

Build hope  
for the world

as you grow  
wealth for  
the future

What can be good for the world can be good for you financially as well. Environment, Social and Governance (ESG) changes are happening faster than ever and reshaping how people live and invest.

At HSBC, we seek to empower our clients through wealth creation. We believe sustainability means opening up a new world of opportunity to generate long-term financial returns while minimising risk. Therefore, ESG includes Climate Change and Water Management that can have a significant impact on individuals, businesses and communities across the world.

Take advantage of this opportunity to make a positive impact for our sustainable future as you plan for your own wealth and future.



**HSBC**

Opening up a world of opportunity

# ESG Funds Spotlight

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## Manulife Global Aqua Fund

Invest in securing our water resources.

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This fund feeds into the BNP Paribas Aqua Fund, a thematic global strategy that invests across rapid growing water value chain with emphasis on innovation that drives higher growth potential.



Primary investments are in three broad sectors in water value chain (water infrastructure, water treatment and water utility) encompassing defensive and cyclical business.



This investment opportunity offers diversification across sectors from consumer to industrials, and geographies from developed to emerging economies.



The fund's investment philosophy is premised upon the key drivers for water-related investments, which include water scarcity, climate change, pollution, urbanisation, ageing infrastructure and new industries.



The fund aims for long-term capital appreciation to outperform MSCI World (Net Return) Index.

## Affin-Hwang World Series – Global Climate Change Equity Fund

Invest in a sustainable future against climate change.

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The fund feeds into the Schroder Global Climate Change Equity, a thematic global growth strategy which invests in companies that are likely to benefit from efforts in mitigating or adapting to climate change.



The fund focuses on five key investment themes: sustainable transport, clean energy, energy efficiency, environmental resources and low carbon leaders.



Investments in companies that generate significant revenue from fossil fuels are not included.



The fund aims for long-term capital growth which may outperform the MSCI World Index.



The fund aims for long-term capital appreciation to outperform MSCI World (Net Return) Index.

# ESG Funds Spotlight

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## Principal Global Sustainable Growth Fund

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The fund feeds into Schroder International Selection Fund Global Sustainable Growth, a fund which invests into sustainable companies which strongly embrace ESG factors in their businesses, potentially translate into consistent outperformance in the medium to long term.



Through the adoption of Environment, Social and Governance factors, the fund focuses on long term value creation with stakeholders with an emphasis on issues related to climate change, waste management, pollution, company's interactions with various stakeholders, as well as how properly a company is governed.



The fund measures ESG factors such as emission reduction in automotive sector, number of fatalities for construction sector and data privacy concerns for information technology sector. Only companies that demonstrates sustainability in its process can be included in the fund holdings.



Integration of ESG factors also involves examining key thematic ESG trends, analysing how companies manage challenges, evaluating impact on the proposed investment and ongoing monitoring of the changes within the company.



The fund aims for long-term capital growth which may outperform the MSCI All Country World Index.

## Eastspring Investments Global Impact Fund

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The fund feeds into Wellington Global Impact Fund, which is actively managed strategy with an explicit intent to invest in companies whose core products and/or services address a positive social and environmental impact, alongside a financial return.



The fund is diversified across 11 impact themes under three broad impact sectors:  
1) Life Essentials which include affordable housing, clean water and sanitation, sustainable agriculture & nutrition, and health; 2) Human Empowerment – focusing on safety and security, education and job training, digital divide, financial inclusion; and 3) Environment – alternative energy, resource efficiency, resource stewardship.



Companies with measurable impact products/services tend to be undervalued and under-appreciated because of their complex or specialised products, unconventional business models, broad range of potential long-term outcomes and limited coverage by analysts. They also tend to be "off the beaten trail", therefore under-represented in indexes and can also act as effective diversifiers.



The fund has developed key performance indicators (KPI's) to measure the progress of each company in the portfolio towards its impact goals. Impact issues are core to the company's business model, must have a quantifiable beneficial effect on society or the environment, and are unlikely to be supplied by other means.



The target fund aims for long-term capital appreciation which may outperform the MSCI All Country World Index.

# ESG Funds Spotlight

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## MAMG Global Environment Fund

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The fund feeds into BNP Paribas Fund Global Environment, which seeks to capture long term growth opportunities in the global environmental market by focusing on 5 mega trends leading to global environmental issues, namely increasing population, rising living standards, finite resources and infrastructure deficit, climate change and pollution.



Investing into a well-diversified, high conviction portfolio focused on mid-to-large cap companies with macro overlay, the fund captures quality companies in 6 sub-sectors (i.e. new energy, clean efficient transport, sustainable food, water, circular economy and smart environment).



Exposure in both defensive and cyclical stocks, the fund invests in profitable companies growing faster than the broader market arising from demand for environmental products and services.



The investment approach of the fund is aligned with United Nation's Sustainable Development Goals (SDGs) for clean water and sanitation, affordable and clean energy, industry innovation and infrastructure, sustainable cities and communities, as well as responsible consumption and production.



The fund aims for long-term capital growth which may outperform the MSCI All Country World Index.

## Maybank Global Sustainable Equity-i Fund

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The fund invests, directly or indirectly, in global Shariah-compliant equities and Islamic REITs, adopting a unique investment approach that integrates both Shariah principles as well as principles of sustainable investing in a complementary manner.



A high conviction portfolio seeking opportunities across all markets globally, sustainably. The screening process involves ESG integration with comprehensive stakeholder analysis to provide company insights.



The fund focuses on Shariah-compliant companies and Islamic REITs which aim to deliver the intended outcomes of Shariah principles through their business conduct, practices and offerings, as well as demonstrate positive sustainability characteristics (i.e. managing the business for the long term, recognising its responsibilities towards multiple stakeholders such as its clients, employees and suppliers, as well as respecting the environment).



The fund is well-diversified across sectors from defensive sectors such as consumer staples, real estate and healthcare to cyclical sectors such as information technology and consumer discretionary, with a strong emphasis on revenue and earnings stability.



The fund seeks to achieve long-term capital growth and income which may outperform the MSCI All Country World (Net Return) Index.

# ESG Funds Spotlight

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## Sustainable Series – Global Lower Carbon Equity

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The fund feeds into HSBC Global Investments Fund – Global Lower Carbon Equity, with a focus to lower exposure to carbon intensive businesses through portfolio construction.



Leverages on a multi-factor investment process, based on five factors (value, quality, momentum, low risk and size), to identify and rank stocks in its investment universe with the aim of maximising the portfolio's risk-adjusted return.



Incorporates factor investing across a variety of economic regime, seeks to deliver optimal portfolio given risk, constraints and objectives.



Integrate carbon targets which is aimed at reducing carbon risk exposure (as measured by portfolio carbon intensity) while at the same time seeking to generate returns that are better than the benchmark.



The fund aims for long term capital growth which may outperform MSCI All Country World Index.

## MAMG Green Tigers

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The fund feeds into BNP Paribas Funds Green Tigers, investing in fast growing and innovative Asia Pacific companies providing disruptive environmental solutions.



The strategy is to invests into high growth, high conviction portfolio of between 40 – 60 innovative companies across Asia Pacific, with a flexible all-cap approach across large, mid and small caps to identify mispriced gems.



Invests specifically into 6 environmental themes across energy, water, clean & efficient transport, circular economy, sustainable food and smart environment.



Broadly diversified across environmental markets and exposure to both cyclical and defensive sectors, with geographical allocation into Japan, Taiwan, China, Australia, India, Korea and other Asian markets.



The fund aims to outperform its benchmark, being 20% MSCI Japan + 80% MSCI AC Asia Pacific ex Japan.

**Important note on ESG:**

In broad terms “ESG and sustainable investing” products include investment approaches or instruments which consider environmental, social, governance and/or other sustainability factors to varying degrees. Certain instruments we classify as sustainable may be in the process of changing to deliver sustainability outcomes. There is no guarantee that ESG and Sustainable investing products will produce returns similar to those which don’t consider these factors. ESG and Sustainable investing products may diverge from traditional market benchmarks. In addition, there is no standard definition of, or measurement criteria for, ESG and Sustainable investing or the impact of ESG and Sustainable investing products. ESG and Sustainable investing and related impact measurement criteria are (a) highly subjective and (b) may vary significantly across and within sectors. HSBC may rely on measurement criteria devised and reported by third party providers or issuers. HSBC does not always conduct its own specific due diligence in relation to measurement criteria. There is no guarantee: (a) that the nature of the ESG / sustainability impact or measurement criteria of an investment will be aligned with any particular investor’s sustainability goals; or (b) that the stated level or target level of ESG / sustainability impact will be achieved.

ESG and Sustainable investing is an evolving area and new regulations are being developed which will affect how investments can be categorised or labelled. An investment which is considered to fulfil sustainable criteria today may not meet those criteria at some point in the future.

When we classify an investment product or service against our ESG and Sustainable Investing (SI) categories described in this document: ESG Enhanced, Thematic or Impact, this does not mean that all individual underlying holdings in the investment product or portfolio will meet the relevant SI criteria. As such, an SI classification does not mean that all underlying holdings in a fund or discretionary portfolio meet the relevant sustainable investment criteria. Similarly, where an equity or fixed income investment is classified under an Enhanced, Thematic or Impact category this does not mean that the underlying issuer’s activities are fully sustainable. Not all investments, portfolios or services are classifiable under our SI categories. This may be because there is insufficient information available or because a particular investment product does not meet HSBC’s SI classifications criteria.

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