

Important information:

- The Fund invests mainly in equities.
- Because the Fund's base currency, investments and classes may be denominated in different currencies, investors may be affected adversely by exchange controls and exchange rate fluctuations.
- The Fund may invest in financial derivative instruments for investment purpose which may lead to higher volatility to its net asset value.
- The Fund's investments may involve substantial credit, currency, volatility, liquidity, interest rate, tax and political risks. Investors may suffer substantial loss of their investments in the Fund.
- Unit trusts are NOT equivalent to time deposits. Investors should not invest in the Fund solely based on the information provided in this document and should read the offering document of the Fund for details.

HSBC Global Investment Funds – Global Lower Carbon Equity



HSBC
Global Asset
Management

Why consider the Fund?

1 Climate changes pose risks and opportunities to global economies and companies



- ▶ Carbon dioxide (CO₂) emission leads to greenhouse effect, causing global warming and climate changes
- ▶ Governments have set up different regulations and plans to control CO₂ emission. This poses risks and opportunities for companies

For example:

European Commission proposed a regulation on reducing CO₂ emissions from new passenger cars and vans in November 2017



Risks

Automobile manufacturers failing to meet the requirements need to invest or they will suffer from loss of market share

Opportunities

Automobile manufacturers that already meet the requirement enjoy market advantage and lower R&D costs

2 Capture benefits of lower carbon companies while avoiding climate-related risks



- ▶ Carbon efficient companies enjoy benefits over carbon inefficient companies during the transition to a lower carbon economy
- ▶ Investing in carbon efficient companies also reduces risks associated with global climate changes



Reduce risks



Transition risks

Reputation damage, loss of investors, credit rating downgrade etc. for companies that cannot keep up with the low carbon economy transition



Physical risks

Physical impact of drought, floods, fires, storms, and other extreme weather events



Regulatory risks

Additional costs to meet regulatory requirements



Capture Opportunities



Cost efficiency



Attract capital



Resilient to regulatory requirement



Market differentiation



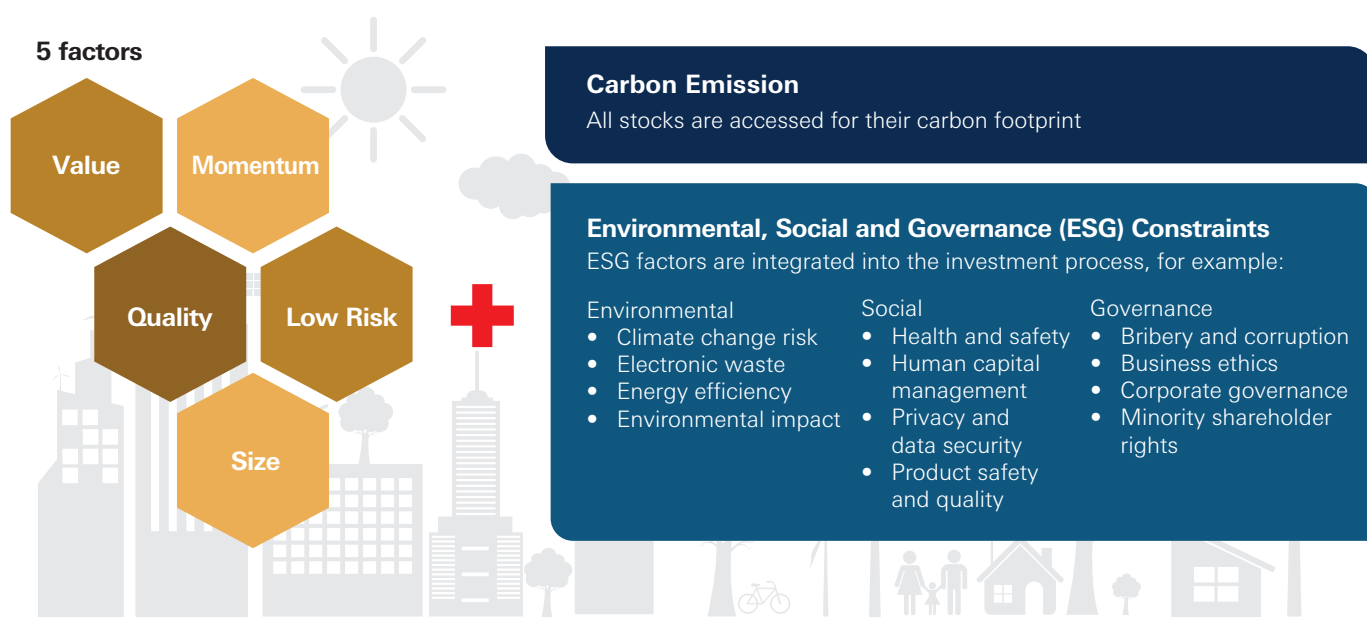
Better stakeholder management

3 Multi-factor investment process includes low carbon consideration

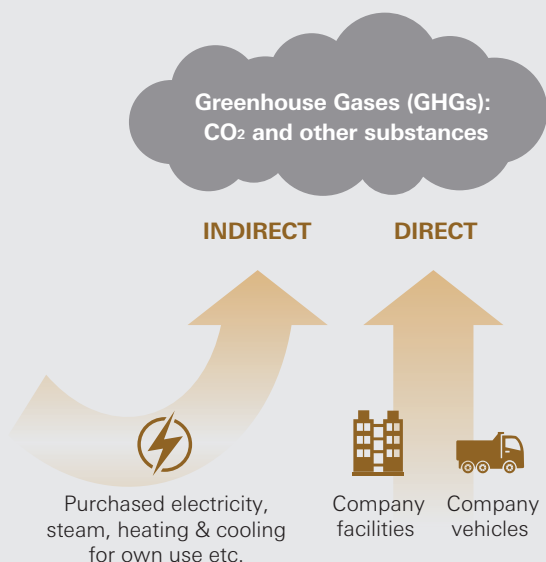


- ▶ The Fund is managed with passive strategy using the multi-factor investment process, and it benefits from proprietary research and risk models
- ▶ Carbon constraints are integrated into the multi-factor investment process to reduce the portfolio's carbon exposure

Multi-factor investment process



What is carbon emission? How is it measured?



The fundamental cause of climate change is carbon emission, which comprise CO₂, and other greenhouse gases (GHGs) that can be measured in terms of CO₂ emissions.

To control carbon emissions from business, they must first be accurately measured. The two key measurements are:

Carbon footprint is a simple measure of the total amount of a company's GHGs emissions, both direct and indirect, over a 12-month period.

Carbon intensity measures how efficient a company is in generating revenue based on the amount of GHGs it emits. Carbon intensity is expressed as the amount of carbon emitted per USD1 million of revenue (the lower the better). One of the fund objectives is seeking a lower portfolio carbon intensity than its benchmark.

Investment objective

The Fund aims to provide long-term total return by investing in a portfolio of equities of companies seeking a lower carbon footprint than its reference benchmark (MSCI World Net Index).

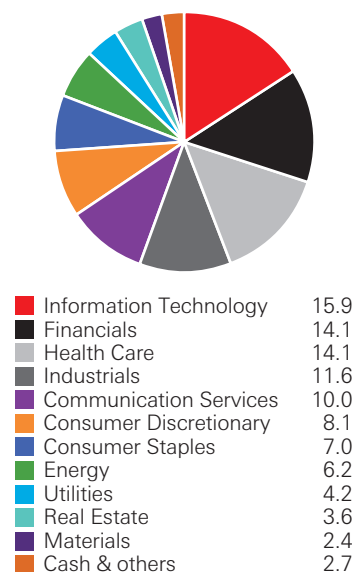
Suitable investors

- Investors who seek exposure to a portfolio of equities with a lower carbon footprint, and who can bear the risk of the underlying investments.

Potential risks

- Investment risk:** the Fund is an investment fund. There is no guarantee that the Fund's investment objective can be achieved
- Equity risk:** the Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors
- Foreign exchange risk:** because the Fund's assets and liabilities and classes of shares may be denominated in currencies different from the reference currency, the Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the reference currency and other currencies
- Risk associated with distribution out of capital:** any distributions involving payment of dividends out of the Fund's capital or effectively out of the Fund's capital will result in an immediate reduction in the net asset value
- Other risks:** risk associated with small-capitalisation / mid-capitalisation companies, and derivative instrument risk

Sector allocation (%)



Fund performance

Cumulative performance (% in USD)

	YTD	3M	1Y	3Y	5Y
Class AD	10.8	1.2	-4.1	-	-
Reference benchmark	11.8	2.6	0.4	-	-

Calendar year performance (% in USD)

	2018	2017	2016	2015	2014
Class AD	-11.7	6.1	-	-	-
Reference benchmark	-9.4	6.2	-	-	-

Fund details

Fund inception date:	27 September 2017
Fund size:	USD 50.35 million
Share class:	AD / ADHKD
Base currency:	USD
Share class currency:	USD / HKD
Minimum investment:	USD1,000 / HKD10,000
Management fee:	0.8% per annum
Switching fee:	1%
Dealing:	Daily
Dividend policy¹:	Annually, if any
Fund manager:	HSBC Index and Systematic Equity Portfolio Management Team
Reference benchmark:	MSCI World Net Index
Investment adviser:	HSBC Global Asset Management (UK) Limited

Unless stated otherwise, all data is as of 28 February 2019.

1. Dividend is not guaranteed and may be paid out of capital which will result in capital erosion and reduction in net asset value.

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