

# Asset Management

## Important Information:

- The Fund invests mainly in a diversified portfolio of global assets that form part of sustainable investment strategies (“Sustainable Assets”).
- The fund invests its asset based on certain ESG and sustainable investment strategies. The use of Sustainable Criteria may affect the Fund’s performance and result in a loss to the Fund.
- Change in sustainable investment strategies may involve rebalancing of the investments of the Fund and therefore the Fund may incur greater transaction costs than a fund employing a buy-and-hold allocation strategy.
- The Fund may invest in financial derivative instruments for investment purpose which may lead to higher volatility to its net asset value.
- The Fund may pay dividends/payouts out of capital or gross of expenses. Dividend/payout is not guaranteed and may result in capital erosion and reduction in net asset value.
- The Fund’s investments may involve substantial credit, credit rating, currency, volatility, liquidity, interest rate, valuation, emerging markets, tax and political risks and risks related to general equity market, general debt securities, sovereign debt, investment strategy, mainland China market, small/mid-capitalisation companies, non-investment grade and unrated debt securities, convertible securities and investment in other collective investment schemes. Investors may suffer substantial loss of their investments in the Fund.
- Base Currency Hedged Share Classes and RMB denominated Class are subject to higher currency and exchange rate risks.
- Investors should not invest solely based on this document and should read the offering documents for details.

HSBC Collective Investment Trust

# HSBC Global Sustainable Multi-Asset Income Fund

Multi-asset opportunities delivered sustainably



HSBC

Opening up a world of opportunity

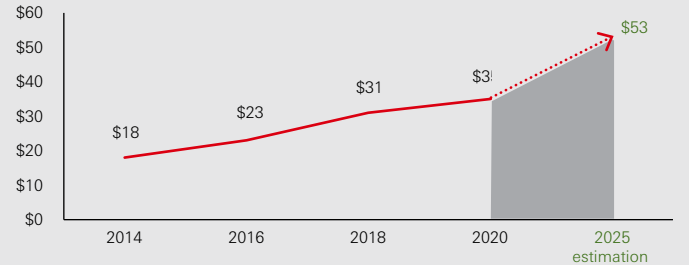
# Why consider the Fund?

## 1. A rapidly expanding opportunity set

- ◆ Increasing number of investors are cognizant of the benefits of ESG investing and have shifted their focus to investing in sustainable assets amidst the pandemic worries
- ◆ The trend of sustainable investing is also driven by the changing business environment and the impact of ESG factors on companies

### ESG assets grow in size

Global ESG investing assets (USD trillion)

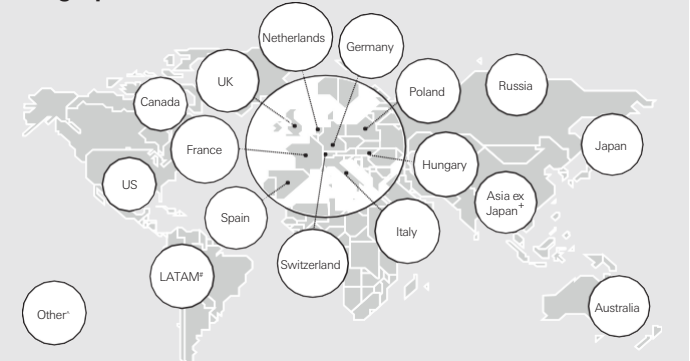


Source: 2020 Global Sustainable Investment Review, The Global Sustainable Investment Alliance. Data of 2025 was estimated by Bloomberg Intelligence, 23 February 2021.

## 2. Globally diversified portfolio aligned to pre-defined risk budget

- ◆ The Fund aims to invest across 50 countries and over 30 currencies with multiple asset classes, providing access to a wide range of investment opportunities
- ◆ With a pre-defined risk budget, the Fund aims to be managed within expected volatility levels

### Geographical diversification



Source: Bloomberg, HSBC Asset Management, as of 31 March 2022. Based on Equity, Corporate Bonds, High Yield Bonds and EMD allocation benchmarks. #Latin America (LATAM) includes Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Mexico, Panama, Paraguay, Peru and Uruguay. \*Asia ex Japan includes Mainland China, Hong Kong SAR, Indonesia, South Korea, Malaysia, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Turkey. ^Other includes all remaining countries not specified on the map.

## 3. Strong focus on sustainable assets

- ◆ The Fund invests heavily in sustainable companies and aims to reduce its exposure to less sustainable ones
- ◆ It focuses on sustainable investment opportunities and also manages the risks brought about by ESG factors

### Asset allocation (%)

Global ESG income equities (36)

- Quantitative approach
- Active fundamental approach
- Passive approach

Global ESG bonds (56)

- Higher income bonds
- Green bonds

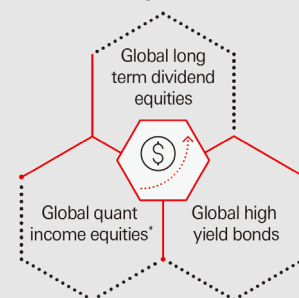
Cash (4)  
Alternatives (4)

Source: HSBC Asset Management, data as of 31 March 2022. For illustrative purposes only.

## 4. Income objectives for attractive yield potential

- ◆ The Fund incorporates an income approach that focuses on relatively attractive yielding assets, while taking ESG factors into account
- ◆ This helps mitigate the potential impact on income from a narrower investable universe due to ESG screening
- ◆ The Fund seeks to provide monthly income; the latest annualised dividend yield (Class AM2-USD) is 3.96%<sup>1</sup> (dividend is not guaranteed and may be paid out of capital)

### Asset classes to enhance portfolio's income potential

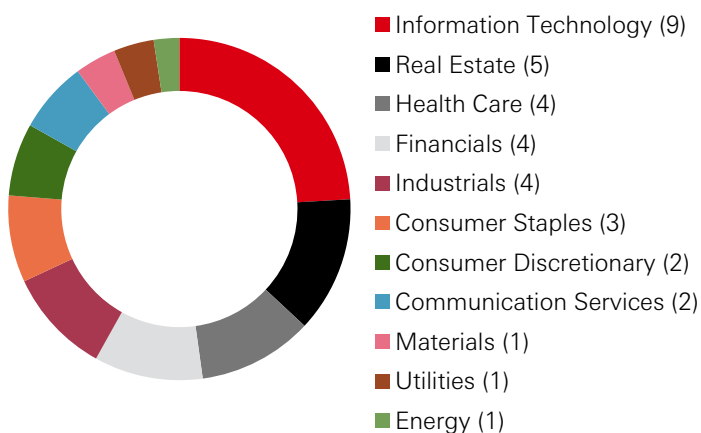


Source: HSBC Asset Management, March 2022. Investment involves risk. The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. A positive income does not imply a positive return Representative overview of the investment process, which may differ by product, client mandate or market conditions. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target.  
\* Global Quant Income Equities include covered call options.

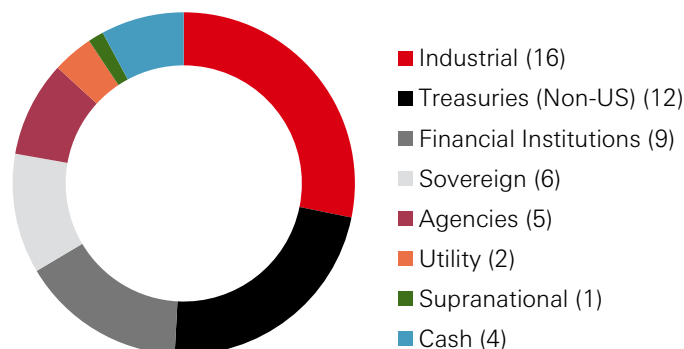
Note 1: Source: HSBC Asset Management, as of 31 March 2022. Dividend is not guaranteed and may be paid out of capital, which will result in capital erosion and reduction in net asset value. A positive distribution yield does not imply a positive return. Past distribution yields and payments do not represent future distribution yields and payments. Historical payments may be comprised of both distributed income and capital. The calculation method of annualised dividend yield:  $((1 + (\text{dividend amount} / \text{ex-dividend NAV}))^{12}) - 1$ . The annualized dividend yield is calculated base on the dividend distribution on the relevant date with dividend reinvested, and may be higher or lower than the actual annual dividend yield.

## Sector allocation (as at 31 March 2022)<sup>2</sup>

Equity sector allocation (%)



Fixed income sector allocation (%)



## Investment objective

The Fund aims to provide income through investment in a diversified portfolio of global assets that form part of sustainable investment strategies ("Sustainable Assets"). Through investment in Sustainable Assets, the Fund aims to invest in a portfolio with a higher weighted average environmental, social and governance score and lower weighted average carbon intensity ratings than if it invested in an equivalent portfolio of standard market capitalisation indices.

## Fund details

<b>Fund size:</b>	USD69.38 million <sup>2</sup>	<b>Initial charge:</b>	Up to 3% of the total subscription amount
<b>Inception date:</b>	21 January 2022	<b>Management fee:</b>	1.25% per annum
<b>Share class:</b>	AM2-USD, AM2-HKD, AM30-RMB, AM30-CAD, AM30-EUR, AM30-AUD, AM30-GBP	<b>Switching fee:</b>	Up to 1.00% of the switch-out proceeds
<b>Base currency:</b>	USD	<b>Dealing:</b>	Daily
<b>Share class currency:</b>	USD / HKD / RMB / CAD / EUR / AUD / GBP	<b>Distribution policy<sup>3</sup>:</b>	Monthly, if any (Dividend is not guaranteed and may be paid out of capital)
<b>Minimum investment:</b>	USD1,000 / HKD10,000 / RMB10,000 / CAD1,000 / EUR850 / AUD1,500 / GBP650	<b>Fund manager:</b>	Jimmy Choong

2. Source: HSBC Asset Management, as of 31 March 2022. 3. Dividend is not guaranteed and may be paid out of capital, which will result in erosion of capital and reduction in net asset value.

### Key potential risks

- ◆ **Investment risk and volatility risk:** the Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses
- ◆ **Sustainable investment policy risk:** the Fund may invest its asset based on an overall ESG Score, an overall Carbon Intensity Rating and in certain sustainable investment strategies. These sustainable criteria are subjective and are subject to the Investment Adviser's discretion. The use of sustainable criteria may affect the Fund's investment performance and, as such, the Fund may perform differently compared to similar funds that do not use such criteria
- ◆ **Investment strategy risk:** multi-asset income: the asset allocation strategy balancing income, long term expected returns and risk may not achieve the desired results under all circumstances and market conditions
- ◆ **Investment strategy risk:** writing covered call options: the Fund may generate additional income by collecting option premium from writing (selling) call options on selected equities held by the Fund. Writing Covered Call Options limits the potential capital growth of the referenced equities to the Strike Price thereby limiting the overall return of the Fund
- ◆ **Derivative instrument risk:** the use of derivatives for investment purposes may involve leverage. Leverage can result in a loss significantly greater than the amount invested in derivatives by the Fund leading to a higher risk of significant loss by the Fund
- ◆ **Non-investment grade and unrated debt securities risks:** Non-investment grade debt securities as rated by credit agencies (and credit equivalent unrated debt securities) are subject to greater liquidity risk, higher volatility, higher credit risk and greater risk of loss of principal and interest than investment grade debt securities
- ◆ **Risk associated with distribution out of/effectively out of capital:** for certain Classes, dividends may be paid out of capital or effectively out of capital which represents a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any payment of dividends may result in an immediate reduction in the net asset value per unit of the Class
- ◆ **Other risks:** general liquidity risk, currency risk, general equity market risk, general debt securities risks, sovereign debt risk, emerging markets risk, convertible securities risk, mainland China market risk, risk associated with small/mid-capitalisation companies, risk of investing in other collective investment schemes, risk of base currency hedged classes, RMB denominated class risk

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