

Product Note

HSBC Global Equity Climate Change Fund of Fund (HGEF)

(An open ended fund of fund scheme investing in HSBC Global Investment Funds – Global Equity Climate Change)

January 2025

Investment Objective

To provide long term capital appreciation by investing predominantly in units of HSBC Global Investment Funds – Global Equity Climate Change (HGECC). The Scheme may also invest a certain proportion of its corpus in money market instruments and / or units of overnight / liquid mutual fund schemes, in order to meet liquidity requirements from time to time. However, there is no assurance that the investment objective of the Scheme will be achieved.

Climate Change - The opportunities beckon



Renewable Energy

Sustainable transition away from fossil fuels will need to be USD110trn of investment in renewable energies cumulatively to 2050.¹



Energy Efficiency

Globally enhanced energy efficiency investments could boost cumulative economic output by USD18tr to 2035, increasing growth by 0.25-1.1% per year.²



Clean Transport

Improved and digitalised planning in shipping could lead to fewer kilometers travelled, allowing for industry revenue benefits of USD1.5trn by 2025.³



Green Buildings

In emerging markets alone, Green Buildings are expected to be a USD24.7 trillion investment opportunity by 2030.⁴



Sustainable Water & Wastewater Management

Water productivity improvements could cost USD60 billion annually over the next two decades. Many of these investments yield positive returns in just three years.⁵



Climate Change Adaptation

Research has shown that spending USD1.8trn on specific adaptation areas between 2020 and 2030 could generate USD7.1trn in total net benefits.⁶

Flood defences systems and related infrastructure information support systems, such as climate observation and early warning systems



Pollution & waste prevention and control

Air pollution kills 7 million people each year, costing USD5trn/year.⁷



Circular economy and resource efficiency

Switching to a circular economy could unlock an additional USD4.5trn of global GDP by 2030.⁸

Resource-efficient packaging and distribution Industrial carbon capture and storage technology



Natural capital & ecosystems

Enhancing coastal wetlands could save the insurance industry USD52bn a year in reduced losses from storms and flood damage.⁹

Themes such as Clean transport, Clean energy, Water management provide great investment potential

HGIF Global Equity Climate Change – Monthly Commentary

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

At country level, stock selection was negative for the month. Positive performance came from Korea and Taiwan, though this was offset by negative stock selection in USA and United Kingdom.

USA Industrials security, CORE & MAIN INC-CLASS A with total effect 0.14% is the top contributor. Additionally, Mainland China Consumer Discretionary security, BYD CO LTD-H was the second largest contributor with total effect 0.14%. Mainland China Industrials security, CIMC ENRIC HOLDINGS LTD also contributed with total effect 0.12%.

On the other side, detractors included United Kingdom Industrials security ASSTEAD GROUP PLC with total effect -0.49%, USA Industrials holding, TRANE TECHNOLOGIES PLC with total effect -0.49%, and USA Information Technology holding, BROADCOM INC with total effect -0.41%.

During this period, no positions were opened. Positions were closed in VEOLIA ENVIRONNEMENT.

Sector and Country allocation effects are residual to stock selection. At a country level, effects were positive, given an overweight exposure to Mainland China. At sector level, effects were negative, given an underweight exposure to Industrials.

Data as on 31 December 2024

Source: HSBC Mutual Fund, HGIF Global Equity Climate Change underlying fund commentary, Bloomberg

1. IRENA 2019, 2. New Climate Economy 2016, 3. Danfuss 2020, 4. FC 2019, 5. McKinsey 2019, 6. Global Commission on Adaptation 2019, 7. BAML 2020, citing UN 2019, 8. World Economic Forum, 9. Barbier et al 2019, The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). **Past performance may or may not be sustained in the future and is not indicative of future results.** Fund of Fund (FOF) Note - The investors are bearing the recurring expenses of the scheme, in addition to the expenses of other schemes in which the Fund of Funds Scheme makes investments.

HSBC Global Investment Fund Global Equity Climate Change (Underlying Fund)

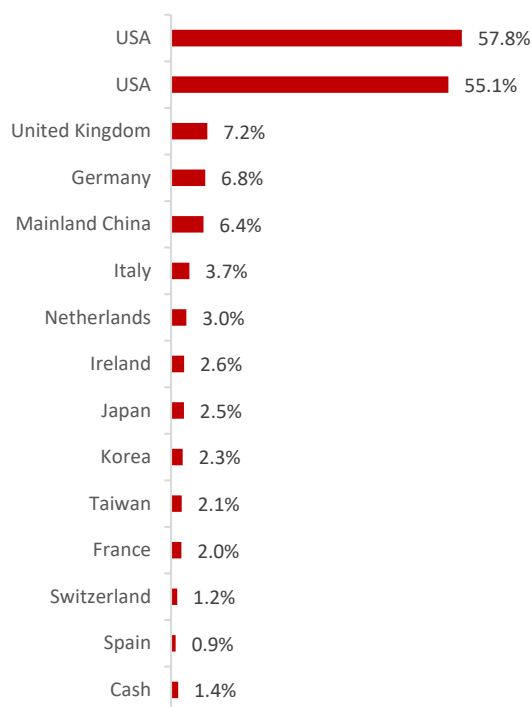
Portfolio

Instrument	Weight
TRANE TECHNOLOGIES PLC	5.4%
MICROSOFT CORP	5.1%
SCHNEIDER ELECTRIC SE	4.6%
CADENCE DESIGN SYS INC	4.5%
ECOLAB INC	4.4%
VERISK ANALYTICS INC	4.3%
PRYSMIAN SPA	3.7%
AUTODESK INC	2.8%
SAP SE	2.6%
ACCENTURE PLC-CL A	2.6%
AZBIL CORP	2.5%
SMURFIT WESTROCK PLC	2.4%
DEERE & CO	2.2%
CORE & MAIN INC-CLASS A	2.2%
WATTS WATER TECHNOLOGIES-A	2.2%
E.ON SE	2.1%
TAIWAN SEMICONDUCTOR CO LTD	2.1%
ASSTEAD GROUP PLC	2.1%
INFINEON TECHNOLOGIES AG	2.1%
BYD CO LTD-H	2.0%
XYLEM INC	2.0%
CIMC ENRIC HOLDINGS LTD	2.0%
SSE PLC	2.0%
COMPASS GROUP PLC	1.9%
VERALTO CORP	1.8%
AGILENT TECHNOLOGIES INC	1.8%
FIRST SOLAR INC	1.6%
COPART INC	1.6%
NARI TECHNOLOGY CO LTD-A	1.6%
DANAHER CORP	1.6%
ARCADIS NV	1.5%
ASM INTERNATIONAL NV	1.5%
PROLOGIS INC	1.5%
ADVANCED DRAINAGE SYSTEMS IN	1.4%
SAMSUNG ELECTRONICS CO LTD	1.4%
CAPGEMINI SE	1.3%
CRODA INTERNATIONAL PLC	1.3%
DSM-FIRMENICH AG	1.2%
HUBBELL INC	1.2%
BALL CORP	0.9%
EDP RENOVAVEIS SA	0.9%
SK HYNIX INC	0.9%
EQUINIX INC	0.9%
CARLISLE COS INC	0.9%
SUNGROW POWER SUPPLY CO LT-A	0.9%
SPIE SA	0.8%
WASTE MANAGEMENT INC	0.5%
Cash	1.4%
Total	100.0%

Sector Allocation (%)

Sector	Weight
Industrials	42.8%
Information Technology	31.1%
Materials	10.1%
Utilities	5.0%
Consumer Discretionary	3.9%
Health Care	3.3%
Real Estate	2.3%
Cash	1.4%

Country allocation

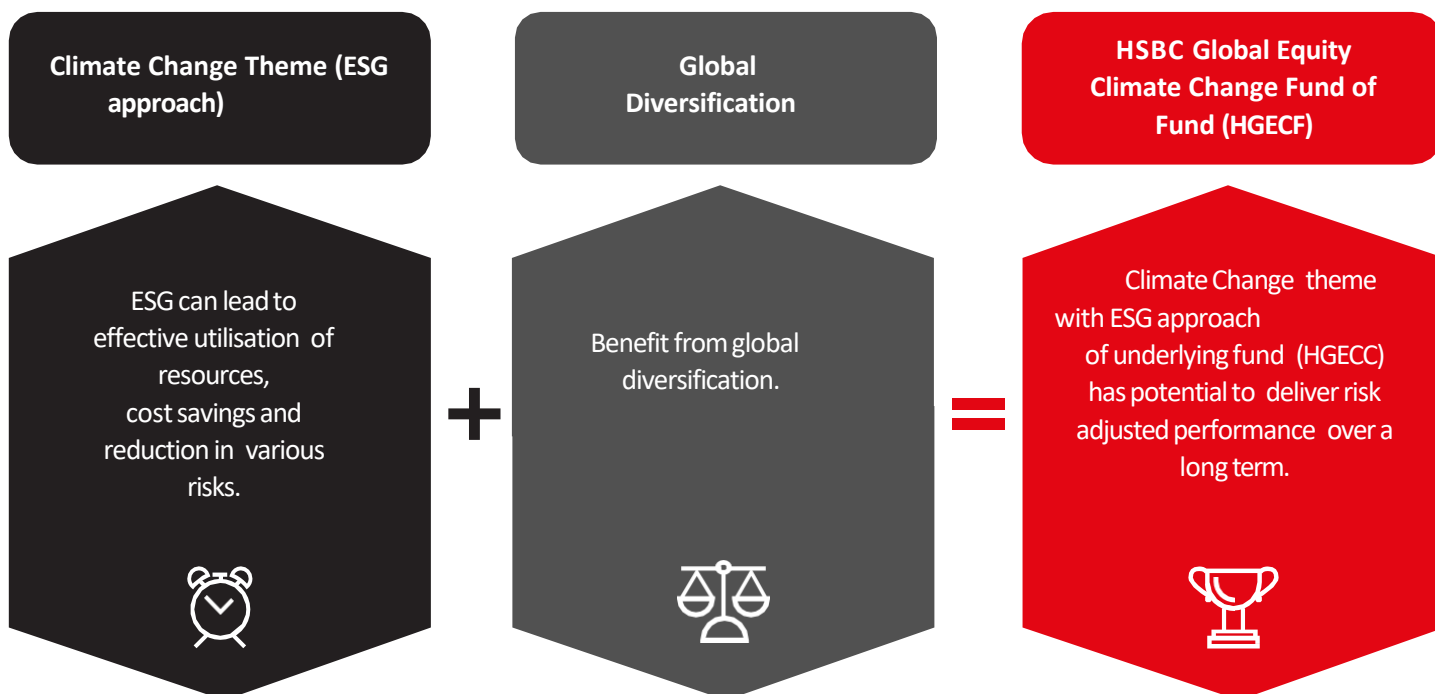


Source: HSBC Mutual Fund., Bloomberg, Data as on 31 December 2024

Note: The views provided above is based on information available in public domain at this moment for underlying funds and subject to change. Please consult your financial advisor for any investment decision. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s).

HSBC Global Equity Climate Change Fund of Fund (HGECF)^{1, 2}

HSBC Global Equity Climate Change Fund of Fund aims to provide long term capital appreciation by investing predominantly in units of HSBC Global Investment Funds – Global Equity Climate Change (HGECC). The Underlying fund aims to provide long-term total return by investing primarily in companies, listed in either developed or developing countries, that are positioned to benefit from efforts to adapt to climate change.



HGECF provides potential benefit of opportunities arising from Climate Change theme supported by ESG investment approach and global diversification

¹ An open ended fund of fund scheme investing in HSBC Global Investment Funds – Global Equity Climate Change

² The Scheme may also invest a certain proportion of its corpus in money market instruments and/or units of overnight/liquid mutual fund schemes, in order to meet liquidity requirements from time to time. However, there is no assurance that the investment objective of the Scheme will be achieved.

HSBC Global Equity Climate Change Fund of Fund

An open-ended fund of fund scheme investing in HSBC Global Investment Funds – Global Equity Climate Change

Fund Category	Fund Manager	Benchmark ¹	Inception Date	AUM ¹ &
Fund of Funds (Overseas)	Sonal Gupta [#] , Kapil Lal Punjabi	MSCI AC World TRI	22 Mar 2021	Rs. 65.18 Cr

Risk Ratios ²		Risk Ratios ²	
Standard Deviation	19.07%	Sharpe Ratio ³	-0.44
Beta	1.15	R2	0.86%

Exit Load: In respect of each purchase / switch-in of Units, an Exit Load of 1% is payable if Units are redeemed / switched out within 1 year from the date of allotment. No Exit Load will be charged, if Units are redeemed / switched-out after 1 year from the date of allotment. The exit loads set forth above is subject to change at the discretion of the AMC and such changes shall be implemented prospectively.

Month End Total Expenses Ratios (Annualized)⁴ – Regular⁵: 2.09%, Direct: 1.44%

Investors should note that the expenses to be borne by the investor include the recurring expenses of the Underlying scheme in which Fund of Funds Scheme makes investments subject to the maximum limits prescribed under sub-regulation 6 & 6A of Regulation 52 of the SEBI Regulations.

¹ As per clause 1.9 of the SEBI Master Circular dated June 27, 2024, on 'Guiding Principles for bringing uniformity in Benchmarks of Mutual Fund Schemes' has introduced two-tiered structure for benchmarking of certain categories of schemes. Accordingly, the benchmark has been classified as Tier 1 benchmark. Furthermore, the same is effective from 01 December 2021.

² Statistical Ratios disclosed are as per monthly returns (Annualized) for the last 3 years.

³ Risk free rate 7.15% (FIMMDA-NSE MIBOR), ⁴ TER Annualized TER including GST on Investment Management Fees

⁴ TER Annualized TER including GST on Investment Management Fees

⁵ Continuing plans

⁶ For disclosure of quarterly AUM/AAUM and AUM by geography, please visit our website: <https://www.assetmanagement.hsbc.co.in/en/mutual-funds/investor-resources/information-library#&accordion1446811090=4>.

Source – HSBC Mutual Fund, Data as of 31 December 2024. **Past performance may or may not be sustained in the future and is not indicative of future results.**

[#] Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

MSCI ACWI TRI = MSCI All Country World Net Return Index (MSCI ACWI NR)

The investors are bearing the recurring expenses of the scheme, in addition to the expenses of other schemes in which the Fund of Funds scheme makes investments.

HGIF Global Equity Climate Change – Quarterly Commentary

At sector level, stock selection was negative for the quarter. Positive performance came from Materials and Consumer Staples, though this was offset by negative stock selection in Information Technology and Utilities.

At country level, stock selection was negative for the quarter. Positive performance came from Taiwan and Ireland, though this was offset by negative stock selection in USA and United Kingdom.

USA Information Technology security, CADENCE DESIGN SYS INC with total effect 0.42% is the top contributor. Additionally, USA Industrials security, CORE & MAIN INC-CLASS A was the second largest contributor with total effect 0.22%. USA Materials security, SMURFIT WESTROCK PLC also contributed with total effect 0.20%.

On the other side, detractors included Spanish Utilities security EDP RENOVAVEIS SA with total effect -0.92%, USA Information Technology holding, FIRST SOLAR INC with total effect -0.86%, and USA Consumer Discretionary holding, TESLA INC with total effect -0.51%.

During this period, positions were initiated in CORE & MAIN INC-CLASS A, XYLEM INC, COPART INC, ARCADIS NV, and ASM INTERNATIONAL NV.

Positions were closed in ASML HOLDING NV, SENSATA TECHNOLOGIES HOLDING, VEOLIA ENVIRONNEMENT, ENPHASE ENERGY INC, and SYENSQO SA.

Sector and Country allocation effects are residual to stock selection. At a country level, effects were negative, given an underweight exposure to USA. At sector level, effects were negative, given an underweight exposure to Industrials.

Portfolio

Issuer	Industries	% to Net Assets
Mutual Fund Units		97.89%
HSBC GIF GL EQ CLM CHG JCUSD	OVERSEAS MUTUAL FUND	97.89%
Cash Equivalent		2.11%
TREPS*		3.98%
Net Current Assets		-1.87%
Total Net Assets as on 31-December-2024		100.00%

Asset Allocation

International - Mutual Fund Units	97.89%
Net Current Asset	3.98%
Reverse Repos/TREPS	-1.87%
Total Net Assets as on 31-December-2024	100.00%

*TREPS : Tri-Party Repo, Data as on 31 December 2024

Fund Manager - Sonal Gupta Effective 02 Dec 2022. Total Schemes Managed - 26
Fund Manager - Kapil Lal Punjabi Effective 22 Mar 2021. Total Schemes Managed - 17

Lump Sum Investment Performance									Inception Date
Fund / Benchmark (Value of Rs 10,000 invested)	1 Year		3 Years		5 Years		Since Inception		
	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	Amount in Rs	PTP Returns %	
HSBC Global Equity Climate Change Fund of Fund - Regular Plan	10242	2.40	9149	-2.92	NA	NA	9948	-0.14	22-Mar-21
Scheme Benchmark (MSCI AC World TRI)	12082	20.63	13486	10.47	NA	NA	15735	12.75	
Additional Benchmark (Nifty 50 TRI)	10985	9.77	14237	12.48	NA	NA	16783	14.69	

PTP returns – Point to Point returns. | **Past performance may or may not be sustained in the future and is not indicative of future results.** The performance details provided herein are of Regular Plan - Growth Option. Returns on ₹10,000 are point-to-point returns for the specific time period, invested at the start of the period. The returns for the respective periods are provided as on last available NAV of December 2024 for the respective schemes. Returns for 1 year and above are Compounded Annualized. Returns for less than 1 year is Simple Annualized. Load is not taken into consideration for computation of performance. Different plans shall have a different expense structure. The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses / commission charged to the Regular Plan.

As per clause 5.9.1 of the SEBI Master Circular dated June 27, 2024, the scheme returns vis-à-vis the benchmark return (Total Return Index) shall be disclosed are provided from the date of allotment of units.

Post merger performance of the surviving scheme, arising out of merger of schemes with similar features, is computed as per the provisions of clause 13.4 of the SEBI Master Circular dated June 27, 2024, on Disclosure of Performance of Schemes post-merger using the weighted average performance of both transferor and transferee schemes. In other cases, performance is computed using the Applicable NAV of the surviving/continuing schemes.

SIP Performance - HSBC Global Equity Climate Change Fund of Fund - Regular					Inception Date: 22-Mar-21
Scheme Name & Benchmarks	1 Year	3 Years	5 Years	Since Inception	
Total amount invested (₹)	120000	360000	NA	450000	
Market Value as on December 31, 2024 (₹)	1,19,928	3,88,829	NA	4,74,649	
Scheme Returns (%)	-0.11	5.07	NA	2.80	
MSCI AC World Index TRI - Scheme Benchmark (₹)	1,31,967	4,73,454	NA	6,02,746	
MSCI AC World Index TRI - Scheme Benchmark Returns (%)	19.11	18.65	NA	15.74	
Nifty 50 TRI - Additional Benchmark (₹)	1,21,636	4,45,616	NA	5,82,660	
Nifty 50 TRI - Additional Benchmark Returns (%)	2.55	14.38	NA	13.87	



Past performance may or may not be sustained in the future and is not indicative of future results. For SIP returns, monthly investment of Rs.10,000/- invested on the 1st day of every month has been considered. SIP Return are calculated on XIRR basis. IDCW are assumed to be reinvested and bonus is adjusted. Load is not taken into consideration.

Sonal Gupta is dedicated fund manager for investments in foreign securities by all the schemes of HSBC Mutual Fund.

Source: HSBC Mutual Fund, data as on 31 December 2024

[Click here](#) to check other funds performance managed by the Fund Manager

Product Label

Scheme name and Type of scheme	Scheme Risk-o-meter	Benchmark Risk-o-meter (as applicable)
HSBC Global Equity Climate Change Fund of Fund (An open ended fund of fund scheme investing in HSBC Global Investment Funds – Global Equity Climate Change) This product is suitable for investors who are seeking*: <ul style="list-style-type: none"> To create wealth over long-term Investment predominantly in companies positioned to benefit from climate change through fund of funds route 		As per AMFI Tier I Benchmark Index: MSCI AC World Index TRI 

* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note on Risk-o-meters: Riskometer is as on 31 December 2024, Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme

Past performance may or may not be sustained in the future and is not indicative of future results. Source: HSBC Mutual Fund, data as on 31 December 2024

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.