

# HSBC Global Investment Funds - Economic Scale US Equity

Share Class AC

28 Feb 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>
AC	7.41	4.21	11.21	34.77	9.26	12.72
Reference Benchmark	2.30	2.71	5.51	30.60	13.49	16.09
FTSE Asia Pacific ex Japan ESG Low Carbon Select Index	2.30	2.71	5.51	30.60	13.49	16.14

Rolling Performance (%)	29 Feb 2020- 28 Feb 2021	28 Feb 2019- 29 Feb 2020	28 Feb 2018- 28 Feb 2019	28 Feb 2017- 28 Feb 2018	29 Feb 2016- 28 Feb 2017
AC	34.77	-4.10	0.91	11.37	25.29
Reference Benchmark	30.60	7.56	4.05	13.56	27.05
FTSE Asia Pacific ex Japan ESG Low Carbon Select Index	30.60	7.56	-	-	-

3-Year Risk Measures	AC	Reference Benchmark	Characteristics	Fund	Reference Benchmark
Volatility	21.46%	18.44%	Number of Holdings ex Cash	1,095	505
Information Ratio	-0.66	-	Avg Market Cap (USD mil)	162,773	436,025
Beta	1.12	-			

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

**UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE THE FUTURE ONES**

Source: HSBC Global Asset Management, data as at 28 February 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 Key Investor Information Document and Prospectus.
- UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE THE FUTURE ONES.

Share Class Details	
UCITS V Compliant	Yes
Distribution Type	Accumulating
Dealing Frequency	Daily
Valuation Time	17:00 Luxembourg
Min. Initial Investment	USD 5,000
Ongoing Charge Figure <sup>2</sup>	0.950%
Share Class Base Currency	USD
Domicile	Luxembourg
ISIN	LU0164902453
Share Class Inception Date	04 Apr 2003
NAV per Share	USD 54.51
Fund Size	USD 254,769,876
Bloomberg Ticker	HSBNOAD LX
Reference Benchmark	FTSE Asia Pacific ex Japan ESG Low Carbon Select Index
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>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.

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 rose in February as investors grew optimistic over the global economic recovery, with worldwide COVID-19 cases and deaths falling, hopes of US fiscal stimulus increasing and global corporate earnings beating market expectations, although rising bond yields tapered sentiment towards the end of the month. US stocks rose on the back of solid corporate earnings results, raised hopes of Congress passing through US fiscal stimulus and an improving labor market as unemployment claims fell to the lowest level since November 2020. Jay Powell, the US Federal Reserve Chairperson, pledged to keep monetary policy loose during the recovery. The 10 year US treasury yield rose to 1.5% in the month as investors weighed the prospect of rising inflation concerns, which caused equities to pull back towards the end of the month. European stocks moved higher amid corporate earnings that beat market expectations and continued optimism of an economic recovery. Investors also grew more bullish on Italy, after the former European Central Bank President, Mario Draghi, stepped in to form a new government under his leadership to stabilise political tensions. In the UK, the COVID-19 vaccine programme made significant progress across the population and the government announced a timeline to exit lockdowns, boosting hopes of resuming economic activity. Asian stocks generally advanced as investors grew positive over the global recovery and progress around US stimulus talks. Indian equities performed strongly following the announcement of a pro-growth 2021 government budget and Japanese equities also posted solid gains as it began its COVID-19 vaccination programme.

### Fund Commentary

Both our asset allocation and stock selection contributed to performance.

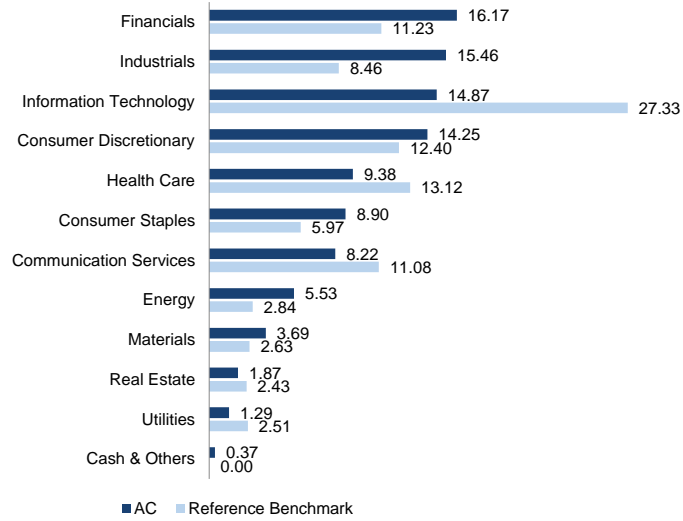
### Sectors

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

### Stock Level

On a stock level basis, our underweight exposures to Apple Inc (Information Technology), Tesla Inc (Consumer Discretionary) and Amazon.com Inc (Consumer Discretionary) contributed to performance. Conversely, our overweight allocations to Gamestop Corp (Consumer Discretionary) and Walmart Inc (Consumer Staples) coupled with an underweight exposure to and Alphabet Inc (Communication Services) weighed on performance.

**Sector Allocation (%)**



Top 10 Holdings (%)	Sector	Weight (%)
Walmart Inc	Consumer Staples	2.53
Apple Inc	Information Technology	1.65
Wells Fargo & Co	Financials	1.63
JPMorgan Chase & Co	Financials	1.59
General Electric Co	Industrials	1.58
Bank of America Corp	Financials	1.41
AT&T Inc	Communication Services	1.26
Exxon Mobil Corp	Energy	1.07
Citigroup Inc	Financials	0.98
Berkshire Hathaway Inc	Financials	0.98

Source: HSBC Global Asset Management, data as at 28 February 2021

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This fund is a sub fund of HSBC Global Investment Funds, a Luxembourg domiciled SICAV.

Before subscription, investors should refer to Key Investor Document (KIID) of the fund as well as its complete prospectus. For more detailed information on the risks associated with this fund, investors should refer to the complete prospectus of the fund

The shares of HSBC Global Investment Funds have not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons.

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

## 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