

HSBC OpenFunds

Global Strategy Sustainable Conservative Portfolio

Marketing communication | Monthly report 31 October 2024 | Share class Acc C

Investment objective

The Fund aims to provide growth in line with its risk profile in the long term, which is a period of five years or more. The Fund's risk profile is rated as 2 where 1 is a lower level of risk and 5 is a higher level of risk. The Fund aims to invest in assets that form part of a sustainable investment strategy but may also invest in assets that do not form part of a sustainable investment strategy in order to meet the Fund's aim of providing growth in line with its risk profile. Please see the Prospectus for an explanation of the HSBC risk levels and sustainable investment strategies.

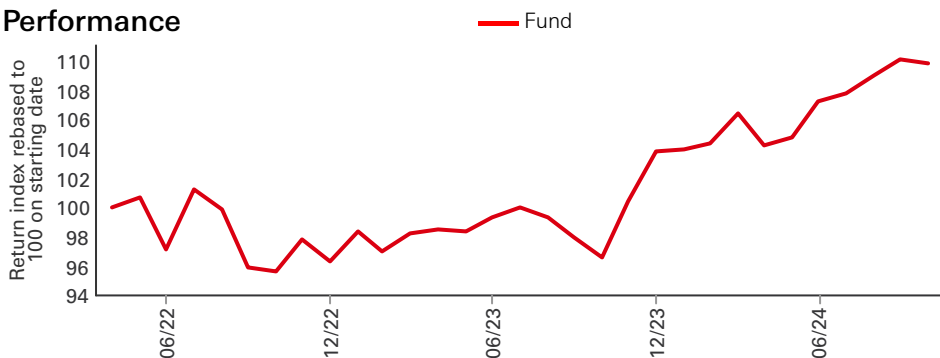
Investment strategy

This is one of a range of actively managed Global Strategy Sustainable Portfolios offered at different risk levels. The asset allocation of each fund in the range reflects the risk level. The Fund is managed with the aim of maximising returns in line with its agreed long term risk profile therefore any potential returns are likely to be limited by the risk profile of the Fund. The exposure to each asset class may be achieved by investing in collective investment schemes, investing directly in asset classes and investing in derivatives. The potential for the Fund to invest in assets that form part of a sustainable investment strategy, together with a focus on lower ongoing charges, is taken into consideration when deciding which asset classes the Fund will invest in and how the Fund achieves exposure to those asset classes. The Fund is not managed with reference to a benchmark.

Main risks

- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- Investing in other funds involves certain risks an investor would not face if investing in markets directly. Governance of underlying assets can be the responsibility of third-party managers.
- The Fund may invest in Emerging Markets, these markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.

Performance



Share class details

Key metrics

| | |
|---------------------|-----------------|
| NAV per share | GBP 1.10 |
| Performance 1 month | -0.21% |

Fund facts

| | |
|---------------------------------|-----------------------------|
| UCITS V compliant | No |
| 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 | 27 April 2022 |
| Fund size | GBP 7,526,347 |
| Managers | Nicholas McLoughlin |

Fees and expenses

| | |
|---|----------------------|
| Minimum initial investment ¹ | GBP 1,000,000 |
| Ongoing charge figure ² | 0.310% |

Codes

| | |
|------------------|---------------------|
| ISIN | GB00BP95B855 |
| Bloomberg ticker | GLSCPCG LN |
| SEDOL | BP95B85 |

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

²Ongoing Charges Figure is an estimate due to a change of fee structure.

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 31 October 2024

| Performance (%) | YTD | 1 month | 3 months | 6 months | 1 year | 3 years ann | 5 years ann | Since inception ann |
|-----------------|------|---------|----------|----------|--------|-------------|-------------|---------------------|
| Acc C | 5.77 | -0.21 | 1.99 | 5.35 | 13.69 | -- | -- | 3.82 |

| Rolling performance (%) | 31/10/23-31/10/24 | 31/10/22-31/10/23 | 31/10/21-31/10/22 | 31/10/20-31/10/21 | 31/10/19-31/10/20 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Acc C | 13.69 | 0.99 | -- | -- | -- |

Currency Allocation (%)

| | |
|-------------------|-------|
| Pound Sterling | 54.51 |
| US Dollar | 31.96 |
| Japanese Yen | 3.73 |
| Euro | 2.73 |
| Swedish Krona | 1.36 |
| Hong Kong Dollar | 1.34 |
| Australian Dollar | 1.07 |
| Indian rupee | 0.89 |
| New Taiwan Dollar | 0.84 |
| Danish Krone | 0.32 |
| Other Currencies | 1.25 |

■ Fund

Sustainable investment style (%)

| Sustainable investment style (%) | Fund |
|-------------------------------------|-------|
| Equities - Positive Screening | 37.38 |
| Bonds - Positive Screening | 59.72 |
| Cash | -0.58 |
| Alternatives - Sustainable Thematic | 3.48 |

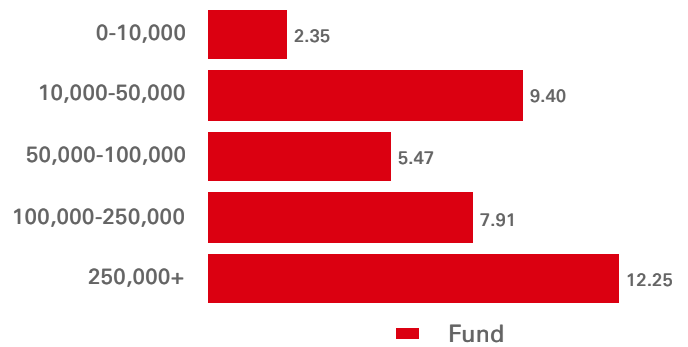
Top 10 holdings

| Top 10 holdings | Weight (%) |
|---|------------|
| HSBC GFI-GSGB UCS ETF-ZQHUSD | 33.86 |
| HSBC USA Sustainable Equity ETF | 24.07 |
| Amundi US Corp SRI - DR | 12.64 |
| UBS ETF GL GOV ESG LIQ HGBPD | 7.75 |
| Amundi Euro Corporate SRI - DR | 5.47 |
| HSBC EUROPE EX UK SUS EQUITY | 4.20 |
| HSBC Emerging Market Sustainable Eq ETF | 4.19 |
| HSBC FTSE EPRA DEV CPA USD A | 3.48 |
| HSBC Japan Sustainable Equity ETF | 3.27 |
| ISHARES PACIFIC X-JP ESG UA | 1.57 |

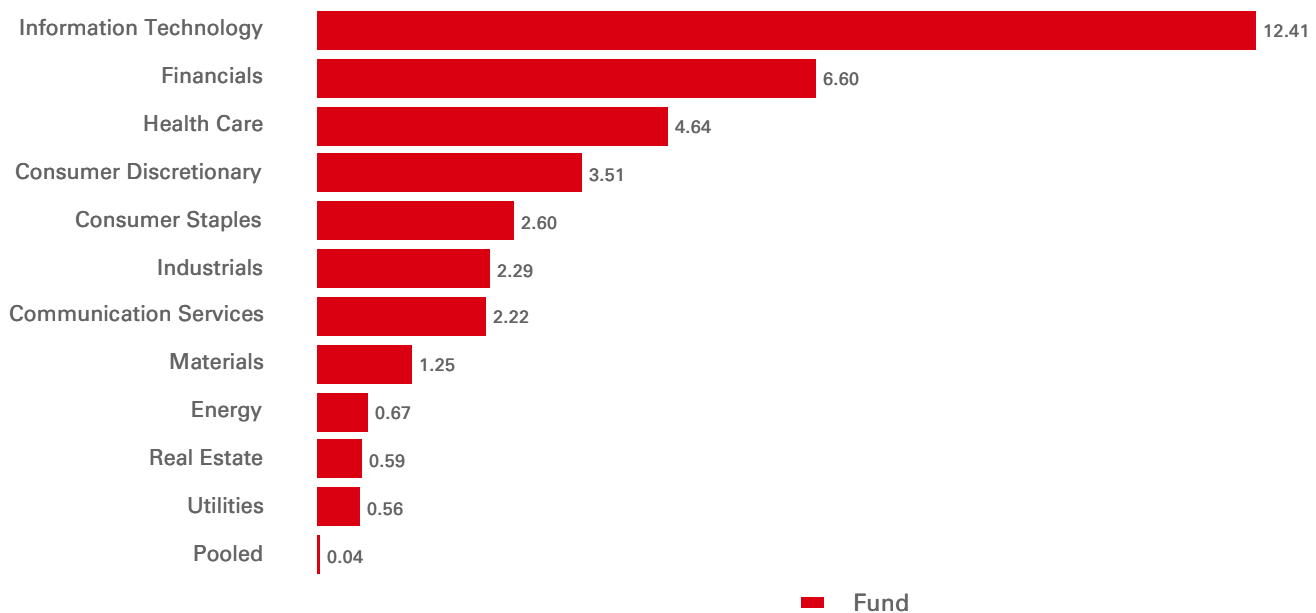
| Equity top 10 holdings | Location | Sector | Weight (%) |
|-----------------------------|---------------|------------------------|------------|
| NVIDIA Corp | United States | Information Technology | 2.85 |
| Apple Inc | United States | Information Technology | 1.97 |
| Johnson & Johnson | United States | Health Care | 1.87 |
| Visa Inc | United States | Financials | 1.44 |
| Cisco Systems Inc | United States | Information Technology | 0.72 |
| Alphabet Inc | United States | Communication Services | 0.59 |
| Coca-Cola Co/The | United States | Consumer Staples | 0.58 |
| Salesforce Inc | United States | Information Technology | 0.57 |
| Amazon.com Inc | United States | Consumer Discretionary | 0.54 |
| Taiwan Semiconductor Co Ltd | Taiwan | Information Technology | 0.45 |

| Equity characteristics | Fund | Reference Benchmark |
|------------------------------|---------|---------------------|
| Average market cap (GBP Mil) | 520,910 | -- |
| Price/earning ratio | 17.62 | -- |
| Portfolio yield | 1.95% | -- |

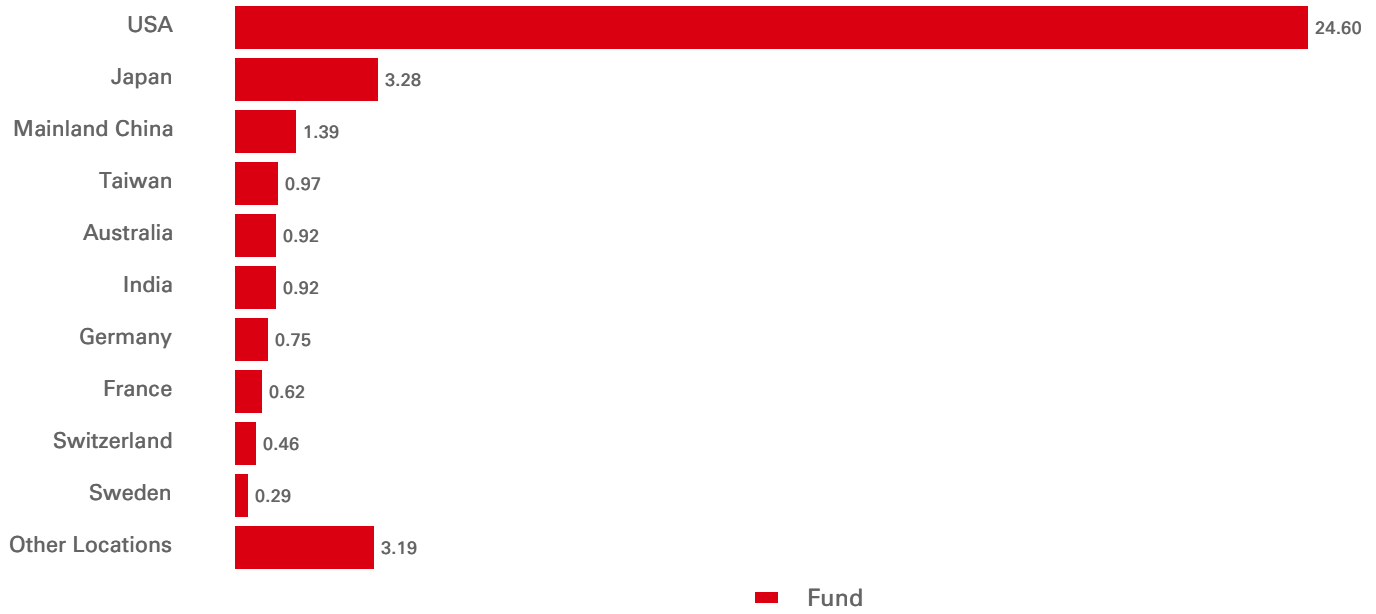
Market cap allocation (GBP Mil %)



Equity sector allocation (%)



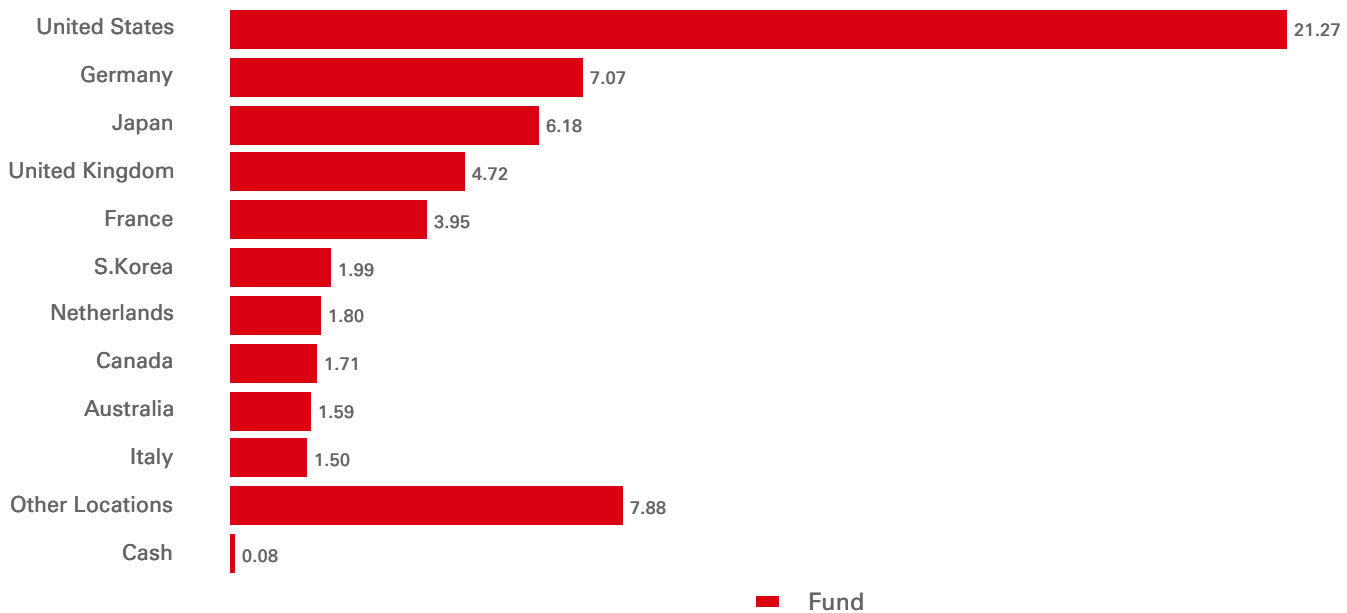
Equity geographical allocation (%)



| Fixed Income Characteristics | Reference Benchmark | | | Credit rating (%) | Reference Benchmark | | |
|------------------------------|---------------------|-----------|----------|-------------------|---------------------|-----------|----------|
| | Fund | Benchmark | Relative | | Fund | Benchmark | Relative |
| Yield to worst | 4.30% | -- | -- | AAA | 12.27 | -- | -- |
| Yield to maturity | 4.30% | -- | -- | AA | 21.48 | -- | -- |
| Option adjusted duration | 7.03 | -- | -- | A | 16.04 | -- | -- |
| Rating average | AA-/A+ | -- | -- | BBB | 9.85 | -- | -- |
| | | | | NR | 0.00 | -- | -- |
| | | | | Cash | 0.08 | -- | -- |

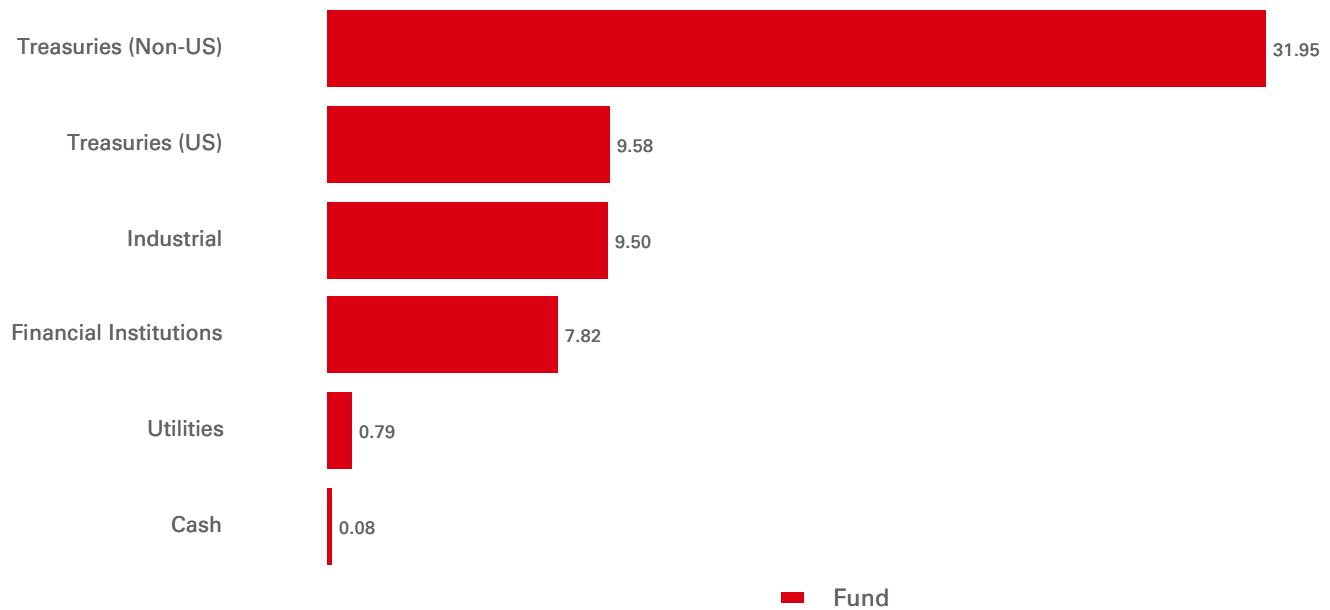
| Fixed income top 10 holdings | Location | Instrument type | Weight (%) |
|---|----------------|-----------------|------------|
| UNITED KINGDOM GILT 0.375 22/10/2026 GBP | United Kingdom | Government Bond | 0.28 |
| US TREASURY N/B 4.250 31/01/2026 USD | United States | Treasury Note | 0.24 |
| SSE PLC 4.000 PERP EUR | United Kingdom | Perpetual Bonds | 0.23 |
| BUNDESREPUB. DEUTSCHLAND 0.250 15/02/2027 EUR | Germany | Government Bond | 0.21 |
| BUNDESREPUB. DEUTSCHLAND 0.000 15/08/2026 EUR | Germany | Government Bond | 0.20 |
| US TREASURY N/B 4.000 15/02/2026 USD | United States | Treasury Note | 0.19 |
| BUNDESobligation 0.000 09/10/2026 EUR | Germany | Government Bond | 0.19 |
| FRANCE (GOVT OF) 3.500 25/04/2026 EUR | France | Government Bond | 0.19 |
| UNITED KINGDOM GILT 4.625 31/01/2034 GBP | United Kingdom | Government Bond | 0.19 |
| US TREASURY N/B 1.500 15/08/2026 USD | United States | Treasury Note | 0.19 |

Fixed income geographical allocation (%)

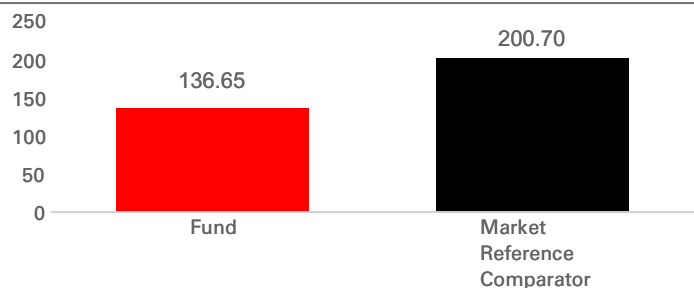


| Geographical allocation (Option adjusted duration) | Fund | Reference Benchmark | Relative |
|--|------|---------------------|----------|
| United States | 2.29 | -- | -- |
| Japan | 0.93 | -- | -- |
| Germany | 0.84 | -- | -- |
| United Kingdom | 0.64 | -- | -- |
| France | 0.43 | -- | -- |
| S.Korea | 0.34 | -- | -- |
| Netherlands | 0.23 | -- | -- |
| Canada | 0.18 | -- | -- |
| Italy | 0.15 | -- | -- |
| Australia | 0.14 | -- | -- |
| Other Locations | 0.93 | -- | -- |
| Cash | 0.00 | -- | -- |

Fixed income sector allocation (%)

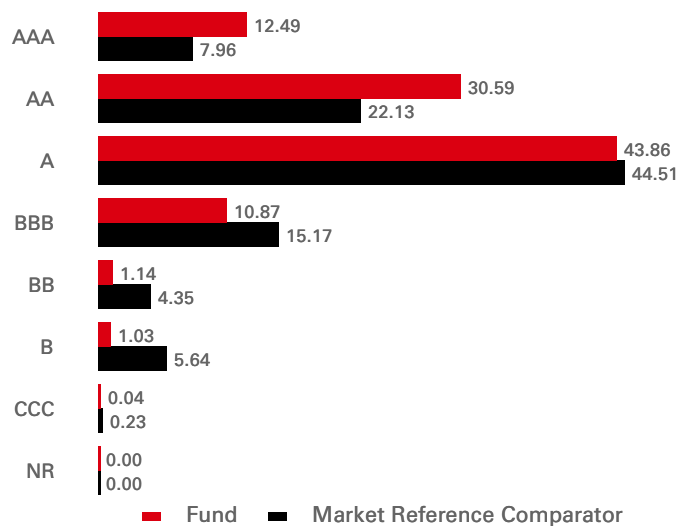


Carbon intensity emissions (%)



Over the month, the average carbon intensity of the market benchmark was measured at 199.6 tCO₂e. Our investment approach resulted in a reduction of 33%, meaning the carbon intensity of the portfolio was measured at 133.6 tCO₂e.

ESG score distribution (%)



87% of the underlying issuers held by the fund are rated AAA-A, compared to 75% of those in the reference benchmark. The average ESG score for the underlying issuers held by the fund is 7.01, while that of the reference benchmark securities was 6.39.

Stewardship

Stewardship in Action: Engagement with a European bank

Background: One of Europe's largest banks that has drawn criticism on its climate strategy and its 2023 AGM saw disruption and protests from activists and campaign groups. We also have concerns about the company's compliance and controls environment, with ongoing cases related to fraud and discrimination.

Key objectives: Set out approach to financing new oil and gas activities. Expand emission reduction targets to other carbon intensive sectors. Assess impacts/opportunities related to a just transition. Conduct employee sentiment survey to address concerns that a large number of employees are reluctant to report cases of misconduct or non-compliance.

Engagement process: We have been engaging with the company since 2022 and have noted rapid progress on its climate strategy. We also supported its "Say on climate" proposal in 2022. In 2023, we engaged with the company's investor relations, debt and sustainability team 8 times. We discuss a range of issues, including the company's disclosures, governance, net zero strategy and employee engagement. We were surprised to note in the company's disclosure, that a significant percentage of employees said they were unwilling to report an incident of non-compliance if they noticed one, as reported in the employee sentiment a survey, a topic which we have discussed in our engagements.

Voting process: In line with our Global Voting Guidelines, in 2023, we voted against the company's remuneration report as we considered the quantum of pay excessive.

Outcome & Next Steps: The bank has created a new governance framework for financing of coal companies and brought forward its coal exit date for all OECD nations. It has also committed to disclose its approach to engagement with clients on achieving net zero objectives, with a new framework developed in 2023

Risk disclosures

- 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.
- 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.
- Risk that the financial situation of the issuer of a bond or debt security deteriorates, with extreme risk that the issuer will default.

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This fund typically invests at least 70% of its value in sustainable investment strategies as described in the Prospectus. It does not invest in companies involved in the manufacture of cluster munitions or anti-personnel mines. The fund is not guaranteed to outperform those which do not meet sustainability criteria.

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Source: HSBC Asset Management, data as at 31 October 2024

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www.assetmanagement.hsbc.com/uk

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Glossary



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