

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

**NFO Period:
3 - 17 March
2021**

**Product
Note**

**Reopening
Date:
30 March
2021**

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

Clean transport, clean energy, water management are some of the themes with great potential

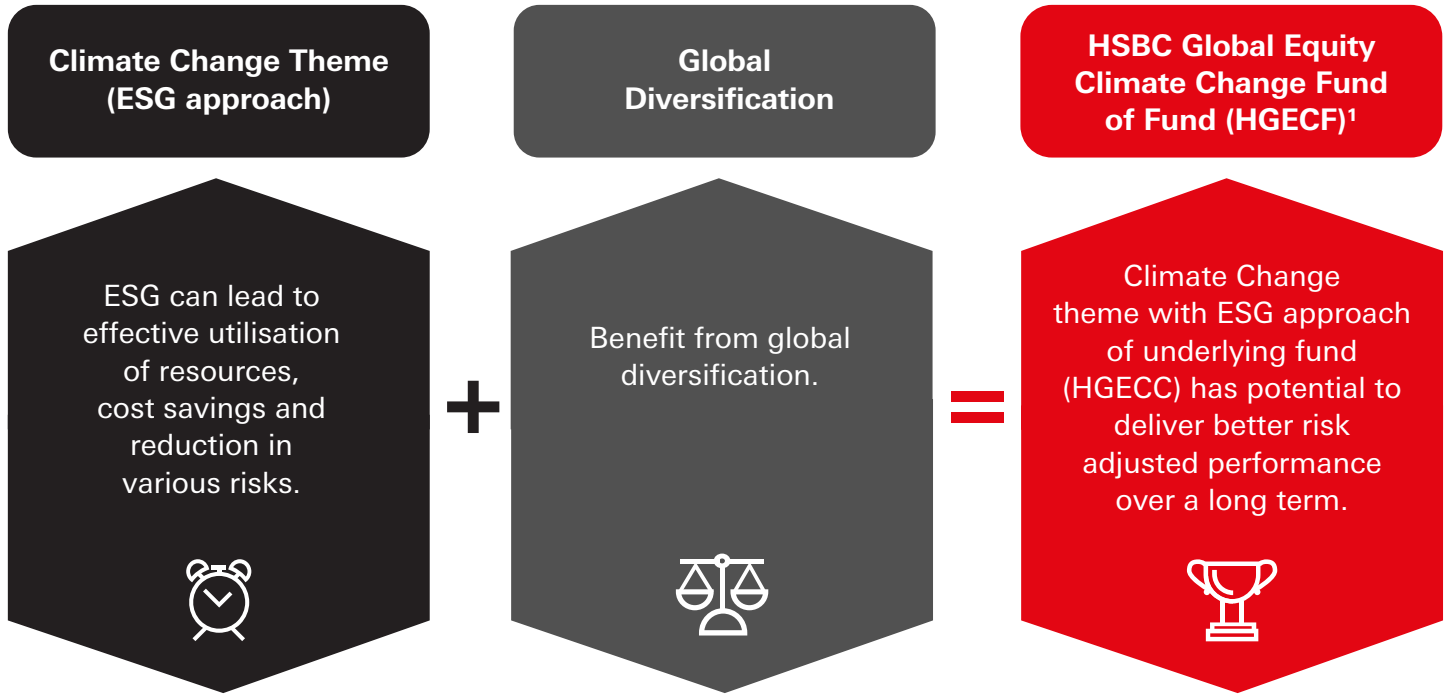
Source: HSBC Global Asset Management

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

18 Feb 2021

HSBC Global Equity Climate Change Fund of Fund (HGECF)¹

HSBC Global Equity Climate Change Fund of Fund² 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 (HGECF) [Feeder Fund]

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

Where will the scheme invest?

The corpus of the Scheme will be predominantly invested in the units of HSBC Global Investment Funds - Global Equity Climate Change. 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

Benchmark

MSCI AC World TRI.¹

Fund Manager

Priyankar Sarkar

¹ The Fund reserves the right to change the benchmark for evaluation of the performance of the Scheme from time to time, subject to SEBI (Mutual Funds) Regulations and other prevailing guidelines, if any. Note: For complete details on where scheme will invest, please refer to the Scheme Information Document of HSBC Global Equity Climate Change Fund of Fund. MSCI ACWI TRI = MSCI All Country World Net Return Index (MSCI ACWI NR)


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

Asset Allocation

Type of Instruments	Indicative asset allocation (% of total assets)		Risk Profile
	Minimum	Maximum	
Shares of the underlying Fund i.e. HSBC Global Investment Funds – Global Equity Climate Change	95%	100%	High
Money Market instruments (including TREPS & reverse repo in government securities) and units of liquid & overnight mutual funds	0%	5%	Low to Medium

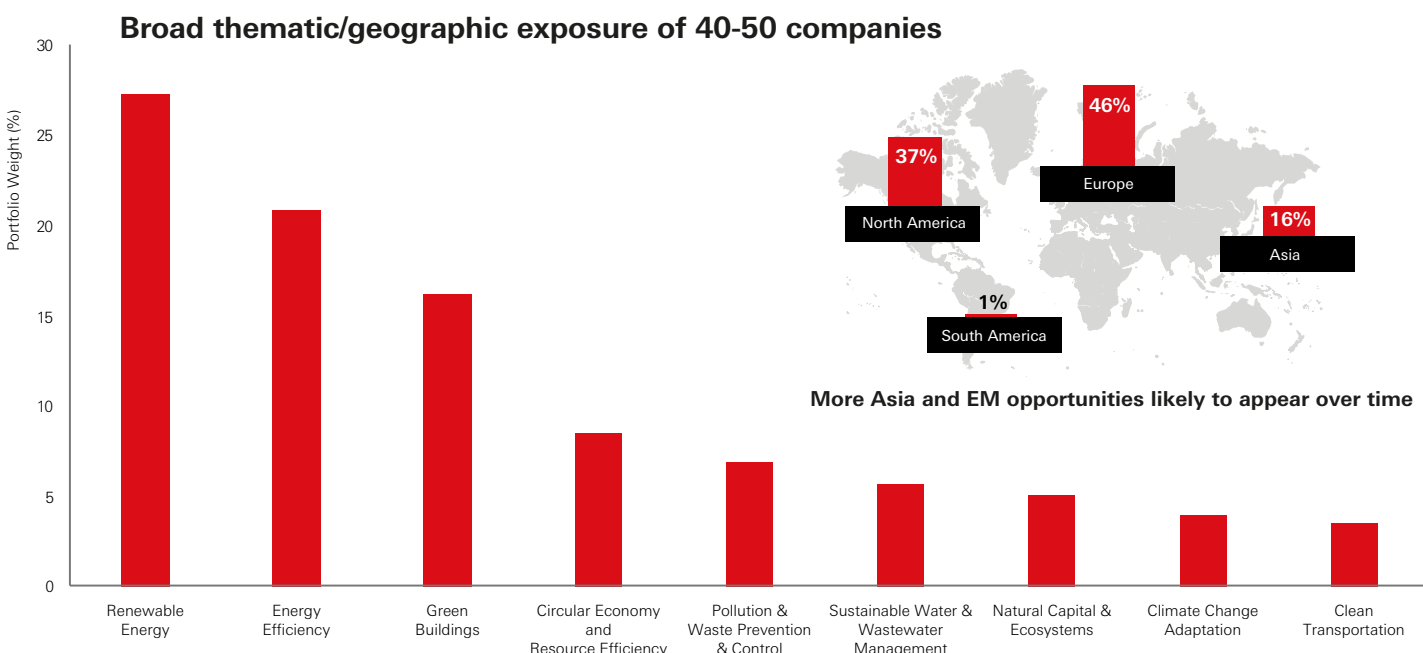
Note: For complete details on asset allocation of the scheme, please refer to the Scheme Information Document of HSBC Global Equity Climate Change Fund of Fund.

Scheme Name	Riskometer
<p>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)</p> <p>This product is suitable for investors who are seeking¹:</p> <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 	 <p>Investors understand that their principal will be at Very High risk</p>

¹ Investors should consult their financial advisers if in doubt about whether the product is suitable for them
Product labelling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

HSBC Global Investment Funds – Global Equity Climate Change [HGIF – Global Equity Climate Change] (HGECC) Underlying fund

HGIF Global Equity Climate Change - Thematic portfolio positioning

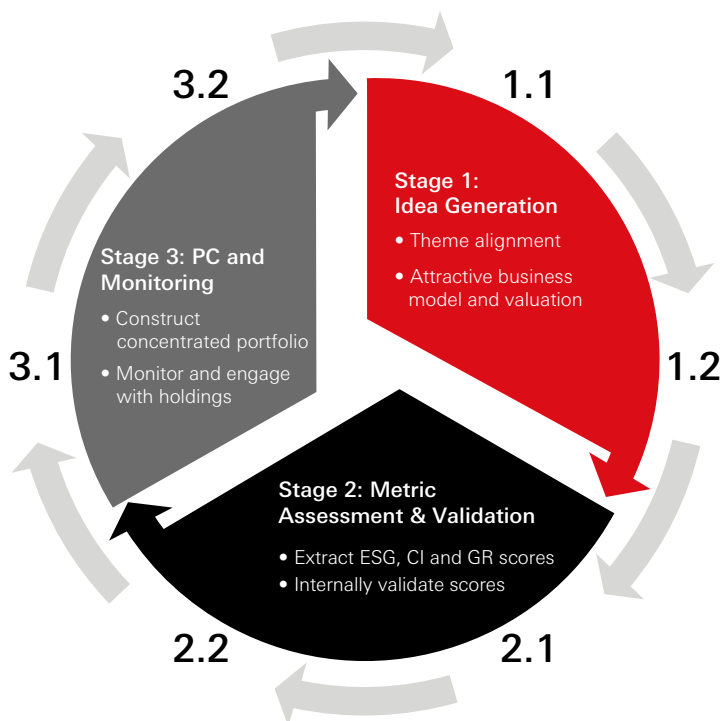


Energy remains bigger part of the portfolio but other themes are expected to gain

Source: HSBC Global Asset Management, Data as on 31 December 2020. For illustration purpose only.
The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any security in the sectors referenced.

Portfolio construction & monitoring - HGECC – Underlying Fund

A robust investment process supervised by an experienced investment team of 7 dedicated specialists with over 19 years of average experience



Source: HSBC Global Asset Management, Data as on 31 December 2020.

HGIF Global Equity Climate Change - HGECC – Underlying Fund

Top 10 holdings	Portfolio Weight	Subtheme	SDG Alignment	Net Zero Commitment
Prysmian	3.5	Renewable Energy		✓
Infineon Tech	3.3	Energy Efficiency		✓
Schneider Electric	3.3	Energy Efficiency		✓
Ecolab	3.2	Sustainable Water & Wastewater Management		✓
Neste	3.2	Pollution & Waste Prevention & Control		✓
EDP Renovaveis	3.0	Renewable Energy		✓
Azbil	2.9	Green Buildings		✓
Deere & Co	2.9	Natural Capital & Ecosystems		✓
Ball	2.8	Circular Economy and Resource Efficiency		✓
Trane Technologies	2.7	Green Buildings		✓

Sustainable investment ideas from a range of subthemes

Source: HSBC Global Asset Management, Data as on 31 December 2020. SDG - Sustainable Development Goals. | 2) Zero hunger, 6) Clean water and sanitation, 7) Affordable and clean energy, 11) Sustainable cities and communities, 12) Responsible consumption, 13) Climate Action, 14) Life below water, 15) Life on land Past performance should not be seen as an indication of future returns. The above details should not be construed as an investment advice or research report or recommendation to buy or sell any stocks mentioned above. This is provided only for illustrate variance in performance of stocks. This should not be construed as the proposed portfolio and actual portfolio may not have any of the above mentioned stocks.

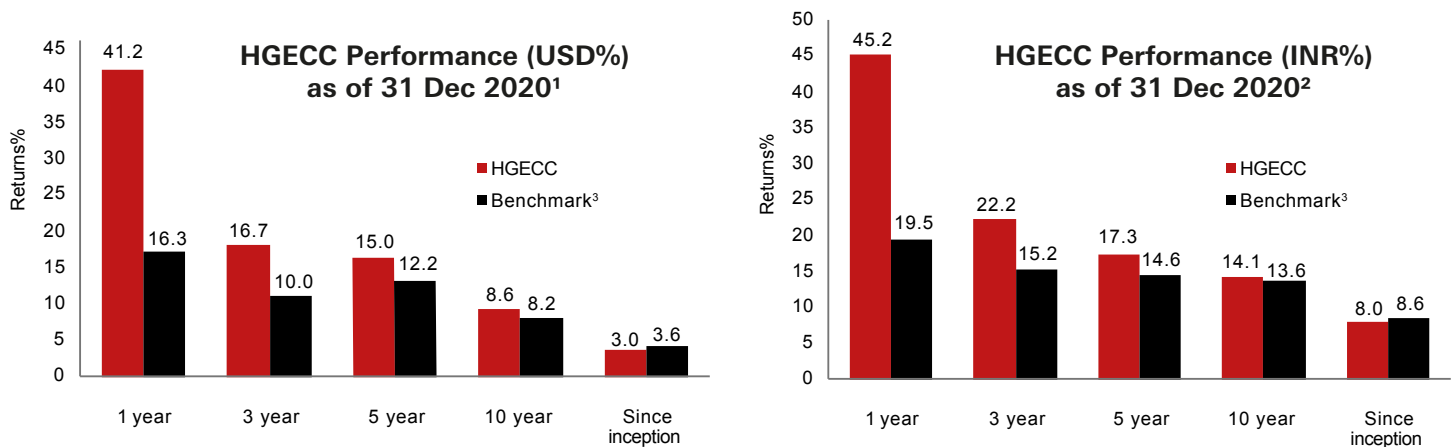
Portfolio characteristics

HGECC Snapshot

Investment universe	Global	Sector exposures	Unconstrained
Number of holdings	40-50	Market capitalisation	Unconstrained
Country exposures	Unconstrained	Fund Manager	Angus Parker

Source: HSBC Global Asset Management

HGIF Global Equity Climate Change - HGECC – Underlying Fund



**Target the energy transition/
decarbonisation theme**

**Portfolio carbon intensity
less than 50% of MSCI ACWI**

**Portfolio ESG score 20%
greater than MSCI ACWI**

1. Performance figures are shown in USD for share class AC - Inception date: 9 November 2007. Returns for more than one year are Compounded Annualized Growth Rate (CAGR). Sources: HSBC Global Asset Management (Hong Kong) Limited

Note: Underlying Fund offers various share classes. Each share class has different expense ratio and different minimum amount for investments. The portfolio of Underlying Fund for all the share classes is common. Currently while HSBC Global Equity Climate Change Fund of Fund (the Scheme) intends to invest in Share Class J. The share class is chosen for investments considering various factors, including minimum investment amount requirement of the share classes, expense ratio, etc. The Scheme may be eligible to subscribe to other share classes of Underlying Fund based on its net assets. Accordingly, the Scheme retains flexibility to invest in different share classes of Underlying Fund. Since Share Class J has no performance history, the performance details of Share Class AC is given.

The returns of Underlying Fund should not be construed as returns of the Scheme, as recurring expenses will be also charged to the Scheme and Scheme may not be fully invested in Underlying Fund at all points of time.

2. Source – HSBC Global Asset Management (Hong Kong) Limited, USD/INR conversion – WM/RS

Disclaimer: For calculating returns of Underlying Fund in INR terms, USD / INR currency conversion rate prevailing as on the respective date is considered for conversion of NAVs of Underlying Fund as well as conversion of index values. The difference in returns (in % terms) of Underlying Fund in USD and INR over different time periods is largely attributable to movement of USD vis-à-vis INR. There is no guarantee that similar trend of movement in currency exchange rates of USD vis-à-vis INR will continue in future. The returns of Underlying Fund in INR terms should not be construed as returns of the Scheme as recurring expenses will be also charged to the Scheme and Scheme may not be fully invested in Underlying Fund at all points of time. The Scheme may invest in Underlying Fund in different points of time and there is no assurance or guarantee that the Scheme will always be able to capture favorable currency exchange rates while investing in the Underlying Fund. INR rate applied to the performance do not represent the real performance of the underlying fund. Further, the performance shown above in INR terms will always fluctuate depending on the INR valuations and in future if there is INR appreciation/depreciation.

3. Benchmark = MSCI All Country World Net Return Index (MSCI ACWI NR) = MSCI ACWI TRI. This benchmark is indicative only and is not guaranteed in any way. HSBC Asset Management India accepts no liability for any failure to meet this benchmark.

Data as on 31 December 2020

Past performance may or may not be sustained in future. It should not be seen as indication to future returns and considered as a basis for comparison with other investments.

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