

# HSBC Portfolios - World Selection 2

Share Class AC

31 May 2019

## Risk Disclosure

- The Fund may invest in equities, bonds and other asset classes, and may invest in other funds to achieve its investment objectives.
- The Fund is subject to the risk of investing in emerging markets.
- Non-investment grade bonds and unrated bonds are subject to additional risks and volatility.
- The Fund may gain exposure to hedge fund, absolute return strategy, private equity and real estate sectors, and may suffer substantial loss in such investments.
- The Fund may invest in other funds and need to bear the underlying funds' fees and expenses on top of the Fund's own fees and expenses.
- Because the Fund's base currency, investments and classes may be denominated in different currencies, investors may be affected adversely by exchange controls and exchange rate fluctuations. There is no guarantee that the currency hedging strategy applied to the relevant classes will achieve its desired result.
- The Fund may invest in financial derivative instruments for investment purpose which may lead to higher volatility to its net asset value.
- The Fund may pay dividends out of capital or gross of expenses. Dividend is not guaranteed and may result in capital erosion and reduction in net asset value.
- The Fund's investments may involve substantial credit, currency, volatility, liquidity, interest rate, tax and political risks. Investors may suffer substantial loss of their investments in the Fund.
- Unit trusts are NOT equivalent to time deposits. Investors should not invest in the Fund solely based on the information provided in this document and should read the offering document of the Fund for details.

## Fund Objective and Strategy

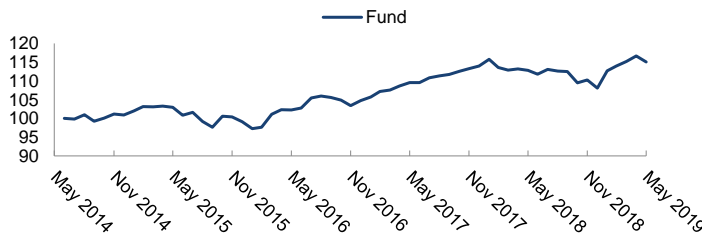
### Investment Objective

The Fund aims to provide long term total returns (meaning income and capital growth). It does so by investing in bonds and shares, either directly or through investing into other funds. The Fund seeks to apply a low to medium risk investment strategy.

### Investment Strategy

At least 90% of the fund's exposure is to bonds, shares and other asset classes (for example, real estate, private equity, hedge fund strategies and commodities). The Fund gains exposure to bonds that are investment and non-investment grade. These bonds can be issued/guaranteed by governments, government agencies or supranational bodies or by companies in both developed and emerging markets. These bonds can be denominated in various currencies. The Fund gains exposure to shares and equity-equivalent securities issued by companies in both developed and emerging markets. There aren't restrictions on the size of the companies held in the Fund. The Fund may invest up to 100% of its assets in other eligible funds. The Fund's exposure to such holdings will normally be between 25% and 75%. The fund's primary currency exposure is to the US dollar. See the Prospectus for a full description of the investment objectives and policy.

## Performance (%)



| Performance (%) | YTD  | 1M    | 3M   | 1Y   | 3Y <sup>1</sup> | 5Y <sup>1</sup> | Vol <sup>2</sup> | S.R. <sup>3</sup> |
|-----------------|------|-------|------|------|-----------------|-----------------|------------------|-------------------|
| AC              | 6.49 | -1.36 | 0.99 | 1.99 | 12.54           | 15.89           | 5.47             | 0.59              |

| Calendar Year Performance (%) <sup>4</sup> | 2014 | 2015  | 2016 | 2017 | 2018  |
|--|------|-------|------|------|-------|
| AC   | 5.19 | -1.73 | 5.68 | 8.77 | -5.19 |

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, NAV to NAV basis with dividend reinvested, net of fees. If investment performance is not denominated in HKD or USD, HKD or USD based investors are exposed to exchange rate fluctuations.**  
Source: HSBC Global Asset Management, data as at 31 May 2019

## Share Class Details

|                         |                               |
|-------------------------|-------------------------------|
| UCITS V Compliant       | Yes                           |
| Distribution Type       | Accumulating                  |
| Dealing Frequency       | Daily                         |
| Min. Initial Investment | USD 1,000                     |
| Max. Initial Charge     | 3.00%                         |
| Management Fee          | 1.00%                         |
| Base Currency           | USD                           |
| Domicile                | Luxembourg                    |
| ISIN                    | LU0447610683                  |
| Inception Date          | 20 Oct 2009                   |
| NAV per Share           | USD 14.61                     |
| Fund Size               | USD 576,149,108               |
| Bloomberg Ticker        | HSBC2AA LX                    |
| Manager                 | Kate Morrissey<br>David McNay |

<sup>1</sup>Result is cumulative 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.

<sup>4</sup>The calendar year return of the first year is calculated between share class inception date and calendar year end of first year if the share class has less than 5-year history.



Fund change that may have material impact on performance: 10 Jun 2014 – investment objective and fee structure changed. 16 Nov 2018 - Change in the manner of charging sales charge / switching charge.  
To download the offering documents from [http://services.assetmanagement.hsbc.com.hk/site/media/pdf/documents/English/AMHK\\_WS.pdf](http://services.assetmanagement.hsbc.com.hk/site/media/pdf/documents/English/AMHK_WS.pdf)

**Portfolio**

| Portfolio Asset Allocation (%)        |       |
|---------------------------------------|-------|
| Global Equity                         | 27.69 |
| Global Fixed Income                   | 59.96 |
| Global Government Bond                | 10.17 |
| Global Corporate Bond                 | 28.03 |
| Global High Yield Bond                | 4.52  |
| Global Asset Backed Bond              | 5.06  |
| Emerging Market Debt - Hard Currency  | 4.61  |
| Emerging Market Debt - Local Currency | 7.58  |
| Property                              | 5.05  |
| Alternatives                          | 5.07  |
| Cash                                  | 2.23  |

| Currency Exposure at Portfolio Level (%) |       |
|--|-------|
| US dollar                                | 79.08 |
| Japanese yen                             | 2.60  |
| Euro                                     | 2.17  |
| Indian rupee                             | 1.51  |
| South Korean won                         | 1.27  |
| Hong Kong dollar                         | 1.25  |
| British pound                            | 1.22  |
| Brazilian real                           | 0.98  |
| Mexican peso                             | 0.88  |
| Indonesian rupiah                        | 0.74  |
| Other Currencies                         | 8.36  |

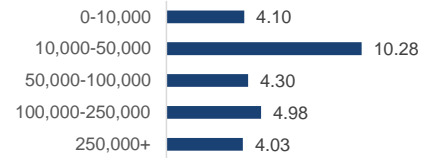
| Portfolio Top 10 Holdings                | Weight (%) |
|--|------------|
| HSBC FTSE ALL-WORLD INDEX INSTL ACC      | 23.89      |
| HSBC GIF GLOBAL GOVERNMENT BOND ZQ1      | 10.37      |
| HSBC GIF GLOBAL EM MKTS LOCAL DBT ZQ1    | 9.34       |
| HGIF GLOBAL ASSET BACKED BOND ZC         | 6.68       |
| HSBC GIF GLOBAL REAL ESTATE EQ ZQ1       | 6.67       |
| HSBC GIF GLOBAL EMERG MKTS BD ZQ1        | 6.09       |
| HSBC US DOLLAR LIQUIDITY Y               | 5.75       |
| HSBC GIF GLOBAL HIGH YIELD BOND ZQ1      | 4.71       |
| HSBC ECONOMIC SCALE WORLDWIDE EQUITY ETF | 2.83       |
| VANGUARD FTSE ALL-WORLD UCITS ETF        | 2.69       |

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

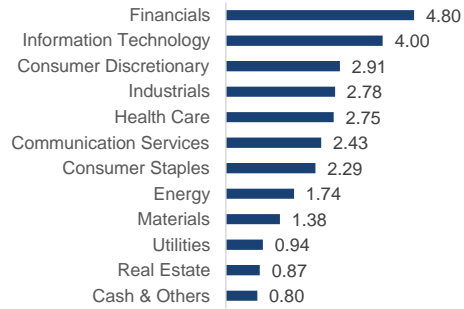
## Equity

| Equity Characteristics                |            |
|---------------------------------------|------------|
| P/E Ratio                             | 13.85      |
| Weighted Average Market Cap (USD Mil) | 130,233.80 |
| Dividend Yield                        | 2.65       |

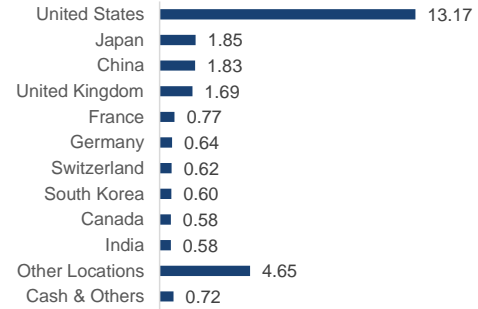
### Equity Average Market Cap Breakdown (USD Mil, %)



### Equity Sector Allocation (%)



### Equity Geographical Allocation (%)



| Equity Top 10 Holdings       | Location      | Sector                 | Weight (%) |
|------------------------------|---------------|------------------------|------------|
| MICROSOFT CORP               | United States | Information Technology | 0.50       |
| APPLE INC                    | United States | Information Technology | 0.44       |
| AMAZON.COM INC               | United States | Consumer Discretionary | 0.36       |
| FACEBOOK INC-CLASS A         | United States | Communication Services | 0.23       |
| TENCENT HOLDINGS LTD         | China         | Communication Services | 0.20       |
| JOHNSON & JOHNSON            | United States | Health Care            | 0.19       |
| JPMORGAN CHASE & CO          | United States | Financials             | 0.19       |
| ALPHABET INC-CL A            | United States | Communication Services | 0.17       |
| ALPHABET INC-CL C            | United States | Communication Services | 0.17       |
| ALIBABA GROUP HOLDING-SP ADR | China         | Consumer Discretionary | 0.16       |

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

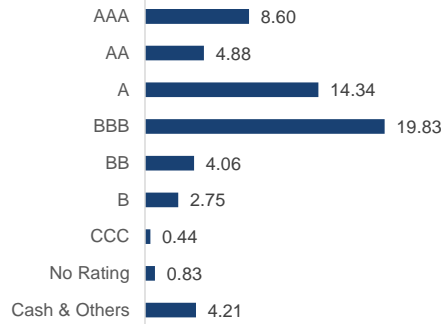
The data displayed in above sections is shown on a look-through basis. This means that the fund may not directly hold these securities and the investment in these securities may be via other funds.

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

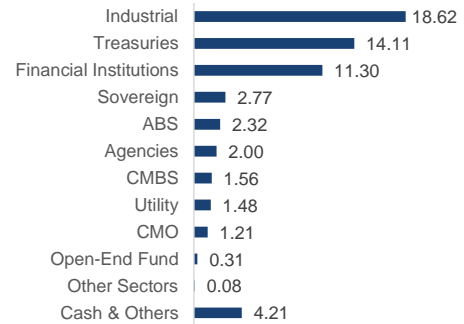
**Fixed Income**

| Fixed Income Characteristics |      | Fixed Income Characteristics |      |
|------------------------------|------|------------------------------|------|
| Average Yield to Maturity    | 4.44 | Effective Duration           | 5.62 |
| Portfolio Yield              | 4.35 | Average Credit Quality       | A/A- |

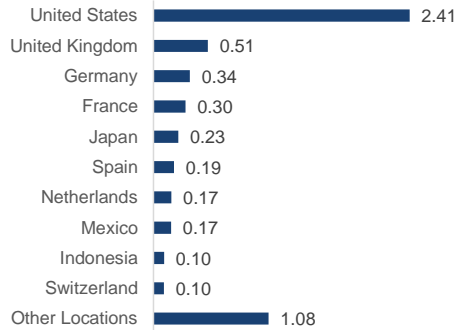
**Fixed Income Quality Rating Allocation (%)**



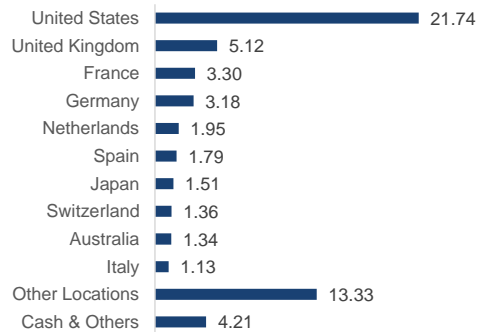
**Fixed Income Sector Allocation (%)**



**Fixed Income Effective Duration Allocation by Location**



**Fixed Income Geographical Allocation (%)**



| Fixed Income Top 10 Holdings            | Location      | Instrument Type | Weight (%) |
|---|---------------|-----------------|------------|
| LETRA TESOURO NACIONAL 0.0000 01-JUL-19 | Brazil        | Treasury Bills  | 0.55       |
| WILLIAMS COMPANIES INC 4.3000 04-MAR-24 | United States | Corporate Bond  | 0.30       |
| US TREASURY N/B 3.3750 15-NOV-48        | United States | Government Bond | 0.29       |
| JPMORGAN CHASE & CO 3.8750 10-SEP-24    | United States | Corporate Bond  | 0.28       |
| IBM CORP 0.3750 31-JAN-23               | United States | Corporate Bond  | 0.27       |
| HCP INC 3.8750 15-AUG-24                | United States | Corporate Bond  | 0.25       |
| CREDIT SUISSE NEW YORK 3.6250 09-SEP-24 | Switzerland   | Corporate Bond  | 0.25       |
| COMCAST CORP 3.9500 15-OCT-25           | United States | Corporate Bond  | 0.23       |
| ROCHE HOLDINGS INC 2.8750 29-SEP-21     | Switzerland   | Corporate Bond  | 0.23       |
| CITIGROUP INC 3.9800 20-MAR-30          | United States | Corporate Bond  | 0.23       |

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 May 2019.

**Important Information**

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## Terms of Glossary

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**Convertible bond:** is a type of bond that the holder can convert into a specified number of shares of common stock in the issuing company or cash of equal value.

**Corporate bond:** is bond issued by a company in order to raise financing.

**Coupon:** the annual interest rate paid on a bond, expressed as a percentage of the face value.

**Credit quality:** one of the principal criteria for judging the investment quality of a bond or bond mutual fund.

**Developed markets:** countries that are most developed in terms of its economy and capital markets.

**Duration:** a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates.

**Emerging markets (EM):** nations' economies in the process of fast economic growth. Investments in emerging markets are generally considered to be with higher risk.

**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.

**High yield bond / Non-investment grade bond:** fixed income security with a low credit rating from a recognised credit rating agency. They are considered to be at higher risk of default, but have the potential for higher rewards.

**Information ratio:** is a ratio of portfolio returns above/under the returns of a benchmark to the volatility of those returns.

**Investment grade bond:** is considered investment grade or IG if its credit rating is BBB- or higher by Standard & Poor's or Baa3 or higher by Moody's.

**Maturity:** the period of time for which a financial instrument remains outstanding.

**Modified duration to worst:** the lowest potential duration that will achieve on a bond without the issuer actually defaulting.

**Effective Duration:** is 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.

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

**Tracking error:** a measure of how closely a portfolio follows the index to which it is benchmarked.

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

**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.

**Portfolio Yield:** 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.

**Rating:** rating of a debtor (credit rating) by rating agencies is based on specific criteria such as debt situation, country risk etc. Ratings from Moody's and Standard & Poor's® is the most widely used systems in the international markets with range from AAA and Aaa (highest credit rating) to D ( Debtor in financial difficulties, repayment already distressed).

**NAV:** stands for net asset value. It is used on funds and represents the value of all assets and receivables less debt, liability and costs. Typically, it is reported as a value per share.

**Swap:** a derivative contract through which two parties exchange financial instruments. E.g. in an interest swap, typically one contracting party pays a fixed interest while the other pays a variable interest.

**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.

**Shares:** units of ownership interest in a corporation or financial asset that provide for an equal distribution in any profits, if any are declared, in the form of dividends. The two main types of shares are common shares and preferred shares. Physical paper stock certificates have been replaced with electronic recording of stock shares, just as mutual fund shares are recorded electronically.

**Bond:** a fixed income investment in which an investor loans money to an entity (typically corporate or governmental) which borrows the funds for a defined period of time at a variable or fixed interest rate. Bonds are used by companies, municipalities, states and sovereign governments to raise money and finance a variety of projects and activities. Owners of bonds are debt holders, or creditors, of the issuer.

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

**Dividend Yield:** represents the ratio of distributed income over the last 12 months to the fund's current Net Asset Value. □

**Market capitalization:** refers to 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.

# HSBC Portfolios - World Selection 2

Supplement Information Sheet

31 May 2019

| Share Class | Base Currency | Distribution Frequency | Dividend ex-date | Dividend Amount | Annualised Yield<br>(Distribution is not guaranteed and may be paid out of capital) |
|-------------|---------------|------------------------|------------------|-----------------|---|
| AC          | USD           | -                      | -                | -               | -   |
| AM          | USD           | Monthly                | 29 May 2019      | 0.029880        | 3.61%   |
| AM          | USD           | Monthly                | 24 Apr 2019      | 0.030230        | 3.60%   |
| AM          | USD           | Monthly                | 29 Mar 2019      | 0.030310        | 3.64%   |
| AM          | USD           | Monthly                | 28 Feb 2019      | 0.030470        | 3.69%   |
| AM          | USD           | Monthly                | 31 Jan 2019      | 0.033360        | 4.07%   |
| AM          | USD           | Monthly                | 28 Dec 2018      | 0.033840        | 4.29%   |
| AM          | USD           | Monthly                | 30 Nov 2018      | 0.032964        | 4.08%   |
| AM          | USD           | Monthly                | 31 Oct 2018      | 0.032620        | 4.05%   |
| AM          | USD           | Monthly                | 28 Sep 2018      | 0.028158        | 3.39%   |
| AM          | USD           | Monthly                | 29 Aug 2018      | 0.031703        | 3.79%   |
| AM          | USD           | Monthly                | 26 Jul 2018      | 0.032445        | 3.86%   |
| AM          | USD           | Monthly                | 29 Jun 2018      | 0.031291        | 3.76%   |
| AMHAUD      | AUD           | Monthly                | 29 May 2019      | 0.021590        | 2.65%   |
| AMHAUD      | AUD           | Monthly                | 24 Apr 2019      | 0.023200        | 2.80%   |
| AMHAUD      | AUD           | Monthly                | 29 Mar 2019      | 0.024390        | 2.97%   |
| AMHAUD      | AUD           | Monthly                | 28 Feb 2019      | 0.024160        | 2.97%   |
| AMHAUD      | AUD           | Monthly                | 31 Jan 2019      | 0.027440        | 3.40%   |
| AMHAUD      | AUD           | Monthly                | 28 Dec 2018      | 0.028150        | 3.62%   |
| AMHAUD      | AUD           | Monthly                | 30 Nov 2018      | 0.028867        | 3.62%   |
| AMHAUD      | AUD           | Monthly                | 31 Oct 2018      | 0.027123        | 3.41%   |
| AMHAUD      | AUD           | Monthly                | 28 Sep 2018      | 0.025890        | 3.16%   |
| AMHAUD      | AUD           | Monthly                | 29 Aug 2018      | 0.029365        | 3.55%   |
| AMHAUD      | AUD           | Monthly                | 26 Jul 2018      | 0.030840        | 3.71%   |
| AMHAUD      | AUD           | Monthly                | 29 Jun 2018      | 0.028856        | 3.50%   |
| AMHEUR      | EUR           | Monthly                | 29 May 2019      | 0.003400        | 0.42%   |
| AMHEUR      | EUR           | Monthly                | 24 Apr 2019      | 0.002110        | 0.26%   |
| AMHEUR      | EUR           | Monthly                | 29 Mar 2019      | 0.006590        | 0.82%   |
| AMHEUR      | EUR           | Monthly                | 28 Feb 2019      | 0.007210        | 0.90%   |
| AMHEUR      | EUR           | Monthly                | 31 Jan 2019      | 0.003730        | 0.47%   |
| AMHEUR      | EUR           | Monthly                | 28 Dec 2018      | 0.009210        | 1.20%   |
| AMHEUR      | EUR           | Monthly                | 30 Nov 2018      | 0.010526        | 1.34%   |
| AMHEUR      | EUR           | Monthly                | 31 Oct 2018      | 0.007114        | 0.91%   |
| AMHEUR      | EUR           | Monthly                | 28 Sep 2018      | 0.008097        | 1.00%   |
| AMHEUR      | EUR           | Monthly                | 29 Aug 2018      | 0.009046        | 1.11%   |
| AMHEUR      | EUR           | Monthly                | 26 Jul 2018      | 0.008222        | 1.01%   |
| AMHEUR      | EUR           | Monthly                | 29 Jun 2018      | 0.009894        | 1.22%   |
| AMHGBP      | GBP           | Monthly                | 29 May 2019      | 0.013250        | 1.66%   |
| AMHGBP      | GBP           | Monthly                | 24 Apr 2019      | 0.013540        | 1.67%   |
| AMHGBP      | GBP           | Monthly                | 29 Mar 2019      | 0.015460        | 1.92%   |
| AMHGBP      | GBP           | Monthly                | 28 Feb 2019      | 0.015810        | 1.98%   |
| AMHGBP      | GBP           | Monthly                | 31 Jan 2019      | 0.014900        | 1.88%   |
| AMHGBP      | GBP           | Monthly                | 28 Dec 2018      | 0.019700        | 2.58%   |
| AMHGBP      | GBP           | Monthly                | 30 Nov 2018      | 0.019633        | 2.51%   |
| AMHGBP      | GBP           | Monthly                | 31 Oct 2018      | 0.017396        | 2.23%   |
| AMHGBP      | GBP           | Monthly                | 28 Sep 2018      | 0.016851        | 2.10%   |
| AMHGBP      | GBP           | Monthly                | 29 Aug 2018      | 0.018396        | 2.27%   |
| AMHGBP      | GBP           | Monthly                | 26 Jul 2018      | 0.016595        | 2.04%   |
| AMHGBP      | GBP           | Monthly                | 29 Jun 2018      | 0.017383        | 2.15%   |
| AMHKD       | HKD           | Monthly                | 29 May 2019      | 0.030260        | 3.61%   |
| AMHKD       | HKD           | Monthly                | 24 Apr 2019      | 0.030630        | 3.60%   |
| AMHKD       | HKD           | Monthly                | 29 Mar 2019      | 0.030720        | 3.64%   |
| AMHKD       | HKD           | Monthly                | 28 Feb 2019      | 0.030860        | 3.68%   |
| AMHKD       | HKD           | Monthly                | 31 Jan 2019      | 0.033720        | 4.06%   |
| AMHKD       | HKD           | Monthly                | 28 Dec 2018      | 0.034180        | 4.29%   |
| AMHKD       | HKD           | Monthly                | 30 Nov 2018      | 0.033360        | 4.09%   |
| AMHKD       | HKD           | Monthly                | 31 Oct 2018      | 0.032951        | 4.04%   |
| AMHKD       | HKD           | Monthly                | 28 Sep 2018      | 0.028532        | 3.40%   |
| AMHKD       | HKD           | Monthly                | 29 Aug 2018      | 0.032117        | 3.79%   |
| AMHKD       | HKD           | Monthly                | 26 Jul 2018      | 0.032863        | 3.86%   |

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Supplement Information Sheet

31 May 2019

| Share Class | Base Currency | Distribution Frequency | Dividend ex-date | Dividend Amount | Annualised Yield<br>(Distribution is not guaranteed and may be paid out of capital) |
|-------------|---------------|------------------------|------------------|-----------------|---|
| AMHKD       | HKD           | Monthly                | 29 Jun 2018      | 0.031689        | 3.76%   |

The above table cites the last dividend paid within the last 12 months only.

Dividend is not guaranteed and may be paid out of capital, which will result in capital erosion and reduction in net asset value. A positive distribution yield does not imply a positive return. Past payout yields and payments do not represent future payout yields and payments.

Historical payments may be comprised of both distributed income and capital.

The calculation method of annualised yield: (dividend value / NAV per share or unit as of ex-dividend date) x n, n depends on the distributing frequency. Annually distribution is 1; semi-annually distribution is 2; quarterly distribution is 4; monthly distribution is 12.

The annualised dividend yield is calculated based on the dividend distribution on the relevant date with dividend reinvested, and may be higher or lower than the actual annual dividend yield.