

**HSBC OpenFunds**

# Global Sustainable Multi-Asset Adventurous Portfolio

Monthly report 31 March 2024 | Share class Acc C



## Investment objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 5 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund invests in a range of sustainable investment strategies. Please see the Prospectus for an explanation of the HSBC risk levels and sustainable investment strategies.



## Investment strategy

This is one of a range of actively managed Global Sustainable Multi-Asset Portfolios offered at different risk levels. The asset allocation of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising returns in line with its agreed long term risk profile therefore any potential returns are likely to be limited by the risk profile of the Fund. The exposure to each asset class may be achieved by investing in collective investment schemes, investing directly in asset classes and investing in derivatives. The focus on sustainable investment strategies is taken into consideration when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes. The Fund is not managed with reference to a benchmark.



## Main risks

- The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- The Fund invests in bonds whose value generally falls when interest rates rise. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality. The issuers of certain bonds, could become unwilling or unable to make payments on their bonds and default. Bonds that are in default may become hard to sell or worthless. 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.

## Share class details

### Key metrics

NAV per share	<b>GBP 1.55</b>
Performance 1 month	<b>3.01%</b>
Sharpe ratio 3 years	<b>0.36</b>

### Fund facts

UCITS V compliant	<b>No</b>
UK reporting fund status (UKRS)	<b>No</b>
ISA eligible	<b>Yes</b>
Dividend treatment	<b>Accumulating</b>
Distribution frequency	<b>Semi-Annually</b>
Dealing frequency	<b>Daily</b>
Valuation time	<b>12:00 United Kingdom</b>

Share class base currency	<b>GBP</b>
Domicile	<b>United Kingdom</b>
Inception date	<b>20 April 2020</b>
Fund size	<b>GBP 32,091,377</b>
Managers	<b>Camilla Searle Justin Turner</b>

### Fees and expenses

Minimum initial investment <sup>1</sup>	<b>GBP 1,000,000</b>
Ongoing charge figure <sup>2</sup>	<b>0.640%</b>

### Codes

ISIN	<b>GB00BLKQCX12</b>
Bloomberg ticker	<b>HGSMACA LN</b>
SEDOL	<b>BLKQCX1</b>

<sup>1</sup>Please note that initial minimum subscription may vary across different distributors

<sup>2</sup>Ongoing Charges Figure is an estimate due to a change of fee structure.

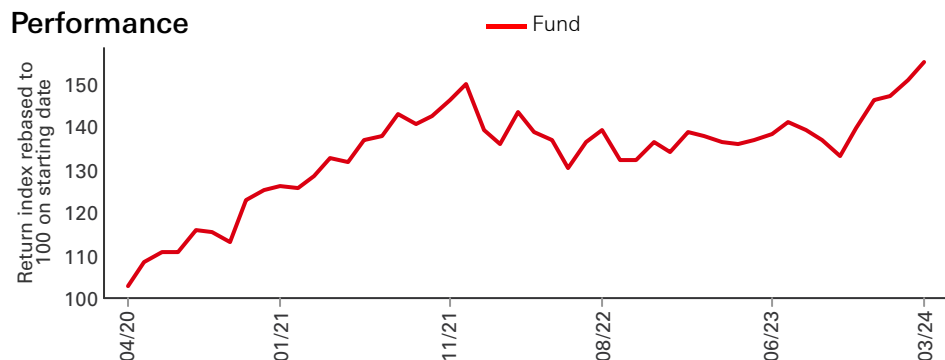
Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

This is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions.

For definition of terms, please refer to the Glossary QR code and Prospectus.

Source: HSBC Asset Management, data as at 31 March 2024

## Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
Acc C	6.06	3.01	6.06	13.20	13.66	6.45	--	11.78

Rolling performance (%)	31/03/23-31/03/24	31/03/22-31/03/23	31/03/21-31/03/22	31/03/20-31/03/21	31/03/19-31/03/20
Acc C	13.66	-4.90	11.59	--	--

Carbon footprint	Fund	Broad market index	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	89.40	149.86	Fund	7.6	6.9	5.7	6.0
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO <sub>2</sub> e/USD million revenue) Source: S&P Global Trucost			Broad market index	6.7	6.6	5.2	5.7

## Currency Allocation (%)

US Dollar	53.77
Pound Sterling	15.55
Euro	7.67
Japanese Yen	5.09
Mexican Peso	1.96
Hong Kong Dollar	1.82
Norwegian Krone	1.68
Swiss Franc	1.39
Canadian Dollar	1.22
Indian rupee	1.15
Other Currencies	8.71

— Fund

## Sustainable investment style (%)

	Fund
Equities - Positive Screening	58.41
Equities - Sustainable Thematic	25.66
Bonds - Positive Screening	5.48
Alternatives - ESG Integration	3.53
Cash	1.98
Alternatives - Sustainable Thematic	4.94

## Top 10 holdings

	Weight (%)
HSBC RIF SRI Global Equity JC	17.22
HSBC USA Sustainable Equity ETF	13.80
HSBC GIF Global Eq Climate Change ZQ1	12.83
HSBC GIF-GL LW CAR EQ-ZQ1	12.83
HSBC Developed World Sustainable Eq ETF	11.37
HSBC FTSE EPRA DEV CPA USD A	4.94
HSBC Emerging Market Sustainable Eq ETF	4.84
UBS ETF Fact MSCI USA Qual ESG USD A dis	4.06
HSBC Japan Sustainable Equity ETF	3.81
HSBC GIF Global RE Eq ZD	3.53

The MSCI ESG Key Issue Score is the numerical, weighted average of MSCI's E, S, and G pillar scores. A higher number indicates a more favourable ESG profile in the view of MSCI.

The weighted averages of the Key Issue Scores are aggregated and companies' scores are normalized by their industries. After any overrides are factored in, each company's Final Industry-Adjusted Score corresponds to a rating.

For more information, see MSCI ESG Ratings Methodology @ <https://www.msci.com/esg-and-climate-methodologies>

Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

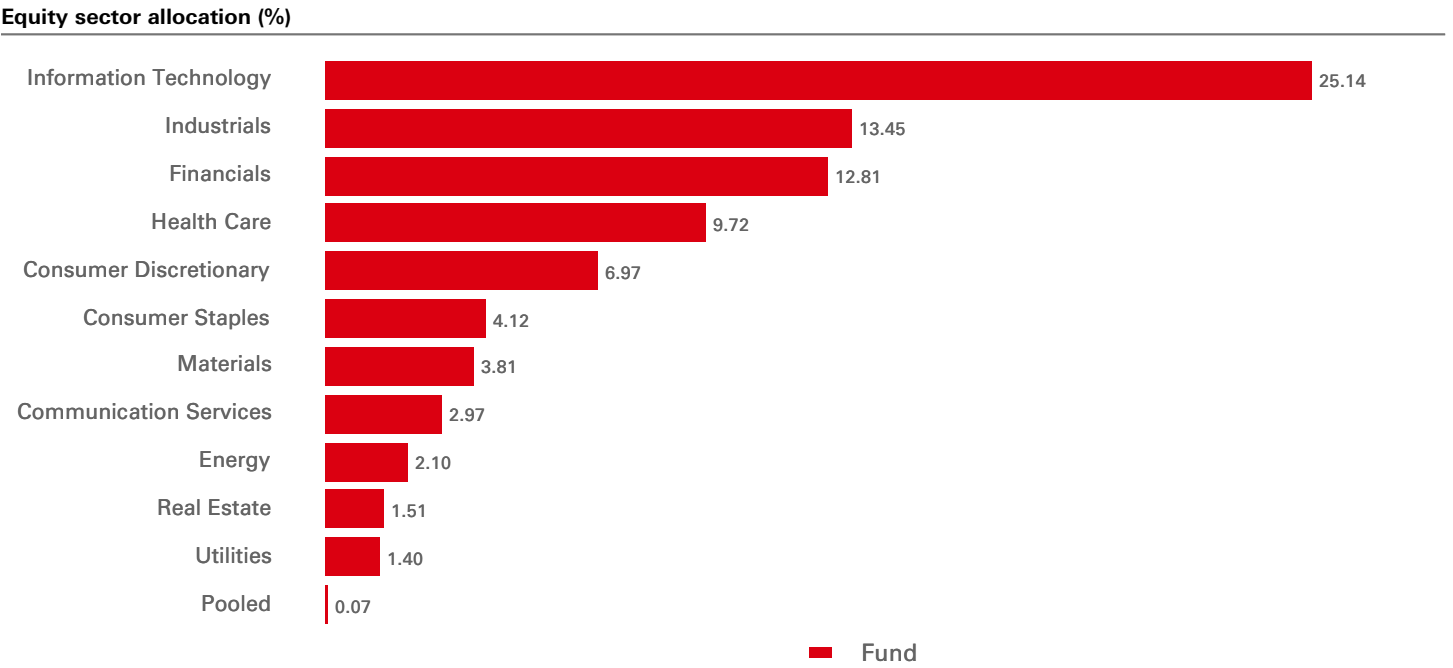
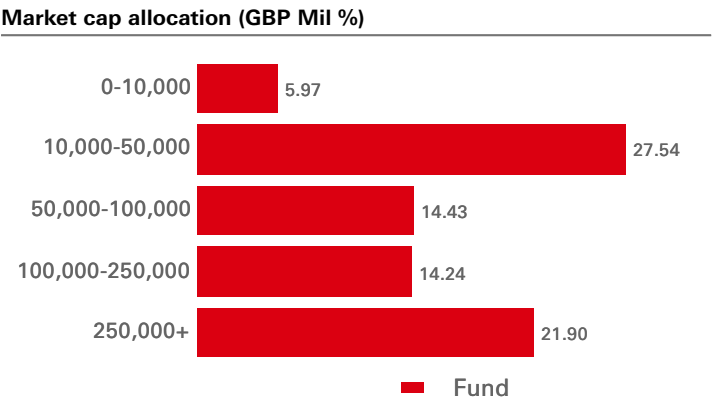
The data displayed in above sections is shown on a look-through basis. This means that the fund may not directly hold these securities and the investment in these securities may be via other funds.

For details of the broad market index, please refer to the prospectus.

Source: HSBC Asset Management, data as at 31 March 2024

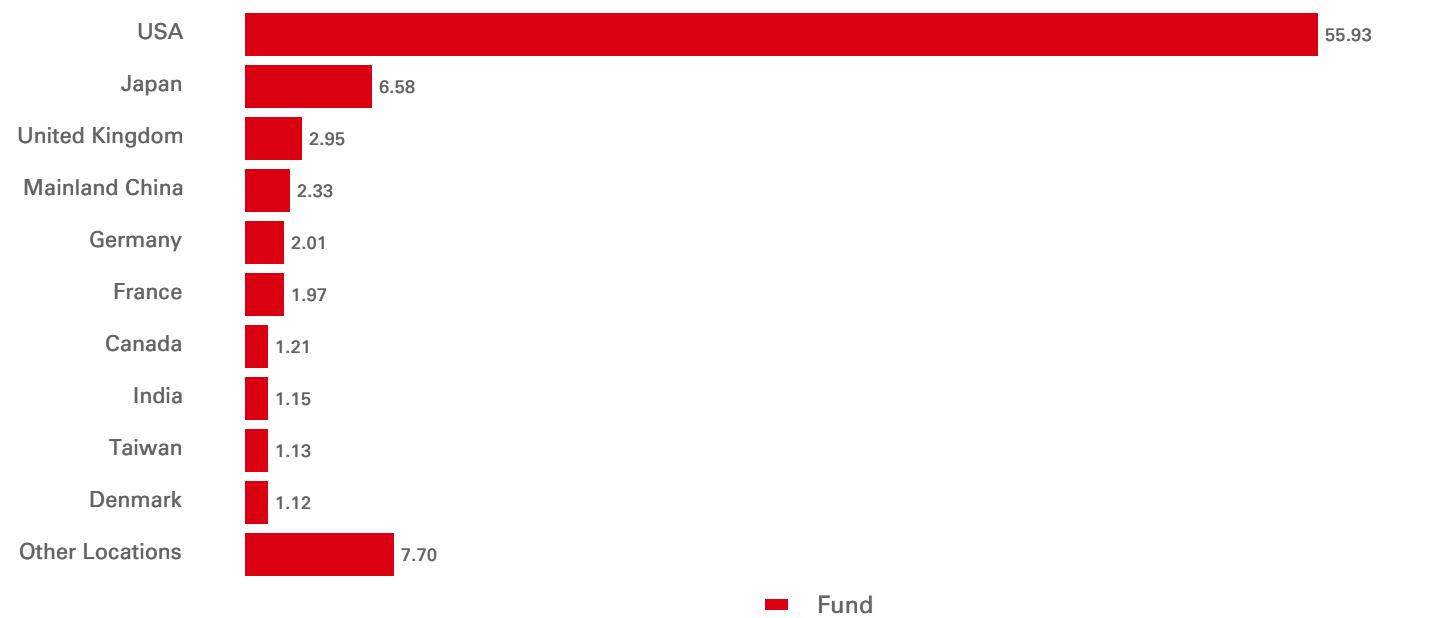
Equity top 10 holdings	Location	Sector	Weight (%)
Microsoft Corp	United States	Information Technology	5.56
NVIDIA Corp	United States	Information Technology	2.68
Apple Inc	United States	Information Technology	2.43
Johnson & Johnson	United States	Health Care	1.91
Visa Inc	United States	Financials	1.90
Cisco Systems Inc	United States	Information Technology	1.27
Trane Technologies PLC	United States	Industrials	1.18
Ecolab Inc	United States	Materials	0.90
Home Depot Inc/The	United States	Consumer Discretionary	0.84
Schneider Electric SE	United States	Industrials	0.84

Equity characteristics	Fund	Reference Benchmark
Average market cap (GBP Mil)	394,012	--
Price/earning ratio	17.48	--
Portfolio yield	1.90%	--



The data displayed in above sections is shown on a look-through basis. This means that the fund may not directly hold these securities and the investment in these securities may be via other funds.  
 Source: HSBC Asset Management, data as at 31 March 2024

Equity geographical allocation (%)

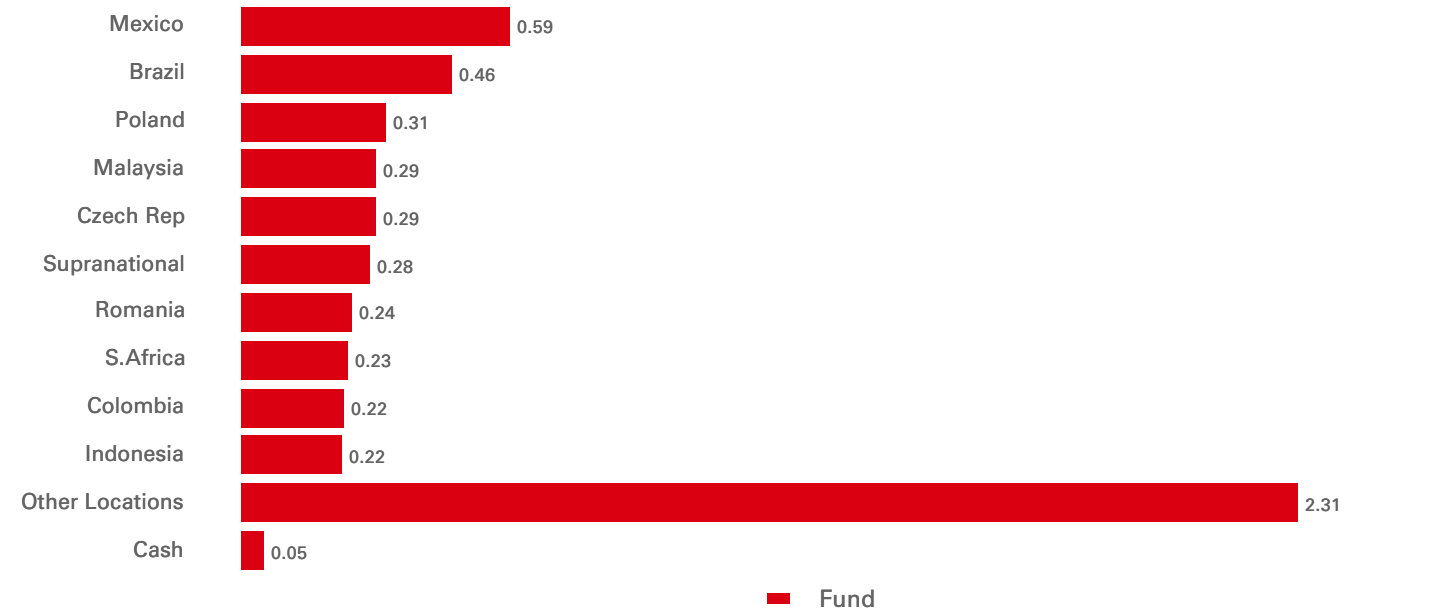


The data displayed in above sections is shown on a look-through basis. This means that the fund may not directly hold these securities and the investment in these securities may be via other funds.  
 Source: HSBC Asset Management, data as at 31 March 2024

Fixed Income Characteristics	Fund	Reference Benchmark	Relative	Credit rating (%)	Fund	Reference Benchmark	Relative
Yield to worst	7.12%	--	--	AAA	0.49	--	--
Yield to maturity	7.08%	--	--	AA	0.58	--	--
Option adjusted duration	5.96	--	--	A	0.89	--	--
Rating average	BBB/BBB-	--	--	BBB	1.87	--	--
				BB	1.12	--	--
				B	0.21	--	--
				CCC	0.13	--	--
				CC	0.02	--	--
				D	0.05	--	--
				NR	0.07	--	--
				Cash	0.05	--	--

Fixed income top 10 holdings	Location	Instrument type	Weight (%)
TITULOS DE TESORERIA 7.000 26/03/2031 COP	Colombia	Government Bond	0.14
MEX BONOS DESARR FIX RT 7.500 03/06/2027 MXN	Mexico	Government Bond	0.13
THAILAND GOVERNMENT BOND 1.585 17/12/2035 THB	Thailand	Government Bond	0.12
NOTA DO TESOURO NACIONAL 10.000 01/01/2029 BRL	Brazil	Government Bond	0.12
NOTA DO TESOURO NACIONAL 10.000 01/01/2033 BRL	Brazil	Government Bond	0.12
ROMANIA GOVERNMENT BOND 5.800 26/07/2027 RON	Romania	Government Bond	0.10
MEX BONOS DESARR FIX RT 8.500 18/11/2038 MXN	Mexico	Government Bond	0.09
REPUBLIC OF SOUTH AFRICA 9.000 31/01/2040 ZAR	South Africa	Government Bond	0.09
KFW 0.625 25/07/2025 PLN	Germany	Euro Medium Term Note	0.09
POLAND GOVERNMENT BOND 1.750 25/04/2032 PLN	Poland	Government Bond	0.08

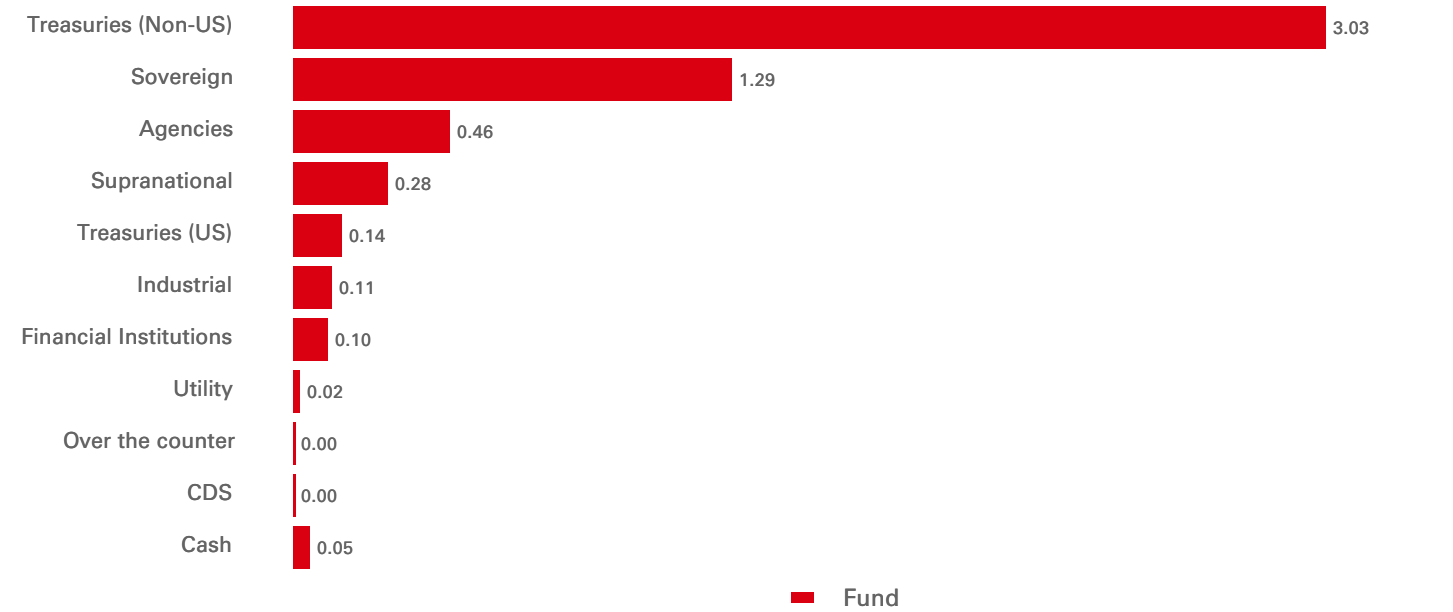
Fixed income geographical allocation (%)



The data displayed in above sections is shown on a look-through basis. This means that the fund may not directly hold these securities and the investment in these securities may be via other funds.  
 Source: HSBC Asset Management, data as at 31 March 2024

Geographical allocation (Option adjusted duration)	Fund	Reference Benchmark	Relative
Mexico	0.47	--	--
Malaysia	0.39	--	--
Brazil	0.35	--	--
Indonesia	0.33	--	--
Thailand	0.32	--	--
United States	0.30	--	--
S.Africa	0.30	--	--
Czech Rep	0.28	--	--
Poland	0.26	--	--
Chile	0.26	--	--
Other Locations	2.72	--	--
Cash	0.00	--	--

Fixed income sector allocation (%)



The data displayed in above sections is shown on a look-through basis. This means that the fund may not directly hold these securities and the investment in these securities may be via other funds.  
 Source: HSBC Asset Management, data as at 31 March 2024

	3 year total return (%)	Amount based on GBP 1000 invested	3 Year Volatility (%)
Global Sustainable Multi-Asset Adventurous Portfolio Accumulation C	6.45	1,206.14	10.46
Peer Group Average - EAA Fund GBP Adventurous Allocation	4.96	1,156.29	9.44
Lowest Returning Fund in Peer Group	-1.97	942.18	6.72
Highest Returning Fund in Peer Group	11.57	1,388.73	15.83
Cash	2.85	1,088.03	0.63

HSBC OpenFunds offer a choice of five different risk levels, to be selected by investors depending on factors like their financial goals, time horizon and capacity for loss. Typically, the more risk investors take, the more return they would expect to see. At HSBC Asset Management, we measure risk by volatility – how sharply a Portfolio’s share price moves in any given time period (up or down). The higher the volatility, the higher the risk. The table above shows the Portfolio’s return (for the primary share class or hedged currency share class) per year over the last three years (known as annualised) and the level of volatility over the same period. This can be compared against other funds in the peer group, as defined by an independent research company\*. An example of a good outcome would be that the HSBC Portfolio return is higher than the peer group’s average return and the volatility (risk taken) is lower. However investors should consider their own priorities when it comes to returns and the risk taken to achieve them.

\*Morningstar Categories are used to define the peer group comprising funds they deem similar based on fund objectives and holdings. The average is a median.

## Monthly performance commentary

### Market Review

Global equities delivered another month of strong returns in March; supported by encouraging economic data, sustained enthusiasm for Artificial Intelligence, and the prospect of interest rate cuts. Fixed income markets also experienced a positive month, with government bonds, corporate bonds and high yield bonds all rising in value. Within equities, developed markets outperformed emerging markets. The UK was the standout performer over the month, driven by positive GDP growth in January and the latest business sector survey in expansionary territory. European stocks also delivered strong returns, as inflation continued to fall and business confidence data remained firm. Japanese equities gained over the month as the Bank of Japan ended their negative interest rate policy after eight years. China's subdued performance acted as a drag on emerging markets returns, despite better than expected economic data, which investors took as a sign that any significant government stimulus may be delayed. In the bond markets, US Treasuries rose modestly, supported by dovish comments from Chairman Powell. In the UK, Gilts also experienced a modest rally following a softer than expected inflation print. Conversely, Japanese bond markets slipped marginally lower in March as the Bank of Japan removed their negative interest rate and yield curve control policies. The US dollar rallied over the month, driven by upward revisions in the US growth rate and some increase in support for interest rate cuts from other central banks. The Euro fell against the dollar given the relative strength of the US economic data and the persistent weakness in manufacturing data in the Eurozone. Sterling was flat against the dollar over the month. In the commodity markets, Gold rallied to all-time highs, driven by the prospect for rate cuts while Oil pushed higher, on elevated geopolitical tensions.

### Portfolio performance

All major asset classes experienced positive returns during March, which also resulted in positive absolute returns across all of the Global Sustainable Multi Asset range, with higher risk profiles outperforming lower risk profile solutions. The Global Sustainable Multi-Asset portfolios are actively positioned against a long-term asset allocation. During March, our active positioning detracted slightly. The biggest negative contribution came from our preference for US Quality equity, followed by our tilt away from Global High Yield. Conversely, our government bond positioning added value, as did the tilt away from emerging market equity.

### Investment Team Views and Portfolio Positioning

There are three key themes that we are positioned to capture within the Global Sustainable Multi Asset portfolios:

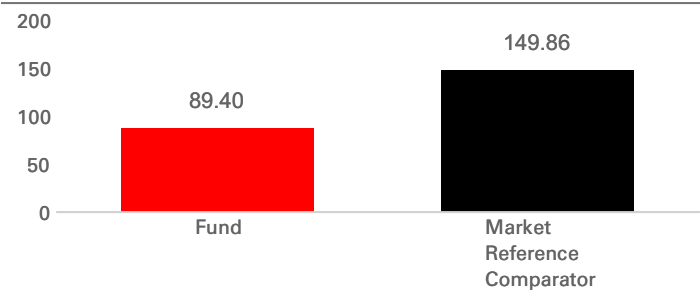
**Recession concerns easing** - The likelihood of a recession in the West has fallen, with the US economy looking particularly strong; providing support for equity markets. As a result, we hold a neutral position in global equity markets with a preference for higher quality companies, where profits are likely to remain resilient in the face of slowing growth and persistent inflation. We are still tilted away from High Yield bonds and Property, as we believe the full impact of higher borrowing costs has yet to be priced in for these asset classes. In March, we moved some of our allocation to Property into a new security, which is aligned with the Paris agreement goals on tackling climate change.

**The rate cuts are coming...** - In our view, the major central banks are likely to start cutting interest rates in the second half of 2024 as inflation continues to ease and economic growth slows. This encourages us back into government bonds, which are (for the first time in almost a decade) delivering an appealing stream of income for investors. We are holding increased exposure to the Norwegian Krona versus Euro as inflation in Norway remains elevated, and we expect to continue receiving high interest payments as their central bank delays cutting interest rates.

**Outperformance in Eastern markets** - The economic backdrop in markets such as Japan is very strong, monetary policy settings are accommodative and there is room for fiscal support. Portfolios are tilted towards Japan versus developed market equity given attractive valuations, strong flows from foreign investors, improved corporate governance, and a weakening Yen supporting exports.

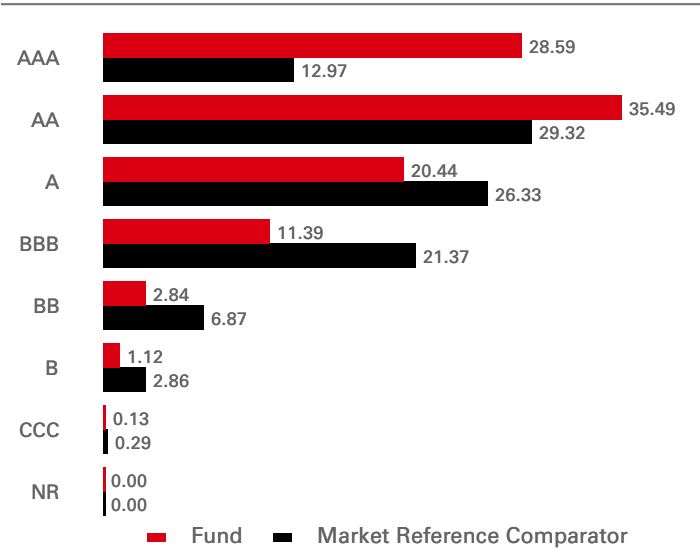


Carbon intensity emissions (%)



Over the month, the average carbon intensity of the market benchmark was measured at 149.8 tCO<sub>2</sub>e. Our investment approach resulted in a reduction of 41%, meaning the carbon intensity of the portfolio was measured at 87.8 tCO<sub>2</sub>e.

ESG score distribution (%)



85% of the underlying issuers held by the fund are rated AAA-A, compared to 69% of those in the reference benchmark. The average ESG score for the underlying issuers held by the fund is 7.63, while that of the reference benchmark securities was 6.65.

Fund vs reference comparator (%)

Fund	Weight	ESG score	Carbon intensity	Index	Weight	ESG score	Carbon intensity
			emissions				emissions
Developed Equity	84.18%	6.77	37.15	MSCI World	84.18%	5.91	85.42
Emerging Market Equity	4.84%	0.32	18.04	MSCI Emerging Markets	4.84%	0.28	18.80
Global Property	3.53%	0.23	2.96	FTSE EPRA NAREIT	3.53%	0.21	3.32
GEM Debt - Local Currency	3.27%	0.19	17.42	JPM GBI-EM Global Diversified	3.27%	0.15	25.76
GEM Debt - Hard Currency	1.96%	0.09	11.62	JPM EMBI Global Diversified	1.96%	0.07	15.69
Global Government Bond	0.25%	0.02	0.56	Bloomberg Global Agg Treasuries	0.25%	0.02	0.76
Global Corporate Bond	0.00%	0.00	0.00	Bloomberg Barclays Global Agg Corporates	0.00%	0.00	0.00
Global High Yield	0.00%	0.00	0.00	BoAML Global High Yield BB-B	0.00%	0.00	0.00

To demonstrate the performance of the fund against its sustainable investment aim the ESG and carbon intensity scores of the fund are shown compared to the scores of a reference comparator. The reference comparator represents the ESG and carbon intensity scores the fund might have achieved if it did not have a sustainable investment aim.

The reference comparator is a combination of market indices that represent the asset classes held by the fund and in the same proportions (weighting) as the fund, as shown in the table above. The composition of the reference comparator varies over time in line with the asset classes and proportions held by the fund.

The table above shows that the various asset classes contribute differently to the ESG and carbon intensity scores although it is important to consider the weighted average scores of the overall fund and those of the reference comparator.

Stewardship

Stewardship in Action – Our plan for engaging with companies in 2024

Our stewardship plan for 2024 focuses on engaging with companies through active dialogue aimed at delivering positive social and environmental outcomes, as well as driving growth for asset owners and managing risks in the process.

For 2024, we have identified key themes that we plan to discuss with companies to foster positive change: Addressing climate change; Promoting human rights; Ensuring inclusive growth and shared prosperity; Safeguarding biodiversity and nature; Trusted technology and data; Embracing diversity, equity and inclusion

These key themes for engagement do not exist in silo but may impact and depend on each other. Below is an example of the relationship between the human rights theme we identified and other core themes.

Climate change is linked to human rights through the need for a just and inclusive transition that does not leave any community behind

Biodiversity and nature is linked to the human rights theme through any harms that can affect local communities as a result of adverse environmental impacts

Inclusive Growth and Shared Prosperity theme also targets right to decent work, fair wages and safe working conditions, as well as freedom of association

Diversity, Equity and Inclusion is also linked to freedom from discrimination and equal opportunities offered by human rights

Trusted Technology and Data is linked to the human rights theme through the need for user data privacy and cybersecurity

In our engagement and voting process, we aim to address all these issues and any others that can come up as we navigate the year ahead.

**For details of the broad market index, please refer to the prospectus.**

**Source: HSBC Asset Management, data as at 31 March 2024**

## Risk disclosures

- Investing in other funds involves certain risks an investor would not face if investing in markets directly. Governance of underlying assets can be the responsibility of third-party managers.
- The Fund may invest in Emerging Markets, these markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.
- 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.
- Liquidity is a measure of how easily the Fund's holdings can be quickly converted to cash. The value of the Fund's holdings may be significantly impacted by liquidity risk during adverse market conditions.

## Important information

The material contained herein is for marketing purposes and is for your information only. This document is not contractually binding nor are we required to provide this to you by any legislative provision. It does not constitute legal, tax or investment advice or a recommendation to any reader of this material to buy or sell investments. You must not, therefore, rely on the content of this document when making any investment decisions.

This material is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. This material is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe to any investment.

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection or target.

The fund is a sub-fund of HSBC OpenFunds, an Open Ended Investment Company that is authorised in the UK by the Financial Conduct Authority. The Authorised Corporate Director and Investment Manager is HSBC Global Asset Management (UK) Limited. All applications are made on the basis of the Prospectus, Key Investor Information Document (KIID), Supplementary Information Document (SID) and most recent annual and semi-annual reports, which can be obtained upon request free of charge from HSBC Global Asset Management (UK) Limited, 8 Canada Square, Canary Wharf, London, E14 5HQ, UK or the local distributors.

Investors and potential investors should read and note the risk warnings in the Prospectus, KIID and additionally, in the case of retail clients, the information contained in the supporting SID.

This fund is Sustainably Invested in line with one or more of the Global Sustainable Investment Alliance (GSIA) sustainable investment styles (positive/best-in-class screening, norms-based screening, sustainability themed investing, impact/community investing). It does not invest in companies involved in the manufacture of cluster munitions or anti-personnel mines. The fund is not guaranteed to outperform those which do not meet sustainability criteria.

To help improve our service and in the interests of security we may record and/or monitor your communication with us. HSBC Global Asset Management (UK) Limited provides information to Institutions, Professional Advisers and their clients on the investment products and services of the HSBC Group.

Approved for issue in the UK by HSBC Global Asset Management (UK) Limited, who are authorised and regulated by the Financial Conduct Authority.

[www.assetmanagement.hsbc.co.uk](http://www.assetmanagement.hsbc.co.uk)

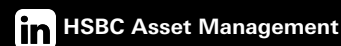
Copyright © HSBC Global Asset Management (UK) Limited 2024. All rights reserved.

Further Information can be found in the prospectus and in our Key Investor Information

Documents published in our Fund Centre at [www.assetmanagement.hsbc.co.uk](http://www.assetmanagement.hsbc.co.uk)

**Source: HSBC Asset Management, data as at 31 March 2024**

Follow us on:



For more information please contact us at E-mail:

[Wholesale.clientservices@hsbc.com](mailto:Wholesale.clientservices@hsbc.com).

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

To help improve our service and in the interests of security we may record and/or monitor your communication with us.

### Glossary

