HSBC Asset Management

## HSBC Investment Funds

# Income Fund

**Monthly report** 29 February 2024 | Share class Acc C

## Investment objective

The Fund aims to provide income together with growth in the long term, which is a period of five years or more. The Fund intends to provide a level of income consistent with the Investment Association UK Equity Income sector definition.

## Investment strategy

To achieve its objective, the Fund will invest at least 80% of its value in the shares (equities) of UK companies, including preference shares. UK companies are those that are based in the UK or earn at least 80% of their revenue from the UK. Typically the Fund will invest in the shares of 40 to 70 companies. The Fund is managed with reference to the FTSE All-Share Index (the "Index"). The level of risk the Fund may take is considered relative to the Index as part of the portfolio construction process. This means the Fund returns are more likely to be closer to the returns of the Index than if there were no limits on the level of risk the Fund may take. The Index is also considered as part of our investment risk monitoring process, to check that the overall level of risk taken by the Fund manager is not inconsistent with the UK equities market. The performance of the Fund is therefore shown against the performance of the FTSE All-Share Index.

## 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.
- 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.

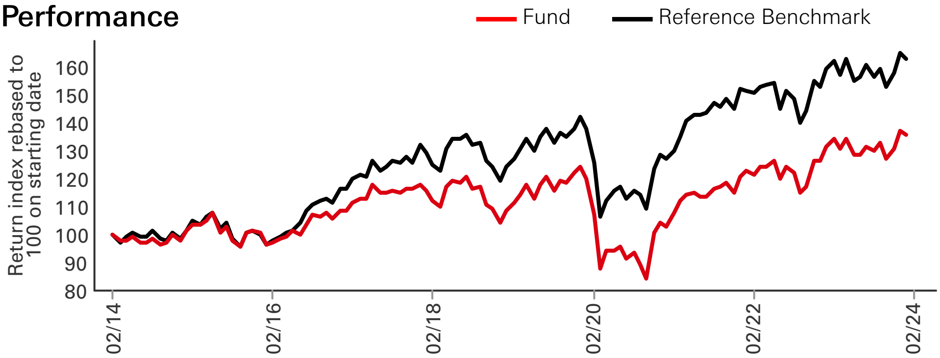
## Share class details

| | |
|---|---|
| **Key metrics** | |
| NAV per share | **GBP 7.98** |
| Performance 1 month | **-0.17%** |
| Volatility 3 years | **10.12%** |
| **Fund facts** | |
| UCITS V compliant | **Yes** |
| UK reporting fund status (UKRS) | **Yes** |
| ISA eligible | **Yes** |
| Dividend treatment | **Accumulating** |
| Dividend ex-date | **16 January 2020** |
| Dealing frequency | **Daily** |
| Valuation time | **12:00 United Kingdom** |
| Share class base currency | **GBP** |
| Domicile | **United Kingdom** |
| Inception date | **3 December 2012** |
| Fund size | **GBP 107,799,266** |
| Reference benchmark | **100% FTSE All Share Index** |
| Managers | **Paul Denham<br>Ed Gurung** |
| **Fees and expenses** | |
| Minimum initial investment[1] | **GBP 1,000,000** |
| Ongoing charge figure[2] | **0.840%** |
| **Codes** | |
| ISIN | **GB00B8FJ1598** |
| Bloomberg ticker | **HSINCCA LN** |
| SEDOL | **B8FJ159** |

[1]Please note that initial minimum subscription may vary across different distributors
[2]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.

**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 29 February 2024**

## Performance



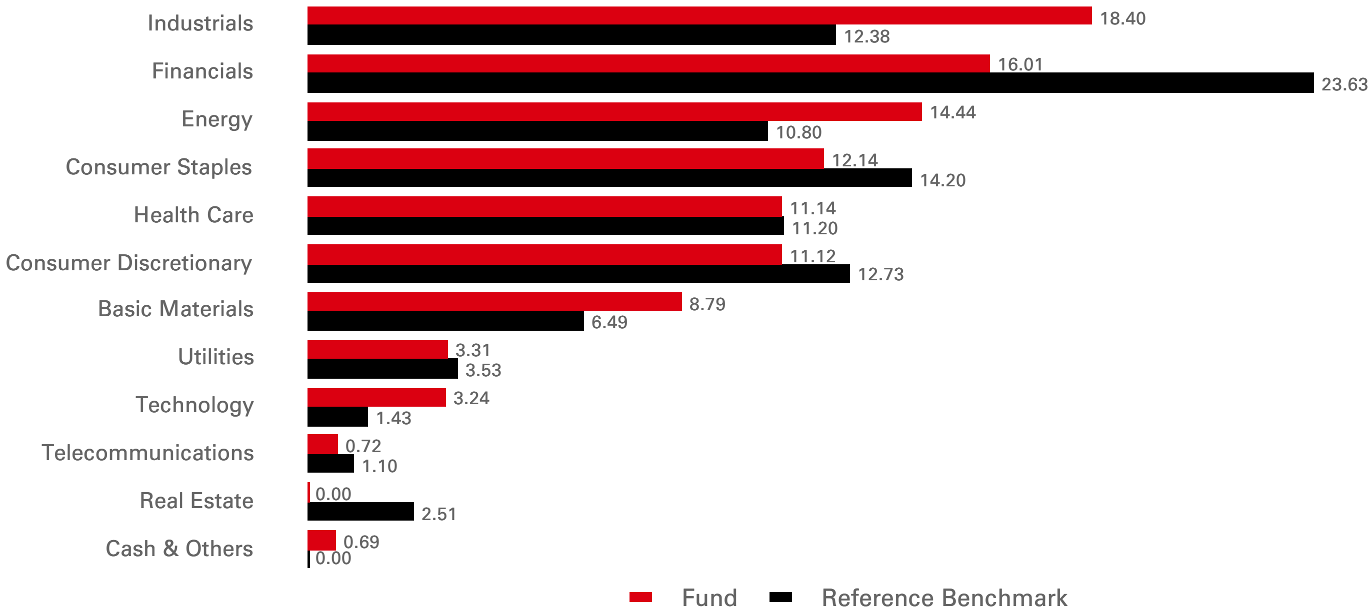

| Performance (%) | YTD | 1 month | 3 months | 6 months | 1 year | 3 years ann | 5 years ann | 10 years ann |
|---|---|---|---|---|---|---|---|---|
| **Acc C** | **-1.02** | **-0.17** | **3.99** | **4.45** | **0.80** | **7.78** | **4.03** | **3.11** |
| Reference Benchmark | -1.13 | 0.19 | 3.33 | 3.92 | 0.57 | 7.78 | 5.02 | 5.00 |

| Rolling performance (%) | 28/02/23-29/02/24 | 28/02/22-28/02/23 | 28/02/21-28/02/22 | 29/02/20-28/02/21 | 28/02/19-29/02/20 | 28/02/18-28/02/19 | 28/02/17-28/02/18 | 29/02/16-28/02/17 | 28/02/15-29/02/16 | 28/02/14-28/02/15 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Acc C** | **0.80** | **10.45** | **12.46** | **0.79** | **-3.43** | **-0.92** | **0.74** | **14.16** | **-6.12** | **4.15** |
| Reference Benchmark | 0.57 | 7.30 | 16.03 | 3.50 | -1.43 | 1.70 | 4.40 | 22.81 | -7.32 | 5.56 |

| Equity characteristics | Fund | Reference Benchmark |
|---|---|---|
| No. of holdings ex cash | 42 | 569 |
| Average market cap (GBP Mil) | 52,450 | 55,414 |

| 3-Year Risk Measures | Acc C | Reference Benchmark |
|---|---|---|
| Volatility | 10.12% | 10.70% |
| Information ratio | 0.00 | -- |
| Beta | 0.90 | -- |

**Sector allocation (%)**

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**Source: HSBC Asset Management, data as at 29 February 2024**

| Top 10 holdings | Sector | Weight (%) |
|---|---|---|
| Shell PLC | Energy | 8.42 |
| BP PLC | Energy | 6.01 |
| GSK PLC | Health Care | 5.81 |
| BAE Systems PLC | Industrials | 4.92 |
| HSBC Holdings PLC | Financials | 4.83 |
| AstraZeneca PLC | Health Care | 4.40 |
| Rio Tinto PLC | Basic Materials | 4.24 |
| Compass Group PLC | Consumer Discretionary | 3.63 |
| Barclays PLC | Financials | 2.98 |
| Taylor Wimpey PLC | Consumer Discretionary | 2.83 |

**Source: HSBC Asset Management, data as at 29 February 2024**

# Monthly performance commentary

At sector level, stock selection was negative for the month. Positive performance came from Basic Materials and Health Care, though this was offset by negative stock selection in Consumer Discretionary and Industrials.

Basic Materials security, GLENCORE PLC with total effect 0.25% was the top contributor. Additionally, Financials security, BARCLAYS PLC was the second largest contributor with total effect 0.24%. Consumer Staples security, RECKITT BENCKISER GROUP PLC also contributed with total effect 0.23%.

On the other side, detractors included Consumer Discretionary security BARRATT DEVELOPMENTS PLC with total effect -0.28%, Industrials holding, ROLLS-ROYCE HOLDINGS PLC with total effect -0.25%, and Consumer Discretionary holding, TAYLOR WIMPEY PLC with total effect -0.20%.

During this period, no positions were opened or closed.

Sector allocation effects are residual to stock selection. At sector level, effects were positive, given an overweight exposure to Industrials.

**The stocks mentioned are for illustrative purposes only and are not investment advice, investments have risks.**
**Source: HSBC Asset Management, data as at 29 February 2024**

## Risk disclosures

- Further information on the potential risks can be found in the Key Information Document (KID) and/or the Prospectus or Offering Memorandum.

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**Source: HSBC Asset Management, data as at 29 February 2024**

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**Glossary**