

HSBC OpenFunds - Global Strategy Cautious Portfolio

Share Class CC

31 Jul 2019

Fund Objective and Strategy

To provide capital growth through cautious investment in a broad range of asset classes across global markets, with a bias towards fixed interest securities.

Performance (%)	YTD	1M	3M	1Y	3Y ¹	5Y ¹	Vol ²	S.R. ³
CC	9.33	1.34	3.47	7.19	4.37	5.54	4.04	1.14

Rolling Performance (%)	31 Jul 2018-31 Jul 2019	31 Jul 2017-31 Jul 2018	31 Jul 2016-31 Jul 2017	31 Jul 2015-31 Jul 2016	31 Jul 2014-31 Jul 2015
CC	7.19	2.12	3.86	10.62	4.12

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

Source: HSBC Global Asset Management, data as at 31 July 2019

Risk Disclosure

- 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.
- Alternative investments may be difficult to sell in a timely manner or at a reasonable price.
- A small movement in the value of the underlying asset can cause a large movement in the value of the derivative. Investing in derivatives involves leverage. High degrees of leverage can magnify the impact of asset price or rate movements.
- Emerging markets are subject to greater illiquidity and volatility than developed markets.
- Changes in currency exchange rates will cause the value of investments to fluctuate.
- As interest rates rise debt securities will fall in value. All credit instruments have potential for default.
- Assets may be more difficult to convert to cash during adverse market conditions, in turn impacting asset valuation.
- Governance of underlying assets remains the responsibility of third-party managers. Regular assessment is undertaken for third-party manager approval.

Share Class Details	
UCITS V Compliant	No
ISA Eligible	Yes
Distribution Type	Accumulating
Dealing Frequency	Daily
Valuation Time	12:00 United Kingdom
Min. Initial Investment	GBP 1,000,000
Ongoing Charge Figure ⁴	0.160%
Base Currency	GBP
Domicile	United Kingdom
ISIN	GB00B84DV184
Inception Date	01 Nov 2012
NAV per Share	GBP 1.49
Fund Size	GBP 196,064,242
Bloomberg Ticker	HSWIBCA LN
SEDOL	B84DV18
Manager	HSBC AMG Multi Asset Team

¹Result is annualised when calculation period is over one year.

²Volatility since inception: a measure of how much a fund's price goes up or down as a percentage of its average performance.

³Sharpe ratio since inception: a measure for calculating risk-adjusted return, and this ratio has become the industry standard for such calculations.

⁴Ongoing 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.

Monthly Performance Commentary

Global equities were little changed in July as a “truce” in US-China trade tensions was offset by the US FOMC signalling a “mid-cycle adjustment” in policy rather than a long series of rate cuts. However, sterling depreciation provided a boost, meaning the MSCI All Countries World Index increased by 4.28% over the month.

In the US, the labour market remains solid, with 224,000 jobs added in June, while Q2 GDP growth surprised to the upside (+2.1% quarter-on-quarter annualised). Further escalation in trade tensions continues to be the main downside risk to growth, particularly if confidence is impacted. The Fed cut rates by 25bps and a lack of inflation pressure and increased downside risks to growth are likely to translate into possible further Fed rate cuts later this year.

Signs that global growth was improving a few months ago have proved short-lived. Our global Nowcast is stuck at a level below our sense of trend growth.

We remain of the view that global growth is in a “cyclical slowdown” rather than the beginning of a more severe recessionary environment.

There were no significant changes to the portfolio's asset allocation in July.

Asset Allocation (%)	Actual
Global Government Bond	44.83
Corporate Bond	24.09
US Equity	12.39
Emerging Markets Equity	3.60
Property	3.56
Europe Equity	3.37
UK Equity	1.88
Japan Equity	1.82
Pacific ex Japan Equity	1.04
Cash	3.42

Top 10 Holdings (%)	
HSBC Global Corporate Bond Index ZQHUSD	24.09
HSBC American Index	12.39
US TREASURY N/B 2.0000 15-FEB-23	6.77
JAPAN (30 YEAR ISSUE) 1.1000 20-MAR-33	6.06
US TREASURY N/B 2.6250 15-JUN-21	5.58
BONOS Y OBLIG DEL ESTADO 2.1500 31-OCT-25	4.67
US TREASURY N/B 2.2500 15-NOV-27	3.79
iShares EmergMkts Idx (IE) Instl Acc USD	3.60
iShares Dev RI Ett Idx (IE) Instl Acc \$	3.56
HSBC European Index	3.37

Source: HSBC Global Asset Management, data as at 31 July 2019

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Further Information can be found in the prospectus.

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