HSBC Global Investment Funds – Global Lower Carbon Bond

Fund Overview

Reducing climate-related financial risk with low-carbon assets

- There is growing regulatory consensus that all companies will be impacted by climate change in the near future.
- Financial impacts will come from regulation or policy changes that will be implemented over time in most countries, such as government action to limit temperature increases to 2 degrees, or from the direct, physical impacts of global warming.
- Timely action by investors could help mitigate the risks associated with climate change.

Balancing low-carbon targets with capital returns

HSBC GIF Global Lower Carbon Bond will seek a lower portfolio carbon footprint than its reference benchmark by better understanding the impact of individual issuers and their sectors on overall greenhouse gas emissions. The fund will primarily invest in investment grade corporate bonds using the same, tested investment philosophy and process as the rest of our Global Fixed Income products supported by our credit research platform of over 40 analysts.

1. **Carbon conscious investing.** Using a carbon intensity score, we can identify the most carbon inefficient companies within each sector. Each issuer is evaluated and compared across sectors by our analysts to develop a comprehensive picture of its impact. This holistic approach eliminates issuers who are not carrying their weight from our portfolio.
2. **Global diversification using a sleeve structure.** The lead strategy manager allocates assets across three sleeves – USD, EUR and GBP – using the insights from locally-based sleeve managers to capture different yield, quality, duration and volatility characteristics.
3. **Research-driven, risk-focused.** The HSBC global credit platform leverages the company's geographic reach and gives the lead portfolio manager direct access to experienced teams of portfolio managers and credit research analysts around the world. Identifying, pricing and combining risks is at the core of our investment approach.

Managing Fixed Income Solutions

163 investment professionals, 44 credit analysts specialised by geography and by sector*

Global credit leadership with distinguished team of portfolio managers averaging over 20 years of experience

Global structure fosters exchange between portfolio managers, credit analysts and global research

Fully-resourced global credit research platform is the backbone to our highly disciplined investment framework since 2002

USD 171.3 billion in fixed income assets*

*Figures as of end April 2021

HSBC
Asset Management

Assessing Carbon Footprinting

- The Greenhouse Gas Protocol classifies the scope of a company's greenhouse gas (GHG) emissions.
- The GHG footprint is commonly measured in tonnes of carbon dioxide equivalents (tCO2e).
- Carbon footprints tell us how many tonnes of carbon equivalent tCO2e are associated with single securities.
- By using a weighted average approach we can assess the carbon footprint of a fund or portfolio.

Portfolio characteristics

Characteristics	Portfolio	Benchmark
No. of holdings	428	12,869
Average quality rating	A-/BBB+	A-/BBB+
Carbon Intensity Score*	75.99	226.84

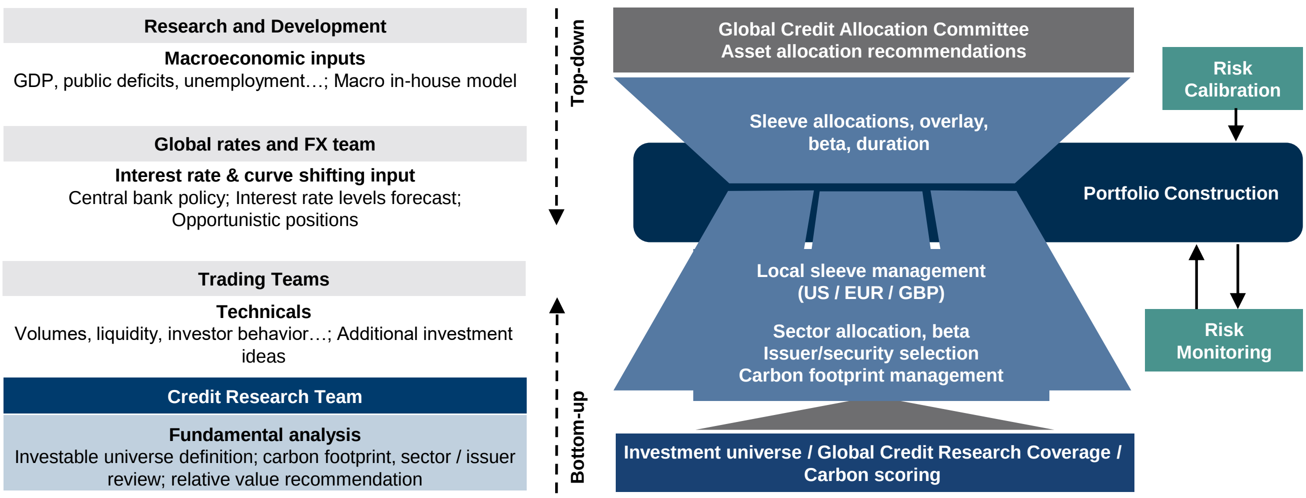
Source: Bloomberg, HSBC Asset Management as of end June 2021. Carbon intensity measures the quantity of carbon emission of a company (tonnes CO2e/USD million).

Fund Details

Fund Manager	Jerry Samet, Beatrice de Saint Leve
Fund Size (as at 30 June 2021)	USD USD 281,135,807
Fund Domicile	UCITS IV Luxembourg SICAV
Reference Benchmark	Bloomberg Barclays Global Aggregate Corporates Diversified Index Hedged USD
Inception Date	27 September 2017
Management Company	HSBC Investment Funds (Luxembourg) SA
Investment Advisor	HSBC Global Asset Management (UK) Limited
Management fee	A share: 0.80% per annum I share: 0.40% per annum
Base Currency	USD

Please refer to the offering document for details of other fees. For more detailed information on the risks associated with this fund, investors should refer to the prospectus of this fund.

Investment Process



Source: HSBC Asset Management. For illustrative purposes only. Representative overview of the investment process, which may differ by product, client mandate or market conditions.

- **Dynamic top-down and bottom-up investment process** integrates a lead portfolio manager with global teams of analysts and portfolio managers. This structure supports a continuous exchange of investment data and expertise necessary to capture expanding global credit opportunities.
- **In-depth research.** Our global research teams provide top-down macroeconomic inputs, interest rate research and forecasting. The strategy is further supported by 40+ locally-based credit researchers that provide fundamental, relative value analytics and sector/issuer review.
- **The lead portfolio manager** spearheads portfolio construction and risk management by leveraging local and global research and insights, tactically allocating assets and managing duration and beta targets.
- **Sleeve management.** Holdings are subdivided into three regional sleeves (US/EUR/GBP).

Key risks

◆Risk Considerations. There is no assurance that a portfolio will achieve its investment objective or will work under all market conditions. The value of investments may go down as well as up and you may not get back the amount originally invested. Portfolios may be subject to certain additional risks, which should be considered carefully along with their investment objectives and fees.

◆Fixed income is subject to credit and interest rate risk. Credit risk refers to the ability of an issuer to make timely payments of interest and principal. Interest rate risk refers to fluctuations in the value of a fixed income security that result from changes in the general level of interest rates. In a declining interest rate environment, a portfolio may generate less income. In a rising interest-rate environment, bond prices fall.

◆Derivative instruments. Derivatives 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.

◆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.

◆High Yield. Investments in high yield securities (commonly referred to as "junk bonds") are often considered speculative investments and have significantly higher credit risk than investment grade securities. The prices of high yield securities, which may be less liquid than higher rated securities, may be more volatile and more vulnerable to adverse market, economic or political conditions.

◆Exchange Rate Risk. Changes in currency exchange rates could reduce or increase investment gains or investment losses, in some cases significantly.

◆Counterparty Risk. The possibility that the counterparty to a transaction may be unwilling or unable to meet its obligations.

◆Liquidity Risk. Liquidity Risk is the risk that a Fund may encounter difficulties meeting its obligations in respect of financial liabilities that are settled by delivering cash or other financial assets, thereby compromising existing or remaining investors.

◆Operational Risk. Operational risks may subject the Fund to errors affecting transactions, valuation, accounting, and financial reporting, among other things.

◆Interest Rate Risk. When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality.

◆Default Risk. The issuers of certain bonds could become unwilling or unable to make payments on their bonds.

◆Credit Risk. A bond or money market security could lose value if the issuer's financial health deteriorates.

◆CoCo Bond Risk. Contingent convertible securities (CoCo bonds) are comparatively untested, their income payments may be cancelled or suspended, and they are more vulnerable to losses than equities and can be highly volatile.

Important information

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