

HSBC Universal Investment Funds

US Multi-Factor Equity Fund

Monthly report 29 February 2024 | Share class Inst A Acc



Investment objective

The Fund aims to provide growth in the long term, which is a period of five years or more.



Investment strategy

To achieve its objective the Fund will invest at least 80% of its value in shares (equities) of US companies. US companies are those that are based in the US, or earn at least 80% of their revenue from the US. The investment manager identifies potential shares of companies from the S&P 500 Index (the Index) and ranks them from the least attractive to most attractive based upon certain factors, such as value, quality and size. The manager's investment approach then aims to maximise exposure to the highest ranked shares whilst maintaining a portfolio diversified by companies and sectors to manage risk. The sector and stock constraints relative to the S&P 500 Index within the investment strategy means the Fund returns are more likely to be closer to the returns of the S&P 500 Index than if there were no limits on the level of risk the Fund may take. Separately, the S&P 500 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 US equities market. The performance of the Fund is therefore shown against the performance of the S&P 500 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.
- 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.

Share class details

Key metrics

NAV per share	GBP 7.69
Performance 1 month	3.06%
Volatility 3 years	12.80%

Fund facts

UCITS V compliant	Yes
UK reporting fund status (UKRS)	No
ISA eligible	Yes
Dividend treatment	Accumulating
Dealing frequency	Daily
Valuation time	12:00 United Kingdom

Share class base currency	GBP
Domicile	United Kingdom
Inception date	24 July 2006
Fund size	GBP 333,623,269
Reference benchmark	100% S&P 500 Net
Managers	HSBC Index and Systematic Equity Portfolio Management Team

Fees and expenses

Minimum initial investment ¹	GBP 1,000,000
Ongoing charge figure ²	0.290%

Codes

ISIN	GB00B19DCX31
Bloomberg ticker	HSBCMUS LN
SEDOL	B19DCX3

¹Please note that initial minimum subscription may vary across different distributors

²Ongoing 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.

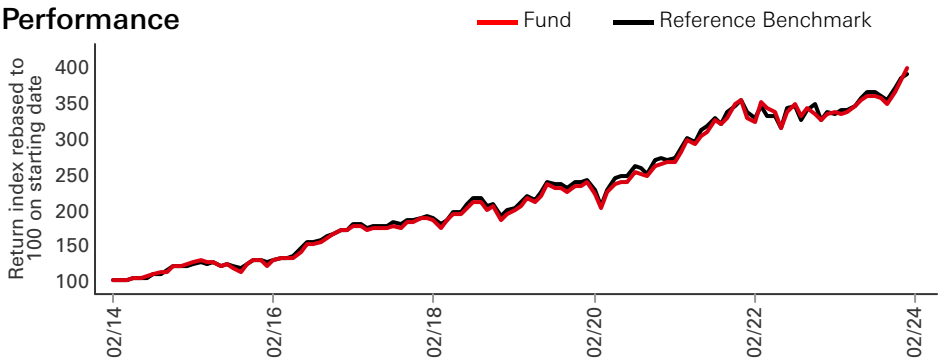
Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

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

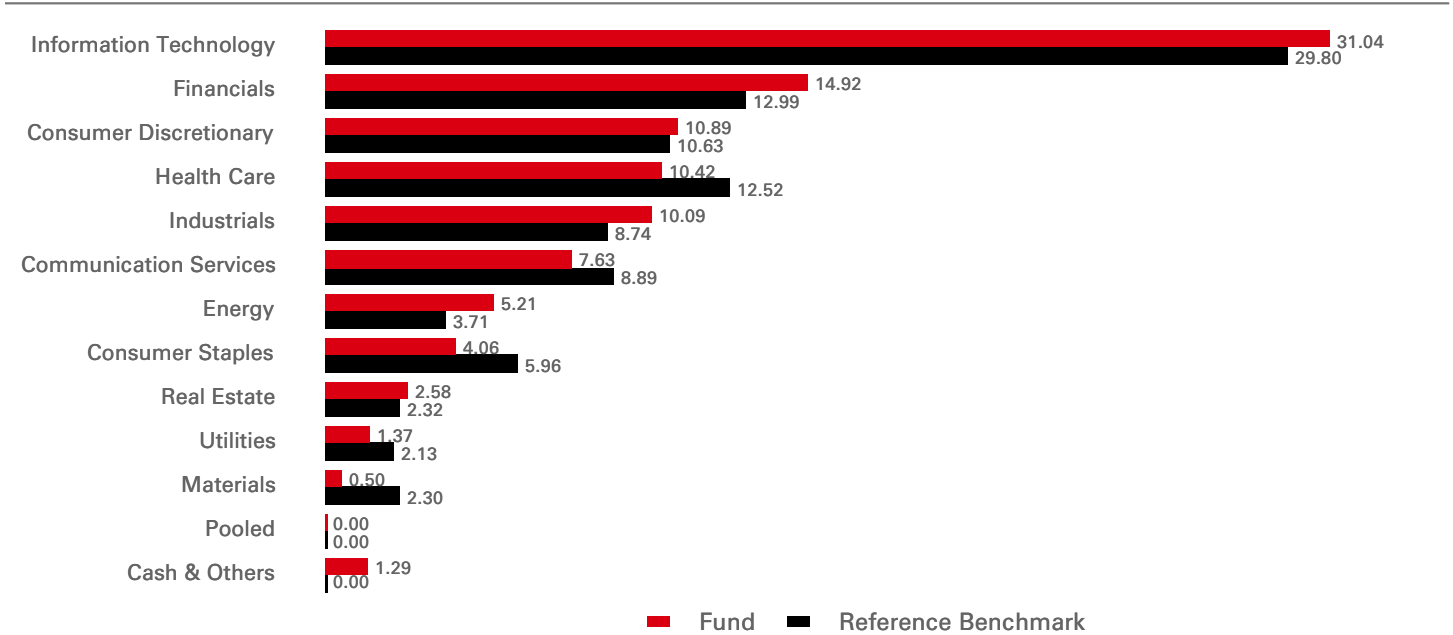


Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	10 years ann
Inst A Acc	7.23	3.06	12.15	13.86	21.52	15.43	15.49	15.11
Reference Benchmark	7.86	6.00	11.94	13.86	24.25	15.16	15.34	15.26

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
Inst A Acc	21.52	4.54	21.05	20.33	11.01	6.84	5.07	36.60	3.82	24.92
Reference Benchmark	24.25	1.79	20.77	19.32	12.01	7.79	5.14	39.06	3.36	24.50

Equity characteristics	Fund	Reference Benchmark	3-Year Risk Measures	Inst A Acc	Reference Benchmark
No. of holdings ex cash	126	503	Volatility	12.80%	12.86%
Average market cap (GBP Mil)	589,883	596,689	Information ratio	0.04	--
			Beta	0.86	--

Sector allocation (%)



Top 10 holdings	Sector	Weight (%)
Microsoft Corp	Information Technology	7.77
Apple Inc	Information Technology	6.36
NVIDIA Corp	Information Technology	4.51
Alphabet Inc	Communication Services	3.77
Amazon.com Inc	Consumer Discretionary	3.69
Meta Platforms Inc	Communication Services	2.84
Exxon Mobil Corp	Energy	1.40
Eli Lilly & Co	Health Care	1.37
Chevron Corp	Energy	1.36
Accenture PLC	Information Technology	1.33

Monthly performance commentary

Market Review

Global stock markets rose for a fourth consecutive month in February, supported by resilient economic data and relatively strong corporate earnings. Signs that inflationary pressures have not entirely dissipated suggest that central banks may be on hold for a little while longer. US equities outperformed in February driven by strong Q4 2023 earnings and the high representation of Technology stocks in the wider index which continued to benefit from AI-related optimism.

Factor Performance

In February, as of month end style factor performance was negative in the US. Within alpha factors, the defensive Quality factor demonstrated resilience and finished as the best performing factor. This was followed by the cyclical Size factor which rebounded after underperforming in the previous month. Meanwhile, the defensive Low Risk factor underperformed as risk measures were favoured. This was followed by the cyclical Value factor which also finished below the line as growth measures were rewarded in February. Finally, the dynamic Industry Momentum factor lagged behind throughout the month and finished as the laggard factor.

Fund Commentary

In February, as of month end the fund underperformed its market cap weighted index. While our exposure to Styles weighed on performance, our industry exposure contributed to performance. On a portfolio level, our exposures to Quality and Size contributed to performance, while our exposures to Industry Momentum, Value and Low Risk weighed on performance.

Industries

On an industry basis, our underweight exposures to Media & Entertainment and Health Care Equipment & Services coupled with our overweight allocation to Capital Goods contributed to performance. Conversely, our overweight allocation to Technology Hardware & Equipment coupled with our underweight exposures to Consumer Discretionary Distribution & Retail and Transportation weighed on performance.

Stock Level

On a stock level basis, our overweight allocations to General Electric Co, Garmin Ltd and United Rentals Inco contributed to performance. Conversely, our underweight exposures to Advanced Micro Devices Inco and Applied Materials Inco coupled with our overweight allocation to Akamai Technologies Inco weighed on performance.

Risk disclosures

- 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.
- 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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Glossary

