given the favourable income opportunities on offer
- ♦ **EM asset classes are attractive** given lower valuations, a better macro outlook vs DMs, and the prospect of Fed cuts. Within the EM complex, we prefer Asian assets, with a particular preference on North Asia

Policy Outlook

- ♦ Sticky core inflation, coupled with central bankers' inflation concerns, mean **a small amount of further rate tightening could be likely**. However, we think Fed policy rates then ease at the turn of the year as recessions bite
- ♦ **Fiscal policy will continue to act as a drag**, but we are unlikely to see levels of austerity like we did back in the 2010s. This may also help moderate the severity of a recession
- ♦ In **China**, both fiscal and monetary policy are set to remain accommodative although scope for major new stimulus may be unlikely. In **Japan**, a measured normalisation of the BoJ's yield curve control framework looks probable




Scenarios

POLY-CRISIS 2023	Persistent wage and core inflation pressures from resilient labour demand and supply side constraints
CENTRAL	Cooling inflation allows end of Q2 rate pause. But tighter financial conditions induces global recession
IMMACULATE DISINFLATION	Rapid supply-side improvements, income squeeze abates and confidence returns

Source: HSBC Asset Management as at May 2023. The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any investment strategy or product, nor securities in the regions and countries referenced. The views expressed above were held at the time of preparation and are subject to change without notice. The commentary and analysis presented in this document reflect the opinion of HSBC Asset Management on the markets, according to the information available to date. Not an exhaustive list of capabilities. Representative overview of the investment process, which may differ by product and or asset class, client mandate or market conditions. Any forecast, projection or target contained in this presentation is for information purposes only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecasts, projections or targets. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.

Our global scenarios

2

	 POLY-CRISIS 2023	 CENTRAL	 IMMACULATE DISINFLATION
MACRO	<p>WEST: Persistent wage and core inflation pressures due to scenario (1) resilient labour demand (2) constrained supply-side</p> <p>US GDP drawdown (>2%), delayed in scenario (1). Profit recession (-20%) = big delta vs IBES consensus</p> <p>EAST: Ongoing China property sector downturn, weak exports, higher rates weigh on activity</p>	<p>WEST: Cooling inflation allows end of Q2 rate pause. But tighter financial conditions induces global recession. European gas prices remain at pre-invasion levels</p> <p>Profits recession (\approx -10% FY 2023) as nominal growth deteriorates and corporates retrench</p> <p>EAST: Bumpy Q1 in China but reopening significantly boosts demand. Helps offset weaker Western demand</p>	<p>WEST: Rapid supply-side improvements herald “immaculate disinflation”. Income squeeze abates and confidence returns. Low European gas prices</p> <p>GDP and profits recession very mild. 2023 consensus zero earnings growth delivered</p> <p>EAST: Massive “revenge” consumption in China. Western demand holds up, buoying exports</p>
POLICY	<p>WEST: Fed funds above 6% for a sustained period, rates in scenario (1) > (2). ECB remains ultra hawkish. Push for fiscal consolidation</p> <p>EAST: Limited China policy easing, BoJ scraps YCC + raises rates, other CBs struggle to pivot</p>	<p>WEST: Fed rates peak at around 5.5%. Easing at the turn of the year amid recession. ECB less hawkish. Fiscal drag continues, but no rapid austerity</p> <p>EAST: China fiscal easing remains supportive, BoJ scraps YCC, some CBs start cutting in late 2023</p>	<p>WEST: Fed pause at 5.0-5.25%. Fed and ECB easing policy out of restrictive territory before end '23. Lower bond yields ease pressure on sovereign finances</p> <p>EAST: China policy support is accelerated to boost growth. Many CBs cutting rates before year-end</p>
MARKETS	<p>SPX retests 2022 lows, delayed in scenario (1)</p> <p>Long term real yields > 1.5%. Credit spreads widen</p> <p>↓ EM assets amid ↑ US rates and USD</p> <p>↑ USD cash, CHF, JPY, momentum, macro HFs, infrastructure and defensive equity, FRNs</p>	<p>Choppy H1 for stocks. ↓ Multiples and profits. More sustainable recovery achievable in H2</p> <p>Prefer short-duration bonds amid still –ve term premiums, carry opportunities in high quality credits</p> <p>↑ EM assets amid ↓USD, China rebound, Fed pivot. EM Asia > EM. N > S Asia amid better valuations</p>	<p>Reduced pressure on profits and multiples amid CB repricing and lower discount rates. Equities rally</p> <p>Bond yields compress further. Credit spreads tighten to price a more benign default scenario</p> <p>EM assets rally as USD falls sharply. Growth assets gain (US tech, crypto) alongside cyclicals (N Asia, Euro equities)</p>

Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future. Source: HSBC Asset Management as at May 2023. The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any investment strategy or product, nor securities in the regions and countries referenced. The views expressed above were held at the time of preparation and are subject to change without notice. Any forecast, projection or target contained in this presentation is for information purposes only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecasts, projections or targets. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.

House view

We advocate for a **defensive asset allocation** ahead of what looks set to be a choppy 6 to 12 months for markets. **Short-duration fixed income** is preferred amid still negative term premia, and we also favour **high-quality credits**. **EM asset classes** are attractive with a preference towards Asia

- ◆ **Equities** – Declines in corporate earnings remains the next big risk as we move towards a recession. This worsens the outlook for DM markets, however parts of EM may be appealing given macro resilience and attractive valuations
- ◆ **Government bonds** – Disinflation, a late 2023 recession, and the prospect of rate cuts supports the outlook for shorter-duration fixed income. We have a preference for US Treasuries
- ◆ **Corporate bonds** – There are good income opportunities available in the credit space, but as economic conditions deteriorate, this elevates default risks. We therefore prefer higher-quality credits

Equities			Government bonds			Corporate bonds			FX & Alternatives			Asian assets		
Asset Class	House view	View move	Asset Class	House view	View move	Asset Class	House view	View move	Asset Class	House view	View move	Asset Class	House view	View move
Global	▼	—	Developed Market (DM)	↔	—	Global investment grade (IG)	▲	—	Gold	▲	—	EM Asian government bonds (USD)	↔	—
US	▼	—	US	▲	—	USD IG	▲	—	Other commodities	↔	—	RMB bonds	↔	—
UK	▼	—	UK	↔	—	EUR & GBP IG	▲	—	Real estate	▲	—	Asia ex-Japan equities	▲	—
Eurozone	▼	—	Eurozone	↔	—	Asia IG	▲	—	Infrastructure	▲	—	China	▲	—
Japan	▲	—	Japan	▼	—	Global high-yield	↔	—	Hedge funds	▲	—	India	▼	—
Emerging Markets (EM)	▲	—	Inflation-linked bonds	▲	—	US high-yield	↔	—	Private equity	↔	—	ASEAN	↔	—
CEE & Latam	▼	—	EM (local currency)	▲	—	Europe high-yield	↔	—	US dollar	▼	—	Hong Kong	▲	—
Frontier	▲	—				Asia high-yield	▲	—	Crypto	↔	—	Asia FX	▲	—
						Securitised credit	▲	—						
						EM aggregate bond (USD)	▲	—						

House view represents a >12-month investment view across major asset classes in our portfolios

▲ Positive
↔ Neutral
▼ Negative

View move:
— No change
↑ Upgraded versus last month
↓ Downgraded versus last month

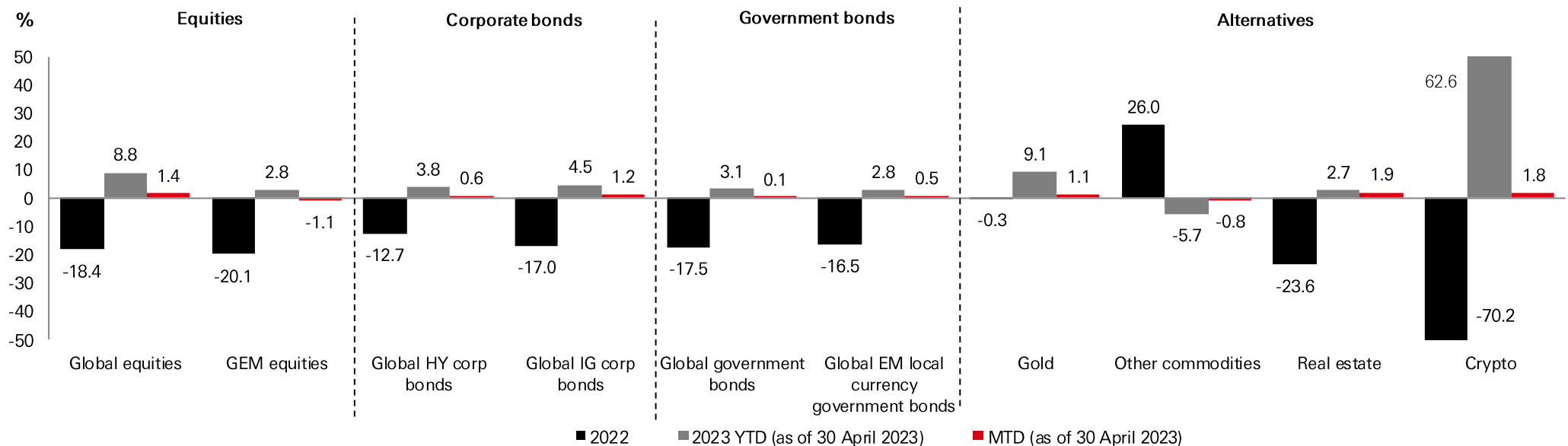
Source: HSBC Asset Management as at May 2023. The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any investment strategy or product, nor securities in the regions and countries referenced. The views expressed above were held at the time of preparation and are subject to change without notice. Not an exhaustive list of capabilities. Representative overview of the investment process, which may differ by product and or asset class, client mandate or market conditions. Any forecast, projection or target contained in this presentation is for information purposes only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecasts, projections or targets. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.

Asset class performance at a glance

4

Global equities edged higher in April, despite noisy economic data. Better-than-feared Q1 earnings numbers helped support risk appetite, particularly in DM markets, with many sectors seeing positive earnings surprises

- ◆ **Government bonds** – Global government bonds were broadly unchanged over the month as investors assessed their central bank rate hike trajectories. Concerns over sticky inflation were pitted against impacts of rate hiking on broader economic activity, with limited overall change
- ◆ **Alternatives** – Gold rose for a consecutive month amid falling bond yields and a slight weakening of the US dollar,. Meanwhile, crypto assets added to their strong YTD gains following a slight improvement in sentiment surrounding the asset class. Other commodity prices fell as moderating economic activity reduced demand



Past performance does not predict future returns. The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. The level of yield is not guaranteed and may rise or fall in the future. Source: Bloomberg, all data above as of close of 30 April 2023 in USD, total return, month-to-date terms. The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any investment strategy or product, nor securities in the regions and countries referenced. The views expressed above were held at the time of preparation and are subject to change without notice. Any forecast, projection or target contained in this presentation is for information purposes only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecasts, projections or targets. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up. Note: Asset class performance is represented by different indices. **Global Equities:** MSCI ACWI Net Total Return USD Index. **Global Emerging Market Equities:** MSCI Emerging Market Net Total Return USD Index. **Corporate Bonds:** Bloomberg Barclays Global HY Total Return Index unhedged. Bloomberg Barclays Global IG Total Return Index unhedged. **Government bonds:** Bloomberg Barclays Global Aggregate Treasuries Total Return Index. JP Morgan EMBI Global Total Return local currency. **Commodities and real estate:** Gold Spot \$/OZ/ Other commodities: S&P GSCI Total Return CME. **Real Estate:** FTSE EPRA/NAREIT Global Index TR USD. **Crypto:** Bloomberg Galaxy Crypto Index.

Monthly macroeconomic update

US	>	<ul style="list-style-type: none"> ◆ Headline inflation is coming down but the core rate is proving to be stickier than hoped, with non-shelter services inflation proving particularly so. There are signs that the labour market is cooling but it remains tight, and combined with strong household balance sheets, inflation may remain elevated in the near term ◆ Given the interest rate hikes to date and challenges in the banking sector, credit conditions continue to tighten. We believe this will ultimately push the economy into recession, implying scope for Fed to cut rates at the end of this year and into next year
Europe	>	<ul style="list-style-type: none"> ◆ Eurozone activity has proved resilient, with indicators pointing to mild expansion. Amid sticky core inflation, this is likely to provide leeway for the ECB to raise interest rates further, especially given their pre-existing hawkish stance ◆ In the UK, an especially tight labour market is keeping core inflation above target. Activity indicators continue to surprise to the upside, with an increased chance of further rate hikes by the BoE. This brings about an elevated risk of recession
Asia	>	<ul style="list-style-type: none"> ◆ China's upbeat Q1 growth data showed a solid post-pandemic recovery, with strength in services sector activity and rapid production normalisation. However, weakening global demand and the recovery pace of domestic property market remain concerns ◆ India's cyclical growth may soften amid a weakening external environment, but has scope to remain relatively resilient. The Reserve Bank of India surprisingly paused its tightening in wake of economic headwinds, amid retreating inflation figures ◆ Japan's gradually improving consumption and inbound tourism may offset trade headwinds. The Bank of Japan will continue to assess how wage growth and imported prices affect its ability to meet its inflation target under new Governor Kazuo Ueda
Other EM	>	<ul style="list-style-type: none"> ◆ In Latin America, rates have peaked or are close to peaking, and are likely to remain restrictive until there are clear signs of falling core inflation and eased wage pressures. While China reopening is a positive, growth may come under pressure during 2023 ◆ Inflation pressures are particularly pronounced in Eastern Europe, with rapid wage growth a key factor in keeping central banks hawkish. A rise in inflation expectations suggest central banks may keep rates in hawkish territory for some time ◆ Weaker oil prices have created moderate economic headwinds for MENA. However risks to oil prices are skewed to the upside amid the prospect of OPEC production cuts. High levels of excess government reserves can also ensure stable growth

Base case view and implications

<ul style="list-style-type: none"> ◆ Noisy economic data adds to uncertainty over the Fed policy path. This is likely to bring near-term volatility. High US recession risks and earnings pressures weigh on the outlook for US equities, but this does not appear to be priced in currently ◆ If a US recession materialises, Fed rate cuts can lead to falling US Treasury yields. We prefer the short-end of the yield curve
<ul style="list-style-type: none"> ◆ European equities' profitability faces pressures amid tightening financial conditions. Multiples may be at risk following the sharp rerating YTD ◆ Dissipating risk off sentiment has caused European government bond yields to rise and they may rise further amid a hawkish ECB. A relatively faster easing in core inflation can offset this though
<ul style="list-style-type: none"> ◆ Chinese equities still show favourable valuations, with further upward revisions in the earnings outlook remaining possible should China's cyclical recovery continue. ◆ The structural story of Indian equities is appealing, but relatively rich valuations and margin pressures are concerns ◆ ASEAN equities may be further supported by China's post-pandemic recovery, while their defensive qualities remain attractive. A global trade slowdown and margin pressures create headwinds
<ul style="list-style-type: none"> ◆ The EM equity outlook is supported by attractive valuations and pro-growth policy in China, which can benefit the wider Asia region. However, there is considerable regional divergence and so we advocate a selective approach to capitalise on this ◆ A meaningful deterioration in US economic data can worsen the outlook for EM fixed income. However, as certain EM central banks stop hiking rates later this year, yields can compress. Easing Fed hawkishness can cause an EM FX appreciation, acting as a positive for international investors

Asset class positioning

House view represents a >12-month investment view across major asset classes in our portfolios

▲ Positive
↔ Neutral
▼ Negative

View move:
— No change
↑ Upgraded versus last month
↓ Downgraded versus last month

Asset class		House view	View change	Comments
Equities	Global	▼	—	While there is scope for performance to hold up in the near-term given resilient macro data, earnings challenges are the biggest risk factor. Consensus expectations seem high given current macro headwinds suggesting downside, but it is important to note the high regional divergence
	US	▼	—	Fed rate hikes and tightening credit conditions are likely to weigh on corporate profitability in the second half of 2023. The risk of sticky inflation may also add some downward pressure on valuations, while uncertainty over the speed of disinflation is likely to add to volatility
	UK	▼	—	The defensive and value nature of UK stocks has appeal. However, sticky inflation and economic resilience may prompt further rate tightening from the Bank of England. This dampens the outlook
	Eurozone	▼	—	Sharply lower energy prices and a cyclical recovery in China have helped activity and earnings hold up better than feared. While this has supported equities in the region, it does create leeway for the ECB to be more hawkish. This is likely to pressure valuations and earnings looking ahead
	Japan	▲	—	A gradual increase in JGB yields could pressure valuations, with an accompanied appreciation of the yen also acting as a headwind. However Japan is still broadly sheltered from higher short-term rates globally, with domestic reopening also providing an offsetting boost
	Emerging Markets (EM)	▲	—	Valuations are attractive and relative EM macro resilience is a positive but there is considerable divergence. A less hawkish Fed and China policy support may lay the ground for an improvement in sentiment, especially given cautious investor positioning, but an active approach will be key
	CEE & Latam	▼	—	While gas prices have eased, Emerging Europe still faces high core inflation amid especially tight labour markets. Policy may be near to peak hawkishness in Latam, but rates will likely remain restrictive well into 2023 creating a tough environment for equities
	Frontier markets	▲	—	Rates are deep in restrictive territory in areas, but may be near or at peaks. Other parts of the complex have faced much more benign price pressures. China’s cyclical recovery reopening is also a positive, but an active approach will key to manage the various country-specific risks
Government bonds	Developed Markets (DM)	↔	—	Sticky core inflation can lead to further upside to yields in the near-term. However a heightened probability of recession towards the end of this year can provide some upside to performance
	US	▲	—	The decline in yields that occurred during March may reverse in the near-term if the Fed delivers more tightening than what is priced in. However, yields have scope to fall on a significant growth deterioration later into 2023
	UK	↔	—	Strong wage growth and better-than-expected economic data may keep the BoE hawkish in the near-term, adding upside pressure to yields. But as the lagged effects of rate hikes work their way through the economy in the remainder of this year, disinflation may prompt some yield declines
	Eurozone	↔	—	The ECB has decent leeway to remain hawkish given how activity has held up and ongoing inflation challenges. This is likely to place near-term upside pressure on yields. More positively, sharper-than-expected disinflation can support yield compression later in 2023
	Japan	▼	—	Large global rate differentials place pressure on Japan’s “Yield Curve Control” framework. While there could be scope for a widening in yield bands in the future, better opportunities exist elsewhere. With negative bond risk premia, we remain underweight Japanese government bonds
	Inflation-linked bonds	▲	—	The short term outlook is uncertain amid sticky inflation and as tighter policy feeds through to the economy. Nevertheless, valuations have improved recently, and as we get closer to peak policy rates, this can provide upside to the asset class
	EM local currency	▲	—	Recession risks caused by fallouts from global policy tightening are likely to detriment the asset class. However many EM central banks are near or at peak hawkishness which can be beneficial. Yields are attractive and pockets of cheap FX can also provide a good margin of safety

Source: HSBC Asset Management as at May 2023. The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any investment strategy or product, nor securities in the regions and countries referenced. The views expressed above were held at the time of preparation and are subject to change without notice. Not an exhaustive list of capabilities. Representative overview of the investment process, which may differ by product and or asset class, client mandate or market conditions. Any forecast, projection or target contained in this presentation is for information purposes only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecasts, projections or targets. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.

Asset class positioning

House view represents a >12-month investment view across major asset classes in our portfolios

▲ Positive
↔ Neutral
▼ Negative

View move:
— No change
↑ Upgraded versus last month
↓ Downgraded versus last month

Asset class	House view	View change	Comments
Corporate bonds	Global investment grade (IG)	▲ —	Spreads can widen as the economic cycle deteriorates and resurgences in financial sector stress can lead to spikes in spreads, but many corporates have stable balance sheets. A selective approach can help investors capitalise on some good income opportunities
	USD IG	▲ —	In the near-term, spreads may widen with spreads typically peaking after policy tightening is concluded. But a sharp disinflation can bring about a rally as rates begin to fall. We have a preference for short duration IG credits
	EUR and GBP IG	▲ —	Better-than-expected economic data has led to a moderation in valuations, however, there is room for spreads to rise in the near-term as the effects of policy tightening set in. Later in 2023, disinflation can enable policy easing, benefitting the asset class
	Asia IG	▲ —	IG issuers in the region are fundamentally solid. Good access to funding, relatively lower inflation in the region and a China recovery boosts the outlook
	Global high-yield (HY)	↔ —	Despite YTD compression, good carry opportunities are available but caution is warranted. Lending standards are tightening, and this has accelerated following banking sector challenges. As we edge towards a profits recession, defaults may start climbing
	US HY	↔ —	Earnings have held up for now and balance sheet health is in a reasonable shape. Nevertheless, current valuations do not appear to reflect our central scenario of a meaningful economic slowdown which keeps us cautious
	Europe HY	↔ —	A more optimistic growth outlook has spurred spread compression. There may be scope for these to rise in the near-term amid a hawkish ECB and resurfacing concerns over the health of the financial sector, but disinflation later in the year can be a positive
	Asia HY	▲ —	Spreads have continued to trace back part of their Q4 2022 compression, with some widening over the month. The focus on stability from the National Party Congress in China can be beneficial, but the outlook is challenged for weaker Chinese property developers
	Securitised credit	▲ —	The floating rate nature of the asset class shields it from capital losses caused by any further rate rises. This also creates an attractive income opportunity. Spreads are wide, offering long term value but growing recession and default concerns remain important risks
FX & Alternatives	EM aggregate bond (USD)	▲ —	Deteriorating US economic data pressures default risk pricing globally. Valuations for sovereigns also look slightly expensive given the spread compression YTD, but corporates look much more attractive. Lower-beta strategies are preferred
	Gold	▲ —	Banking sector challenges fuelled the surge in gold prices. While this lowers the possibility for further upside, with sticky inflation acting as a near-term headwind, some support can come from a weakening US dollar and a dovish repricing of rate expectations
	Other commodities	↔ —	A broad global slowdown has been dampening demand and is likely to continue to be an important risk factor. Some support can be found from an acceleration in China activity, while OPEC+ market management may also help limit downside price risk for oil
	Real estate	▲ —	Listed real estate valuations are attractive, however weaker global growth and higher interest rates may dampen future rental growth and property values. A strategy focusing on sectors with high occupancy and inflation-capturing leases is preferable
	Infrastructure	▲ —	Infrastructure debt can offer better expected returns than global credits, with relatively lower spread volatility during recessionary periods. Defensive attributes can also support the case for infrastructure equity as we edge closer to a recession
	Hedge funds	▲ —	Hedge funds can offer attractive diversification properties while we remain in a volatile, high inflation environment. Macro and CTA strategies can be particularly attractive alternatives to bonds while the stock-bond correlation remains positive
	Private equity	↔ —	Many PE funds may face revised valuations as recession concerns grow, however the possibility of recession can create good entry points for longer-term investors. The investment case is about alpha, not beta
	US dollar	▼ —	Global growth risks, sticky core US inflation and a rise in risk aversion can provide support for the dollar. But broader disinflation in the US and the high probability that we are close to peak Fed rates suggests the dollar's recent downward trend will continue
	Crypto	↔ —	Crypto can benefit from lingering concerns in the banking sector and from risk-on sentiment stemming from upside surprises to activity data. However, recession concerns and regulatory risks are big reasons to remain cautious

Source: HSBC Asset Management as at May 2023. The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any investment strategy or product, nor securities in the regions and countries referenced. The views expressed above were held at the time of preparation and are subject to change without notice. Not an exhaustive list of capabilities. Representative overview of the investment process, which may differ by product and or asset class, client mandate or market conditions. Any forecast, projection or target contained in this presentation is for information purposes only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecasts, projections or targets. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.

Asset class positioning

House view represents a >12-month investment view across major asset classes in our portfolios

▲ Positive
↔ Neutral
▼ Negative

View move:

— No change
↑ Upgraded versus last month
↓ Downgraded versus last month

Asset class	House view	View change	Comments
Asian assets	Asia local bonds	▲ —	Most Asian central banks are close to the peak of their tightening cycle following retreating inflation prints. Although some positives may have already been factored in, the more resilient growth impulse in the region should be supportive despite lingering external uncertainties
	RMB bonds	↔ —	Loose liquidity conditions and supportive policy moves provide a favourable backdrop, but further monetary stimulus may stay limited in 2023 as growth recovers and inflation rises, and amid strong primary supply. Long-term diversification benefits remain intact
	Asia ex-Japan equities	▲ —	China's recovery is on track, with less aggressive monetary tightening supporting sentiment. Macro uncertainties, geopolitics, margin erosion, and earnings downgrades remain key risks. Greater dispersion in regional markets remains likely
	China equities	▲ —	There are positives from China's solid post-pandemic recovery, relatively attractive valuations, and a normalisation of tech sector regulation. Nonetheless, risks to the outlook linger from weaker external demand, the recovery pace of property sector and resumption of market confidence
	India equities	▼ —	India's economy is relatively well placed within EMs, with a strong structural story amid positive reform prospects. The RBI paused hikes amid rising economic worries and declining inflation. However rich valuations and spillovers from weakening global macro are concerns
	ASEAN equities	↔ —	China's reopening supports ASEAN's outlook, with some benefitting from inbound tourism and services exports, though margin pressures and heightened global uncertainties are headwinds. Defensive qualities are attractive and additional support comes from supply-chain relocation
	Hong Kong equities	▲ —	Hong Kong's reopening continues to drive its cyclical recovery with a resilient jobs market and a bottoming out housing market, though external headwinds still weigh on the earnings outlook. Consolidations since mid-Q1 has brought valuations back to a more compelling level
	Asia FX	▲ —	Potential USD weakness, China's cyclical recovery, and moderating inflationary pressures in the region supports the outlook. However, dispersion in USD-Asia currency pairs may extend given an increasingly divergent economic performance in the region

Source: HSBC Asset Management as at May 2023. The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any investment strategy or product, nor securities in the regions and countries referenced. The views expressed above were held at the time of preparation and are subject to change without notice. Not an exhaustive list of capabilities. Representative overview of the investment process, which may differ by product and or asset class, client mandate or market conditions. Any forecast, projection or target contained in this presentation is for information purposes only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecasts, projections or targets. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.

Market data

April 2023

	Close	MTD Change (%)	3M Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low	Fwd P/E (X)
Equity Indices								
World								
MSCI AC World Index (USD)	655	1.3	1.0	0.2	8.2	671	538	16.3
North America								
US Dow Jones Industrial Average	34,098	2.5	0.0	3.4	2.9	34,712	28,661	18.0
US S&P 500 Index	4,169	1.5	2.3	0.9	8.6	4,325	3,492	19.1
US NASDAQ Composite Index	12,227	0.0	5.5	-0.9	16.8	13,181	10,089	27.4
Canada S&P/TSX Composite Index	20,637	2.7	-0.6	-0.6	6.5	21,213	17,873	13.9
Europe								
MSCI AC Europe (USD)	519	3.6	4.8	9.1	13.8	523	367	13.0
Euro STOXX 50 Index	4,359	1.0	4.7	14.6	14.9	4,412	3,250	12.5
UK FTSE 100 Index	7,871	3.1	1.3	4.3	5.6	8,047	6,708	11.0
Germany DAX Index*	15,922	1.9	5.2	12.9	14.4	15,922	11,863	12.0
France CAC-40 Index	7,492	2.3	5.8	14.7	15.7	7,581	5,628	12.9
Spain IBEX 35 Index	9,241	0.1	2.3	7.7	12.3	9,541	7,190	10.9
Italy FTSE MIB	27,077	-0.1	1.8	11.6	14.2	28,110	20,183	8.3
Asia Pacific								
MSCI AC Asia Pacific ex Japan (USD)	515	-1.8	-6.3	-8.1	1.8	563	427	13.9
Japan Nikkei-225 Stock Average	28,856	2.9	5.6	7.5	10.6	29,279	25,520	16.8
Australian Stock Exchange 200	7,309	1.8	-2.2	-1.7	3.8	7,568	6,407	14.9
Hong Kong Hang Seng Index	19,895	-2.5	-8.9	-5.7	0.6	22,701	14,597	9.6
Shanghai Stock Exchange Composite Index	3,323	1.5	2.1	9.1	7.6	3,425	2,885	11.3
Hang Seng China Enterprises Index	6,702	-3.8	-9.7	-8.2	0.0	7,918	4,919	8.6
Taiwan TAIEX Index	15,579	-1.8	2.1	-6.1	10.2	16,811	12,629	16.0
Korea KOSPI Index	2,502	1.0	3.2	-7.2	11.9	2,702	2,135	14.7
India SENSEX 30 Index	61,112	3.6	2.6	7.1	0.4	63,583	50,921	19.5
Indonesia Jakarta Stock Price Index	6,916	1.6	1.1	-4.3	1.0	7,377	6,510	0.5
Malaysia Kuala Lumpur Composite Index	1,416	-0.5	-4.7	-11.5	-5.3	1,615	1,373	13.0
Philippines Stock Exchange PSE Index	6,625	1.9	-2.5	-1.6	0.9	7,138	5,699	13.1
Singapore FTSE Straits Times Index	3,271	0.4	-2.8	-2.6	0.6	3,408	2,969	10.7
Thailand SET Index	1,529	-5.0	-8.5	-8.3	-8.4	1,696	1,518	15.0
Latam								
Argentina Merval Index	297,960	21.3	17.5	237.6	47.4	307,057	81,963	4.9
Brazil Bovespa Index*	104,432	2.5	-7.9	-3.2	-4.8	120,752	95,267	7.0
Chile IPSA Index	5,416	1.7	1.8	13.3	2.9	6,013	4,650	8.3
Colombia COLCAP Index	1,199	3.6	-7.1	-23.3	-6.8	1,619	1,085	5.9
Mexico S&P/BMV IPC Index	55,121	2.3	1.0	7.2	13.7	55,310	44,519	13.2
EEMEA								
Russia MOEX Index	2,635	7.5	18.4	7.8	22.3	2,658	1,775	#N/A N/A
South Africa JSE Index	78,218	2.8	-1.6	8.0	7.1	81,338	62,194	10.4
Turkey ISE 100 Index*	4,618	-4.1	-7.2	90.0	-16.2	5,705	2,346	4.6

Past performance does not predict future returns. Sources: Bloomberg, HSBC Asset Management. Data as at close of business 30 April 2023. Performance information is for illustrative purposes only. The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any investment strategy or product, nor securities in the regions and countries referenced. The views expressed above were held at the time of preparation and are subject to change without notice. Any forecast, projection or target contained in this presentation is for information purposes only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecasts, projections or targets. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up. (*) Indices expressed as total returns. All others are price returns.

Market data (continued)

April 2023

	3-month Change (%)	YTD Change (%)	1-year Change (%)	3-year Change (%)	5-year Change (%)	Dividend Yield (%)
Equity Indices - Total Return						
Global equities	1.6	8.8	2.1	40.7	40.4	2.3
US equities	2.2	8.9	1.4	46.9	66.3	1.6
Europe equities	6.0	15.2	12.0	49.5	25.4	3.4
Asia Pacific ex Japan equities	-5.8	2.3	-5.4	15.3	2.6	3.4
Japan equities	0.3	6.6	4.3	17.9	6.2	2.4
Latam equities	-2.9	6.7	5.0	59.3	-5.2	6.3
Emerging Markets equities	-4.7	2.8	-6.5	13.5	-5.1	3.2

All total returns quoted in USD terms.

Data sourced from MSCI AC World Total Return Index, MSCI USA Total Return Index, MSCI AC Europe Total Return Index, MSCI AC Asia Pacific ex Japan Total Return Index, MSCI Japan Total Return Index, MSCI Latam Total Return Index and MSCI Emerging Markets Total Return Index.

	Close	MTD Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)
Bond indices - Total Return					
BarCap GlobalAgg (Hedged in USD)	542	0.5	1.1	-0.7	3.4
JPM EMBI Global	790	0.5	-0.3	0.1	2.8
BarCap US Corporate Index (USD)	3,096	0.8	0.3	0.7	4.3
BarCap Euro Corporate Index (Eur)	233	0.7	0.2	-4.3	2.5
BarCap Global High Yield (USD)	514	0.3	-0.6	0.4	3.3
BarCap US High Yield (USD)	2287	1.0	0.8	1.2	4.6
BarCap pan-European High Yield (USD)	493	0.6	0.6	1.6	4.1
BarCap EM Debt Hard Currency	392	0.6	-0.4	0.1	2.9
Markit iBoxx Asia ex-Japan Bond Index (USD)	207	0.6	0.3	0.8	3.5
Markit iBoxx Asia ex-Japan High-Yield Bond Index (USD)	227	-0.9	-4.5	-0.8	2.1

Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future.

Sources: Bloomberg, HSBC Asset Management. Data as at close of business 30 April 2023. Performance information is for illustrative purposes only. The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any investment strategy or product, nor securities in the regions and countries referenced. The views expressed above were held at the time of preparation and are subject to change without notice. Any forecast, projection or target contained in this presentation is for information purposes only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecasts, projections or targets. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up. Total return includes income from dividends and interest as well as appreciation or depreciation in the price of an asset over the given period.

Market data (continued)

April 2023

Bonds	Close	End of last mth.	3-months Ago	1-year Ago	Year End 2021
US Treasury yields (%)					
3-Month	5.03	4.69	4.64	0.82	4.34
2-Year	4.01	4.03	4.20	2.71	4.43
5-Year	3.48	3.57	3.62	2.95	4.00
10-Year	3.42	3.47	3.51	2.93	3.87
30-Year	3.67	3.65	3.63	3.00	3.96
Developed market 10-year bond yields (%)					
Japan	0.39	0.33	0.49	0.22	0.41
UK	3.72	3.49	3.33	1.90	3.66
Germany	2.31	2.29	2.28	0.94	2.57
France	2.88	2.79	2.75	1.46	3.11
Italy	4.17	4.09	4.15	2.77	4.70
Spain	3.36	3.30	3.28	1.97	3.65

	Latest	MTD Change (%)	3-month Change (%)	1-year Change (%)	YTD Change (%)	52-week High	52-week Low
Commodities							
Gold	1,990	1.1	3.2	4.9	9.1	2,049	1,615
Brent Oil	79.5	-0.3	-5.9	-27.3	-7.4	125	70
WTI Crude Oil	76.8	1.5	-2.6	-26.7	-4.3	124	64
R/J CRB Futures Index	268	0.2	-3.6	-13.0	-3.5	330	254
LME Copper	8,596	-4.4	-6.8	-12.0	2.7	9,916	6,955

Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future.

Sources: Bloomberg, HSBC Asset Management. Data as at close of business 30 April 2023. Performance information is for illustrative purposes only. The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any investment strategy or product, nor securities in the regions and countries referenced. The views expressed above were held at the time of preparation and are subject to change without notice. Any forecast, projection or target contained in this presentation is for information purposes only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecasts, projections or targets. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.

Market data (continued)

April 2023

Currencies (vs USD)	Latest	End of last mth.	3-mths Ago	1-year Ago	Year End 2021	52-week High	52-week Low
Developed markets							
DXY index	101.66	102.51	102.10	102.96	103.52	114.78	100.79
EUR/USD	1.10	1.08	1.09	1.05	1.07	1.11	0.95
GBP/USD	1.26	1.23	1.23	1.26	1.21	1.27	1.04
CHF/USD	1.12	1.09	1.09	1.03	1.08	1.13	0.99
CAD	1.36	1.35	1.33	1.28	1.36	1.40	1.25
JPY	136.3	132.9	130.1	129.7	131.1	152.0	126.4
AUD	1.51	1.50	1.42	1.42	1.47	1.62	1.37
NZD	1.62	1.60	1.55	1.55	1.57	1.81	1.52
Asia							
HKD	7.85	7.85	7.84	7.85	7.80	7.85	7.76
CNY	6.91	6.87	6.76	6.61	6.90	7.33	6.59
INR	81.83	82.18	81.92	76.43	82.74	83.29	76.00
MYR	4.46	4.42	4.27	4.35	4.40	4.75	4.23
KRW	1,339	1,302	1,232	1,256	1,266	1,445	1,216
TWD	30.74	30.45	30.04	29.48	30.72	32.34	29.02
Latam							
BRL	4.99	5.06	5.08	4.97	5.28	5.53	4.69
COP	4,695	4,623	4,671	3,961	4,853	5,131	3,742
MXN	18.00	18.05	18.84	20.43	19.50	21.05	17.90
ARS	222.64	208.99	186.99	115.31	177.13	222.64	115.67
EEMEA							
RUB	#N/A N/A	#N/A N/A	#N/A N/A	118.69	118.69	#N/A N/A	#N/A N/A
ZAR	18.29	17.80	17.41	15.79	17.04	18.72	15.17

Past performance does not predict future returns. Sources: Bloomberg, HSBC Asset Management. Data as at close of business 30 April 2023. Performance information is for illustrative purposes only. The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any investment strategy or product, nor securities in the regions and countries referenced. The views expressed above were held at the time of preparation and are subject to change without notice. Any forecast, projection or target contained in this presentation is for information purposes only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecasts, projections or targets. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.

Important information

Basis of Views and Definitions of 'Asset class positioning' tables

- ◆ Views are based on regional HSBC Asset Management Asset Allocation meetings held throughout **April 2023**, HSBC Asset Management's long-term expected return forecasts which were generated as **at 31 March 2023**, our portfolio optimisation process and actual portfolio positions.
- ◆ **Icons:** ↑ View on this asset class has been upgraded – No change ↓ View on this asset class has been downgraded.
- ◆ Underweight, overweight and neutral classifications are the high-level asset allocations tilts applied in diversified, typically multi-asset portfolios, which reflect a combination of our long-term valuation signals, our shorter-term cyclical views and actual positioning in portfolios. The views are expressed with reference to global portfolios. However, individual portfolio positions may vary according to mandate, benchmark, risk profile and the availability and riskiness of individual asset classes in different regions.
- ◆ *"Overweight"* implies that, within the context of a well-diversified typically multi-asset portfolio, and relative to relevant internal or external benchmarks, HSBC Global Asset Management has (or would have) a positive tilt towards the asset class.
- ◆ *"Underweight"* implies that, within the context of a well-diversified typically multi-asset portfolio, and relative to relevant internal or external benchmarks, HSBC Global Asset Management has (or would) have a negative tilt towards the asset class.
- ◆ *"Neutral"* implies that, within the context of a well-diversified typically multi-asset portfolio, and relative to relevant internal or external benchmarks HSBC Global Asset Management has (or would have) neither a particularly negative or positive tilt towards the asset class.
- ◆ For global investment-grade corporate bonds, the underweight, overweight and neutral categories for the asset class at the aggregate level are also based on high-level asset allocation considerations applied in diversified, typically multi-asset portfolios. However, USD investment-grade corporate bonds and EUR and GBP investment-grade corporate bonds are determined relative to the global investment-grade corporate bond universe.
- ◆ For Asia ex Japan equities, the underweight, overweight and neutral categories for the region at the aggregate level are also based on high-level asset allocation considerations applied in diversified, typically multi-asset portfolios. However, individual country views are determined relative to the Asia ex Japan equities universe as of **31 March 2023**.
- ◆ Similarly, for EM government bonds, the underweight, overweight and neutral categories for the asset class at the aggregate level are also based on high-level asset allocation considerations applied in diversified, typically multi-asset portfolios. However, EM Asian Fixed income views are determined relative to the EM government bonds (hard currency) universe as of **30 April 2023**.

Follow us on:

LinkedIn:

[HSBC Asset Management](#)

Website:

assetmanagement.hsbc.com

Important information

For Professional Clients and intermediaries within countries and territories set out below; and for Institutional Investors and Financial Advisors in Canada and the US. This document should not be distributed to or relied upon by Retail clients/investors.

The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested. The capital invested in the fund can increase or decrease and is not guaranteed. The performance figures contained in this document relate to past performance, which should not be seen as an indication of future returns. Future returns will depend, inter alia, on market conditions, fund manager's skill, fund risk level and fees. Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries and territories with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries and territories in which they trade. Mutual fund investments are subject to market risks, read all scheme related documents carefully.

The contents of this document may not be reproduced or further distributed to any person or entity, whether in whole or in part, for any purpose. All non-authorised reproduction or use of this document will be the responsibility of the user and may lead to legal proceedings. The material contained in this document is for general information purposes only and does not constitute advice or a recommendation to buy or sell investments. Some of the statements contained in this document may be considered forward looking statements which provide current expectations or forecasts of future events. Such forward looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. We do not undertake any obligation to update the forward-looking statements contained herein, or to update the reasons why actual results could differ from those projected in the forward-looking statements. This document has no contractual value and is not by any means intended as a solicitation, nor a recommendation for the purchase or sale of any financial instrument in any jurisdiction in which such an offer is not lawful. The views and opinions expressed herein are those of HSBC Asset Management at the time of preparation, and are subject to change at any time. These views may not necessarily indicate current portfolios' composition. Individual portfolios managed by HSBC Asset Management primarily reflect individual clients' objectives, risk preferences, time horizon, and market liquidity. Foreign and emerging markets. Investments in foreign markets involve risks such as currency rate fluctuations, potential differences in accounting and taxation policies, as well as possible political, economic, and market risks. These risks are heightened for investments in emerging markets which are also subject to greater illiquidity and volatility than developed foreign markets. This commentary is for information purposes only. It is a marketing communication and does not constitute investment advice or a recommendation to any reader of this content to buy or sell investments nor should it be regarded as investment research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination. This document is not contractually binding nor are we required to provide this to you by any legislative provision.

All data from HSBC Asset Management unless otherwise specified. Any third party information has been obtained from sources we believe to be reliable, but which we have not independently verified.

HSBC Asset Management is the brand name for the asset management business of HSBC Group, which includes the investment activities provided through our local regulated entities. HSBC Asset Management is a group of companies in many countries and territories throughout the world that are engaged in investment advisory and fund management activities, which are ultimately owned by HSBC Holdings Plc. (HSBC Group). The above communication is distributed by the following entities:

- ◆ In Argentina by HSBC Global Asset Management Argentina S.A., Sociedad Gerente de Fondos Comunes de Inversión, Agente de administración de productos de inversión colectiva de FCI N° 1;
- ◆ In Australia, this document is issued by HSBC Bank Australia Limited ABN 48 006 434 162, AFSL 232595, for HSBC Global Asset Management (Hong Kong) Limited ARBN 132 834 149 and HSBC Global Asset Management (UK) Limited ARBN 633 929 718. This document is for institutional investors only, and is not available for distribution to retail clients (as defined under the Corporations Act). HSBC Global Asset Management (Hong Kong) Limited and HSBC Global Asset Management (UK) Limited are exempt from the requirement to hold an Australian financial services license under the Corporations Act in respect of the financial services they provide. HSBC Global Asset Management (Hong Kong) Limited is regulated by the Securities and Futures Commission of Hong Kong under the Hong Kong laws, which differ from Australian laws. HSBC Global Asset Management (UK) Limited is regulated by the Financial Conduct Authority of the United Kingdom and, for the avoidance of doubt, includes the Financial Services Authority of the United Kingdom as it was previously known before 1 April 2013, under the laws of the United Kingdom, which differ from Australian laws;

Follow us on:

LinkedIn:

[HSBC Asset Management](#)

Website:

assetmanagement.hsbc.com

- ◆ In Bermuda by HSBC Global Asset Management (Bermuda) Limited, of 37 Front Street, Hamilton, Bermuda which is licensed to conduct investment business by the Bermuda Monetary Authority;
- ◆ In Canada by HSBC Global Asset Management (Canada) Limited which provides its services as a dealer in all provinces of Canada except Prince Edward Island and also provides services in Northwest Territories. HSBC Global Asset Management (Canada) Limited provides its services as an advisor in all provinces of Canada except Prince Edward Island;
- ◆ In Chile: Operations by HSBC's headquarters or other offices of this bank located abroad are not subject to Chilean inspections or regulations and are not covered by warranty of the Chilean state. Further information may be obtained about the state guarantee to deposits at your bank or on www.sbif.cl;
- ◆ In Colombia: HSBC Bank USA NA has an authorized representative by the Superintendencia Financiera de Colombia (SFC) whereby its activities conform to the General Legal Financial System. SFC has not reviewed the information provided to the investor. This document is for the exclusive use of institutional investors in Colombia and is not for public distribution;
- ◆ In Finland, Norway, Denmark and Sweden by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026) and through the Stockholm branch of HSBC Global Asset Management (France), regulated by the Swedish Financial Supervisory Authority (Finansinspektionen);
- ◆ In France, Belgium, Netherlands, Luxembourg, Portugal, Greece by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026);
- ◆ In Germany by HSBC Global Asset Management (Deutschland) GmbH which is regulated by BaFin (German clients) respective by the Austrian Financial Market Supervision FMA (Austrian clients);
- ◆ In Hong Kong by HSBC Global Asset Management (Hong Kong) Limited, which is regulated by the Securities and Futures Commission. This document has not been reviewed by the Securities and Futures Commission;
- ◆ In India by HSBC Asset Management (India) Pvt Ltd. which is regulated by the Securities and Exchange Board of India;
- ◆ In Israel, HSBC Bank plc (Israel Branch) is regulated by the Bank of Israel. This document is only directed in Israel to qualified investors (under the Investment advice, Investment marketing and Investment portfolio management law-1995) of the Israeli Branch of HBEU for their own use only and is not intended for distribution;
- ◆ In Italy and Spain by HSBC Global Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026) and through the Italian and Spanish branches of HSBC Global Asset Management (France), regulated respectively by Banca d'Italia and Commissione Nazionale per le Società e la Borsa (Consob) in Italy, and the Comisión Nacional del Mercado de Valores (CNMV) in Spain;
- ◆ In Mexico by HSBC Global Asset Management (Mexico), SA de CV, Sociedad Operadora de Fondos de Inversión, Grupo Financiero HSBC which is regulated by Comisión Nacional Bancaria y de Valores;
- ◆ In the United Arab Emirates, Qatar, Bahrain & Kuwait by HSBC Bank Middle East Limited which are regulated by relevant local Central Banks for the purpose of this promotion and lead regulated by the Dubai Financial Services Authority.
- ◆ In Oman by HSBC Bank Oman S.A.O.G regulated by Central Bank of Oman and Capital Market Authority of Oman;
- ◆ In Peru: HSBC Bank USA NA has an authorized representative by the Superintendencia de Banca y Seguros in Perú whereby its activities conform to the General Legal Financial System - Law No. 26702. Funds have not been registered before the Superintendencia del Mercado de Valores (SMV) and are being placed by means of a private offer. SMV has not reviewed the information provided to the investor. This document is for the exclusive use of institutional investors in Perú and is not for public distribution;
- ◆ In Singapore by HSBC Global Asset Management (Singapore) Limited, which is regulated by the Monetary Authority of Singapore;
- ◆ In Switzerland Switzerland by HSBC Global Asset Management (Switzerland) AG. This document is intended for professional investor use only. For opting in and opting out according to FinSA, please refer to our website at <https://www.assetmanagement.hsbc.ch/> if you wish to change your client categorization, please inform us. HSBC Global Asset Management (Switzerland) AG having its registered office at Gartenstrasse 26, PO Box, CH-8002 Zurich has a licence as an asset manager of collective investment schemes and as a representative of foreign collective investment schemes. Disputes regarding legal claims between the Client and HSBC Global Asset Management (Switzerland) AG can be settled by an ombudsman in mediation proceedings. HSBC Global Asset Management (Switzerland) AG is affiliated to the ombudsman FINOS having its registered address at Talstrasse 20, 8001 Zurich. There are general risks associated with financial instruments, please refer to the Swiss Banking Association ("SBA") Brochure "Risks Involved in Trading in Financial Instruments";
- ◆ In Taiwan by HSBC Global Asset Management (Taiwan) Limited which is regulated by the Financial Supervisory Commission R.O.C. (Taiwan);
- ◆ In the UK by HSBC Global Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority;
- ◆ and in the US by HSBC Global Asset Management (USA) Inc. which is an investment adviser registered with the US Securities and Exchange Commission.

NOT FDIC INSURED ◆ NO BANK GUARANTEE ◆ MAY LOSE VALUE

Follow us on:

LinkedIn:

[HSBC Asset Management](#)

Website:

assetmanagement.hsbc.com

