

# HSBC Managed Portfolios Fund Limited - World Selection 3

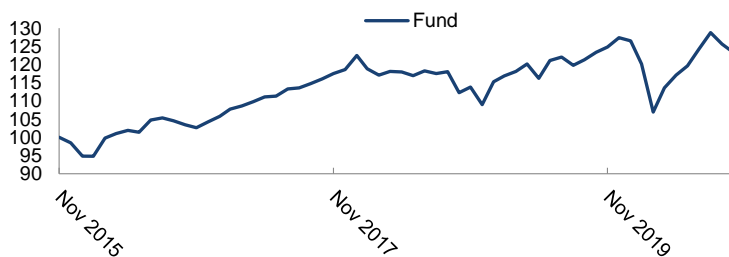
Share Class IC

31 Oct 2020

## Fund Objective and Strategy

The principal objective of the World Selection portfolios is total return over time while attempting to limit risk through investment in a diversified portfolio of mutual funds. Investors in this portfolio will have a moderate risk tolerance and/or a medium investment time horizon.

## Performance (%)



Performance (%)	YTD	1M	3M	1Y	3Y <sup>1</sup>	5Y <sup>1</sup>	Vol <sup>2</sup>	S.R. <sup>3</sup>
IC	-3.18	-1.85	-0.75	-0.06	2.04	4.19	9.93	0.15

Rolling Performance (%)	31 Oct 2019-31 Oct 2020	31 Oct 2018-31 Oct 2019	31 Oct 2017-31 Oct 2018	31 Oct 2016-31 Oct 2017	31 Oct 2015-31 Oct 2016
IC	-0.06	9.88	-3.24	12.20	2.99

## Share Class Details

UCITS V Compliant	No
Distribution Type	Accumulating
Dealing Frequency	Weekly
Valuation Time	17:00 Bermuda
Min. Initial Investment	USD 200,000
Annual Management Fee	1.45%
Share Class Base Currency	USD
Domicile	Bermuda
ISIN	BMG468AP1884
Share Class Inception Date	16 Oct 2002
NAV per Share	USD 216.51
Fund Size	USD 127,194,726
Bloomberg Ticker	HSBBAIC BH
Manager	Barrie A King

**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 October 2020

## Risk Disclosure

- The Fund's unit value can go up as well as down, and any capital invested in the Fund may be at risk.
- The Fund invests in bonds whose value generally falls when interest rates rise. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality. The issuers of certain bonds, could become unwilling or unable to make payments on their bonds and default. Bonds that are in default may become hard to sell or worthless. The value of investible securities can change over time due to a wide variety of factors, including but not limited to: political and economic news, government policy, changes in demographics, cultures and populations, natural or human-caused disasters etc.
- 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.
- 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.
- Further information on the Fund's potential risks can be found in the Key Investor Information Document and Prospectus.

<sup>1</sup>Result is annualised when calculation period is over one year.

<sup>2</sup>Volatility since inception, a measure of how much a fund's price goes up or down as a percentage of its average performance.

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

HSBC Managed Portfolio Fund Limited Portfolios offer a choice of five different risk levels, to be selected by investors depending on factors like their financial goals, time horizon and capacity for loss. Typically, the more risk investors take, the more return they would expect to see.

At HSBC Global Asset Management, we measure risk by volatility – how sharply a Portfolio's share price moves in any given time period (up or down). The higher the volatility, the higher the risk.

The table below shows the Portfolio's return (for the primary share class or hedged currency share class) per year over the last three years (known as annualised) and the level of volatility over the same period. This can be compared against other funds in the peer group, as defined by an independent research company\*.

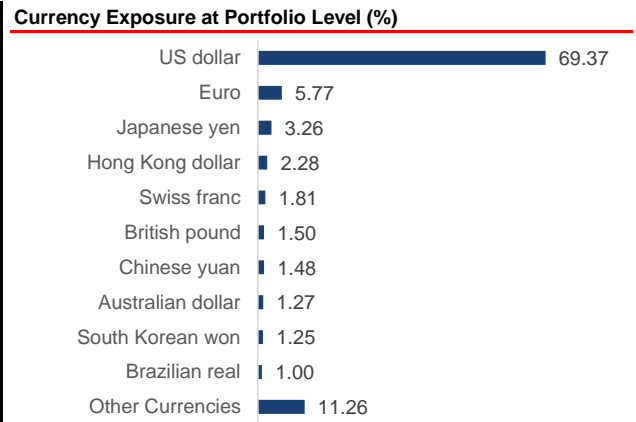
	3 Year Net Return %	Amount based on USD 1,000 invested	3 Year Volatility %
<b>HSBC Managed Portfolios Fund Limited - World Selection</b>	<b>1.73</b>	<b>USD 1052.90</b>	<b>11.37</b>
Peer Group Average - EAA Fund USD Moderate Allocation*	2.31	USD 1070.78	9.71
Lowest Returning Fund in Peer Group	-5.14	USD 853.72	2.81
Highest Returning Fund in Peer Group	7.73	USD 1250.21	31.03
Cash	0.65	USD 1019.53	0.07

An example of a good outcome would be that the HSBC Portfolio return is higher than the peer group's average return and the volatility (risk taken) is lower. However investors should consider their own priorities when it comes to returns and the risk taken to achieve them.

\*Morningstar Categories are used to define the peer group comprising funds they deem similar based on fund objectives and holdings. The average is a median.

**Portfolio**

Portfolio Asset Allocation (%)	
Global Equity	54.03
Global Fixed Income	34.00
Global Government Bond	5.18
Global Corporate Bond	11.41
Global High Yield Bond	3.86
Global Asset Backed Bond	1.09
Emerging Market Debt - Hard Currency	3.43
Emerging Market Debt - Local Currency	6.44
Asia High Yield Bond	2.59
Property	5.23
Style Factors	1.13
Trend Following	4.06
Commodities	1.53
Cash	0.03



Portfolio Top 10 Holdings	Weight (%)
HSBC FTSE ALL-WORLD INDEX INSTL ACC	15.99
HSBC GIF GLOBAL CORP BD ZD	8.55
HSBC MULTI FACTOR WORLDWIDE EQUITY ETF	8.37
HSBC AMERICAN INDEX FUND INSTL ACC	7.48
HSBC GIF GLOBAL EM LOCAL DBT ZD	6.44
HSBC GIF GLOBAL RE EQ ZD	5.23
HSBC EUROPEAN INDEX FUND INSTL ACC	4.84
ISHARES CORE MSCI EMERGING MARKETS ETF	4.73
HSBC GIF GLOBAL GOVT BD ZD	4.40
TECHNOLOGY SELECT SECTOR SPDR ETF	3.57

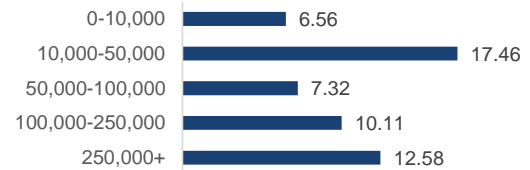
Source: HSBC Global Asset Management, data as at 31 October 2020.

## Equity

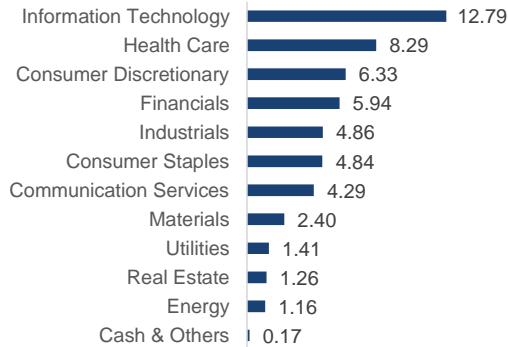
### Equity Characteristics

P/E Ratio	16.13
Weighted Average Market Cap (USD Mil)	273,747.20
Dividend Yield	2.17

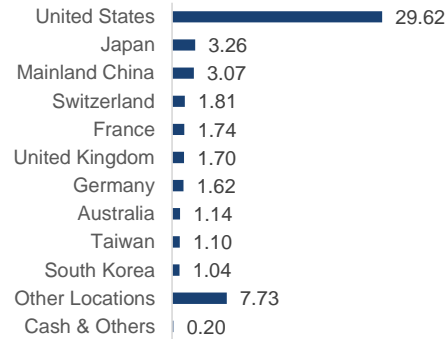
### Equity Average Market Cap Breakdown (USD Mil, %)



### Equity Sector Allocation (%)



### Equity Geographical Allocation (%)



Equity Top 10 Holdings	Location	Sector	Weight (%)
APPLE INC	United States	Information Technology	2.24
MICROSOFT CORP	United States	Information Technology	1.94
AMAZON.COM INC	United States	Consumer Discretionary	1.02
ALPHABET INC-CL A	United States	Communication Services	0.74
ALIBABA GROUP HOLDING LTD	Mainland China	Consumer Discretionary	0.66
JOHNSON & JOHNSON	United States	Health Care	0.49
FACEBOOK INC-CLASS A	United States	Communication Services	0.48
PROCTER & GAMBLE CO/THE	United States	Consumer Staples	0.45
TAIWAN SEMICONDUCTOR CO LTD	Taiwan	Information Technology	0.44
UNITEDHEALTH GROUP INC	United States	Health Care	0.41

Please note some securities are unclassified against these sector and/or country schemes and will therefore appear under the Cash & Others category.

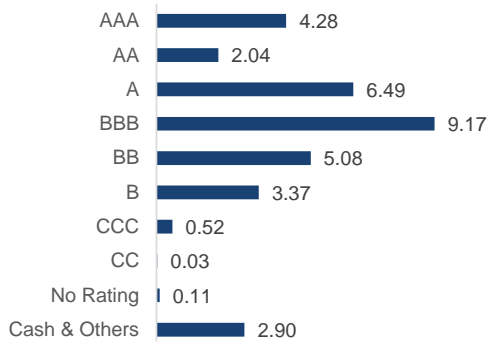
The data displayed in above sections is shown on a look-through basis. This means that the fund may not directly hold these securities and the investment in these securities may be via other funds.

Source: HSBC Global Asset Management, data as at 31 October 2020.

## Fixed Income

Fixed Income Characteristics		Fixed Income Characteristics	
Yield to Maturity (Gross)	3.37	Option Adjusted Duration	5.35
Yield to Worst (Gross)	3.30	Rating Average	A-/BBB+

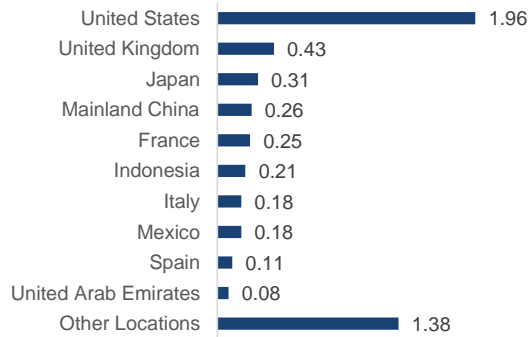
### Fixed Income Quality Rating Allocation (%)



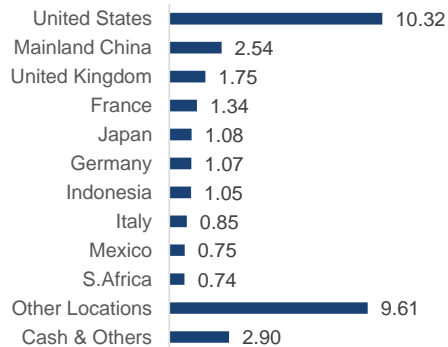
### Fixed Income Sector Allocation (%)



### Fixed Income Option Adjusted Duration Allocation by Location



### Fixed Income Geographical Allocation (%)



Fixed Income Top 10 Holdings	Location	Instrument Type	Weight (%)
BLTN 0 04/01/21 LTN	Brazil	Government Bond	0.33
US TREASURY N/B 0.2500 15-APR-23	United States	Treasury Note	0.31
T 0.25 08/31/25	United States	Treasury Note	0.29
T 0.625 08/15/30	United States	Treasury Note	0.27
BTPS 1.85 07/01/25	Italy	Government Bond	0.23
JGB 0.1 06/20/25 144	Japan	Government Bond	0.21
OBL 0 04/11/25 181	Germany	Government Bond	0.20
POLGB 4 10/25/23 1023	Poland	Government Bond	0.20
T 0.125 07/15/23	United States	Treasury Note	0.17
INDOGB 8.375 03/15/24 FR70	Indonesia	Government Bond	0.17

Please note that the fixed income allocation tables are calculated using contributions to the fixed income portion, with the equity portion excluded here.

The data displayed in above sections is shown on a look-through basis. This means that the fund may not directly hold these securities and the investment in these securities may be via other funds.

Source: HSBC Global Asset Management, data as at 31 October 2020.

**Important Information**

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HSBC Global Asset Management (Bermuda) Limited ("AMBM") of 37 Front Street, Hamilton, Bermuda, is a wholly owned subsidiary of HSBC Bank Bermuda Limited (the "Bank"). AMBM and the Bank are licensed to conduct investment business by the Bermuda Monetary Authority.

Funds managed by AMBM are offered by Prospectus only in those jurisdictions where they are permitted by law. Persons are required to inform themselves and observe any relevant restrictions. AMBM makes no representation as to the suitability of the funds for investors.

Investors should be aware that performance returns are affected by market fluctuations. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future performance. Investors should note that the use of derivatives and investments involving a currency other than their own will create foreign exchange exposure, which involves special risks. It is the aim of the Company to preserve capital and, where applicable, to maintain a stable net asset value per share; these aims are not guaranteed. Additionally, investors should consider their investment objectives, whether or not they can assume these risks and should undertake their own appropriate professional advice. Expressions of opinion contained herein are subject to change without notice.

For investors investing via a nominee service provider, the nominee service provider will process the transaction and route all settlement proceeds to you, which may extend the settlement period. Please contact your investment advisor/introducing agent, or in the absence of those the nominee provider directly, to confirm the settlement period.

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Further information can be found in the prospectus.

**Contact Information**

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## Terms of Glossary

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**Accumulation Share:** a type of share where the income earned by the Fund is retained in the Fund

**ACD:** HSBC Global Asset Management (UK) Limited, the Authorised Corporate Director of the Company

**Actively Managed:** where the fund manager uses their expertise to pick investments to achieve the fund's objectives

**Bond(s):** a loan, usually to a company or government, that pays interest

**Bond Index Futures:** a contract stating that the holder agrees to purchase a bond index at a particular price on a specified future date

**Collective Investment Scheme:** a fund that more than one person contributes to with the aim of increasing the value of their investments or receiving income from a pooled investment. A fund manager will invest the pooled money into one or more types of asset, such as stocks, bonds or property

**Credit Rating:** an assessment of the credit risk of a company, government or other organisation. It seeks to measure how likely it is that the issuer of a bond will be able to continue to make interest payments and repay the money loaned to it

**Developed Markets:** countries with relatively high levels of personal income and established economies

**Duration:** a measure of how long it takes in years for an investor in a bond to recoup the price they paid for the bond from its interest payments. It provides an indication of how much bond prices are likely to change if and when interest rates change

**Emerging Markets (EM):** countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body

**Equities:** shares issued by a company

**Futures:** a financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price

**Growth:** the increase in the value of investments

**Government Bond or Gilt:** a loan to a national government in return for regular payments (known as the coupon) and a promise that the original investment (principal) is paid back at a specified date. Gilts are loans to the UK government

**Hedge Funds:** an investment fund that pools money from investors and invests in a variety of assets, often with complex investment strategies and risk management techniques

**Hedge or Hedging:** using derivative type investments as a way to reduce risk

**High yield bond:** a bond paying a higher level of interest but which has a lower credit rating than investment grade

**Income:** money generated by a fund, such as interest from a bond or a dividend from a share, which can be paid out to its investors or paid back into the fund and reinvested

**Income Share:** the type of Share where the income earned by the Fund is paid out to you

**Investment Grade:** a credit rating that indicates the issuer of a bond has a relatively low risk of being unable to make interest payments and repay the money to it

**Market Capitalisation:** the total dollar market value of a company's outstanding shares. Commonly referred to as "market cap", it is calculated by multiplying a company's shares outstanding by the current market price of one share

**Maturity:** the period of time left for a bond or gilt to remain outstanding before the original loan and any final interest is repaid to the lender

**Net Asset Value (NAV):** the value of the scheme property of a fund less the liabilities of the fund

**Ongoing Charges Figure:** a measure of what it costs to invest in a fund. It includes the fee paid to the ACD and other operating costs

**Option adjusted duration (OAD):** a duration value based on the probability of early redemption call by the bond issuer

**Option adjusted spread duration (OASD):** estimates the price sensitivity of a bond to a 100 basis-point movement (either widening or narrowing) in its spread relative to treasuries, taking into account the likelihood of early redemption

**Price Earnings (P/E) Ratio:** the price paid for a share divided by the annual profit earned by the firm per share

**Preference Shares:** shares of a company which entitle the holder to a fixed dividend, whose payment takes priority over that of ordinary share dividends. Preference shares may be convertible to the ordinary shares of a company

**Property-related securities:** shares of property companies that own, manage or develop property and Real Estate Investment Trusts (REITs), which are investment companies that own buildings and land

**Return(s):** the money made or lost on an investment

**Share(s):** an equally valued holding in a fund of a company, representing part ownership of that fund, (including larger denomination shares and smaller denomination shares)

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

**Volatility:** a measure of the size and frequency of changes in the value of an investment over a short space of time

**Yield:** the income from an investment, usually stated as a percentage of the value of the investment

**Yield to Maturity:** the total return anticipated on a bond if the bond is held until the end of its lifetime, excluding strategic currency hedges for Portfolio/Benchmark calculations. Number is shown in percentage

**Yield to Worst:** the lowest potential yield that can be received on a bond without the issuer actually defaulting, excluding strategic currency hedges for Portfolio/Benchmark calculations. Number is shown in percentage