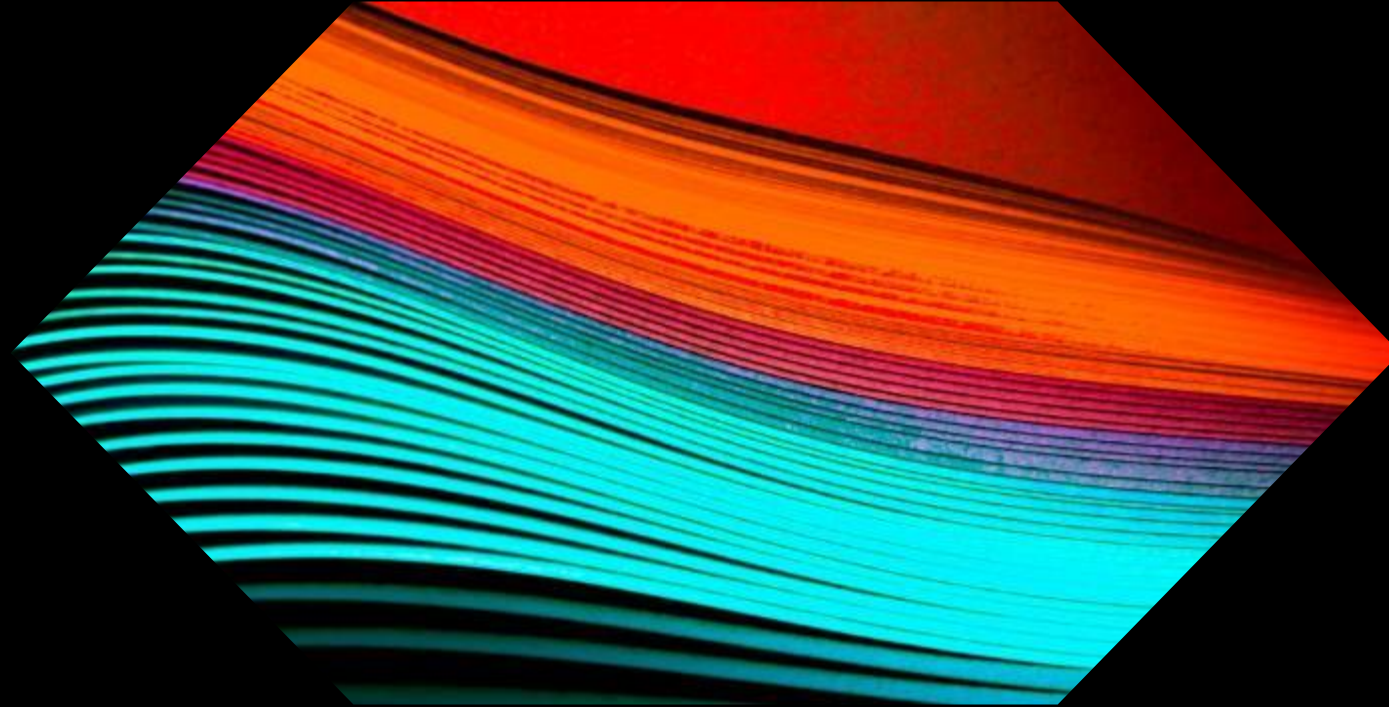


# HSBC Asset Management

Finding the right solution for your client

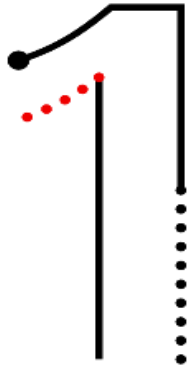
July 2025

SFDR Article 6



# Learning objectives

---



To understand how different multi-asset portfolio solutions can cater for clients' different investment objectives



To understand the market outlook for 2025 and implications for portfolio positioning



To identify the key features of Fully Diversified, Low Cost and MPS solutions

# Market dynamics have been highly unusual in H1 2025

Weak stocks, sticky Treasury yields, dollar falling

US 10y Treasury yield & S&P 500



Dollar has short-term decoupled from rates



**Past performance does not predict future returns.**

Source: Macrobond, Bloomberg, HSBC Asset Management, June 2025. The commentary and analysis presented in this document reflect the opinion of HSBC Asset Management on the markets, according to the information available to date. They do not constitute any kind of commitment from HSBC Asset Management. Consequently, HSBC Asset Management will not be held responsible for any investment or disinvestment decision taken on the basis of the commentary and/or analysis in this document. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target.

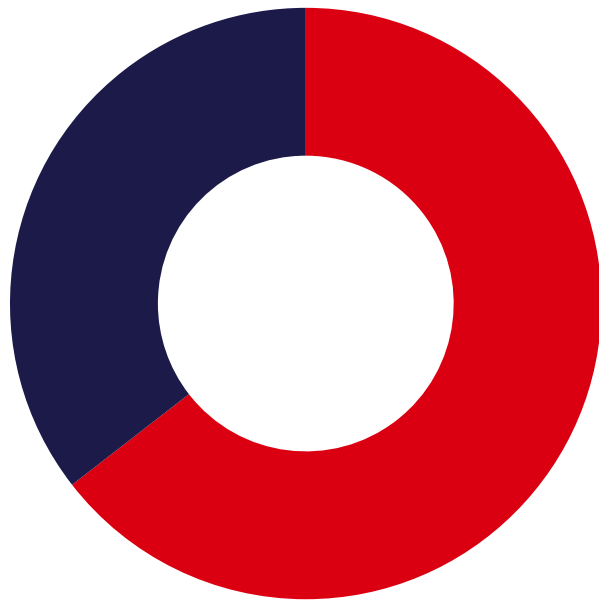




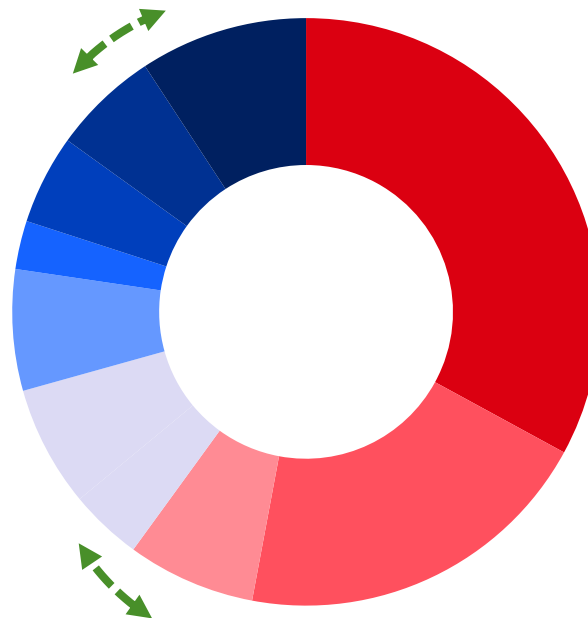
The information provided is for illustrative purpose only.

# The spectrum of Multi Asset investment techniques

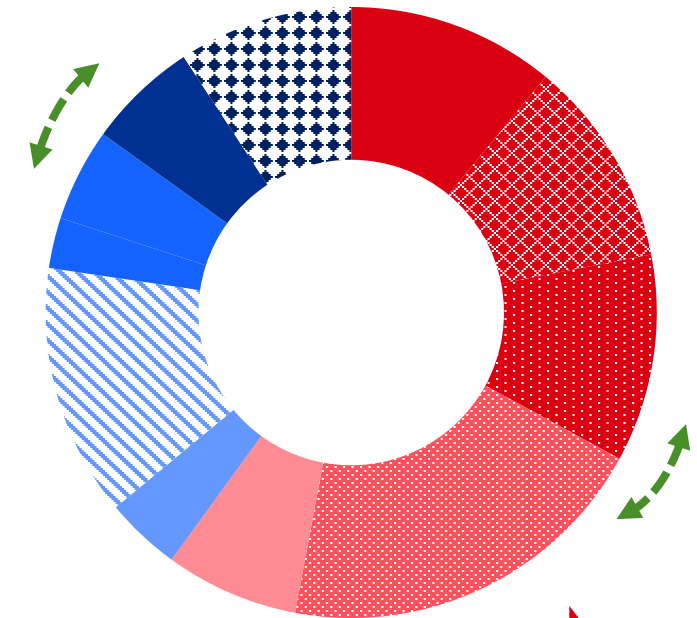
Passive Asset Allocation,  
Passive Implementation



Active Asset Allocation,  
Passive Implementation



Active Asset Allocation,  
Active Implementation



Cost

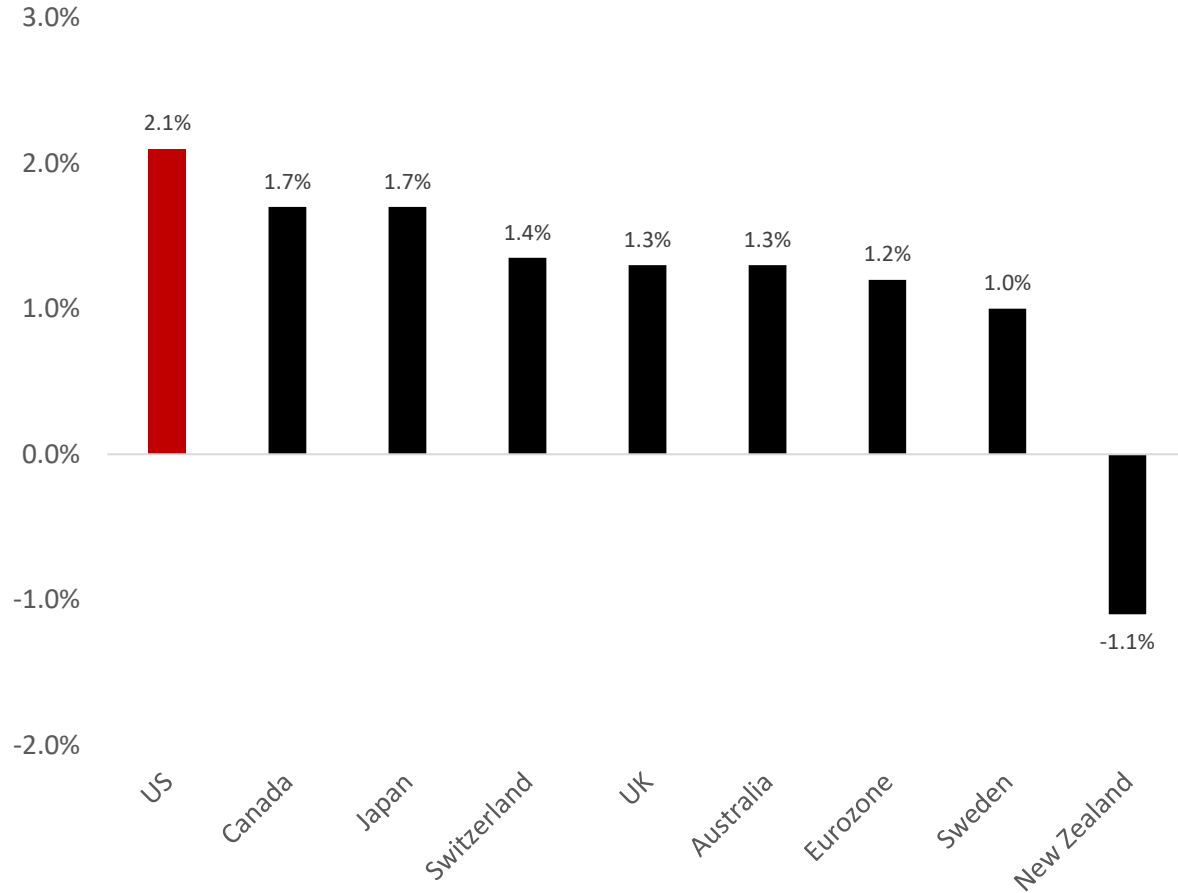
Comprehension

Client Outcomes

# 1. Capturing growth opportunities through investing globally

The US remains among the fastest growing economy among G10 countries

Real GDP YoY Growth



Despite the tariffs uncertainties, US inflation remains in retreat, and we expect the Federal Reserve to continue cutting interest rates in 2025

US CPI



The views expressed above were held at the time of preparation and are subject to change without notice. This information should not be construed as a recommendation to invest in the specific country, product, strategy, sector or security. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target.

Source: HSBC Asset Management, Bloomberg, end May 2025.

# 1. Is the US still an attractive investment destination?

		US	Europe	UK	Japan
Profit margin	1	11.1%	9.2%	6.9%	6.2%
ROE	2	18.4%	12.2%	10.6%	9.1%

1 US profit margins are generally higher

2 US companies operate with a higher return on equity

Past performance does not predict future returns. For informational purposes only and should not be construed as a recommendation to invest in the specific country, product, strategy, sector or security. The views expressed above were held at the time of preparation and are subject to change without notice.

Source: Bloomberg, as at end May 2025.

## 2. The case for active asset allocation: Asset class attractiveness varies over time

### 10-Year US Treasury Yield



Past performance does not predict future returns. The level of yield is not guaranteed and may rise or fall in the future.

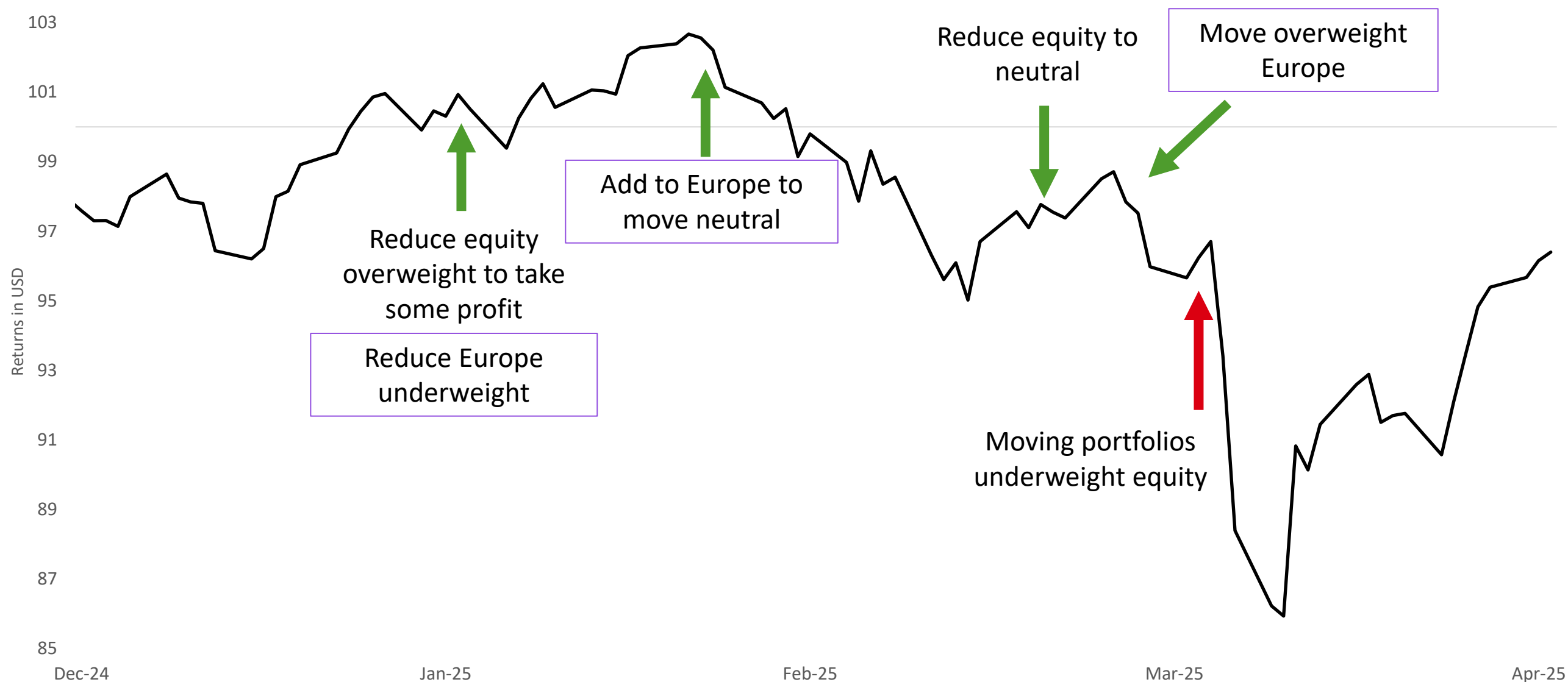
Source: HSBC Asset Management and Bloomberg, end May 2025. USGG10YR Index (US 10Y Treasury Yield). JGBs – Japan Government Bonds, CB – central bank, UST – US Treasuries, For informational purposes only and should not be construed as a recommendation to invest in the specific country, product, strategy, sector or security.



## 2. Finding pockets of opportunity in equity markets

8

### Active management of Global Equity exposure

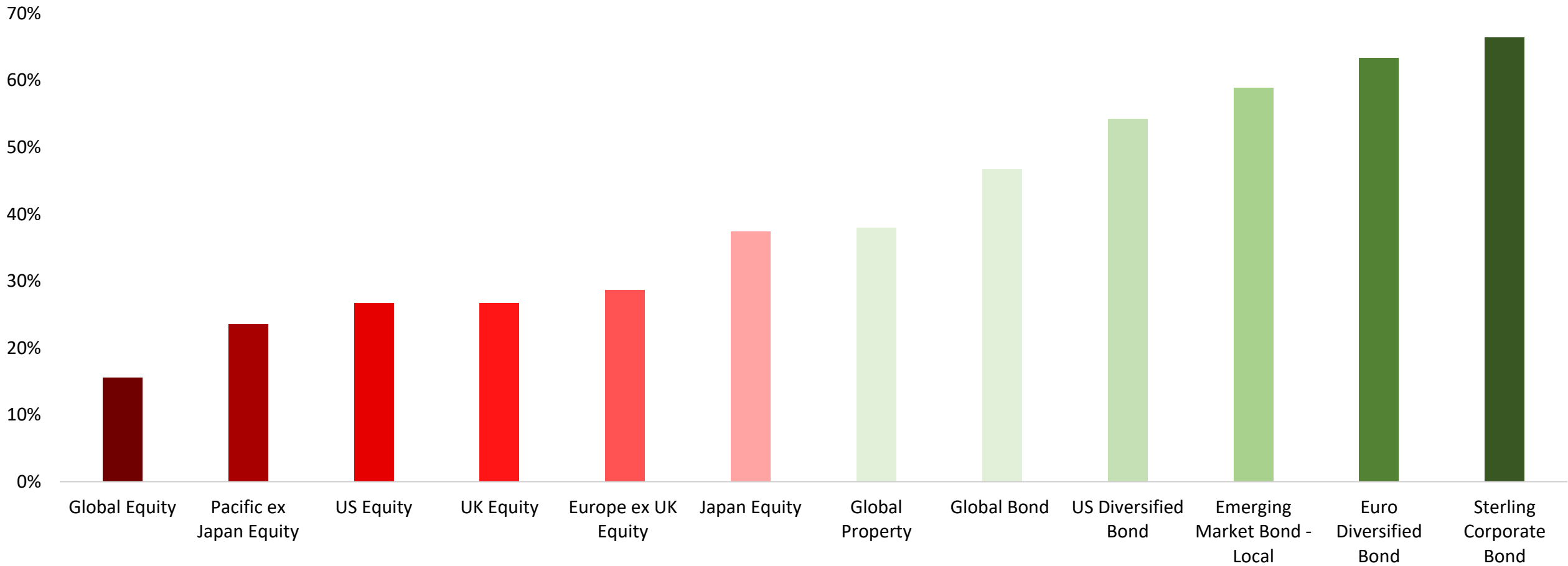


Past performance does not predict future returns.

Source: HSBC Asset Management, Bloomberg, as at 30 April 2025, MSCI ACWI in USD.

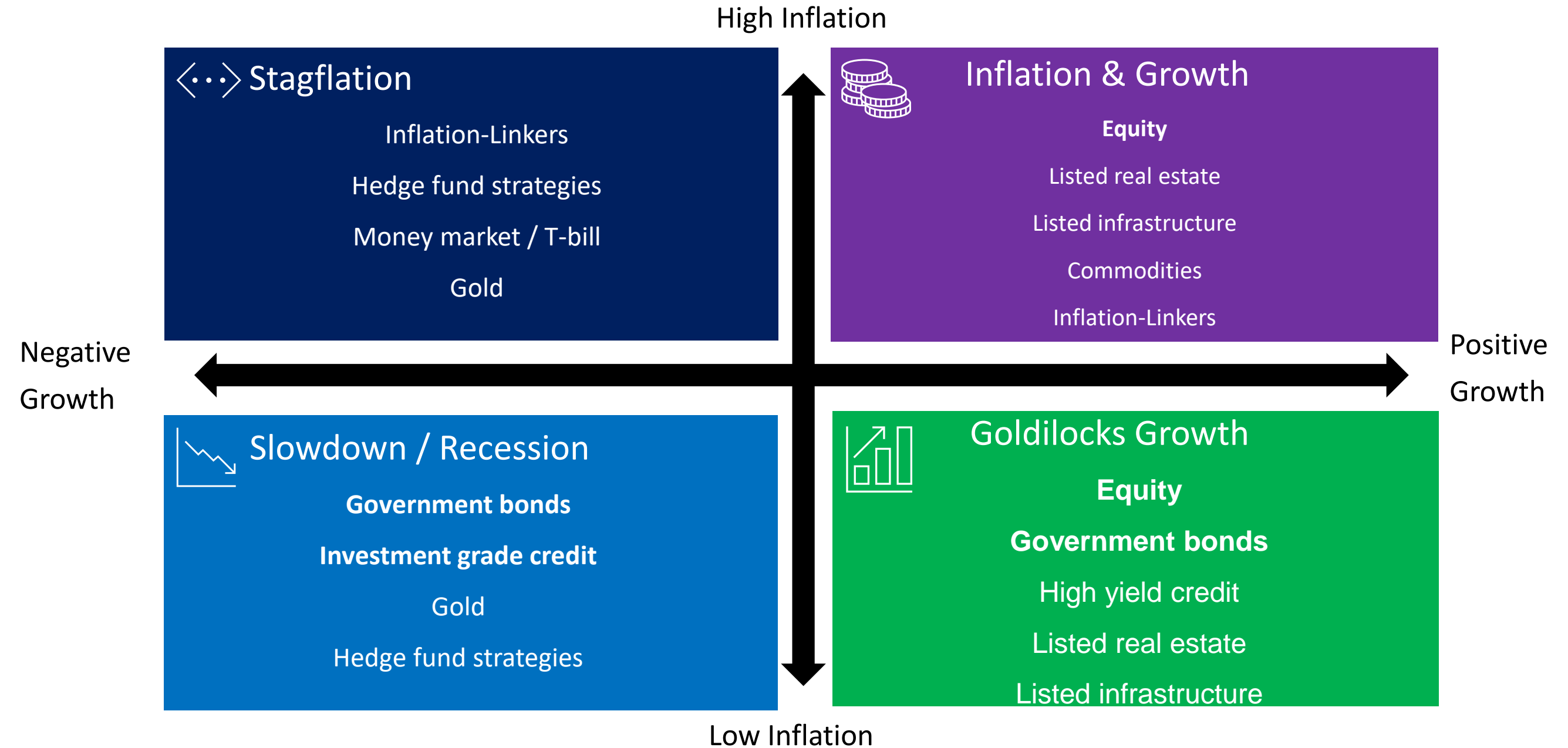
## 2. Stock selection can add value; however it must be used sparingly as likelihood of outperformance varies by asset class

Proportion of active managers outperforming index funds over the past 3 years (2021-2024)



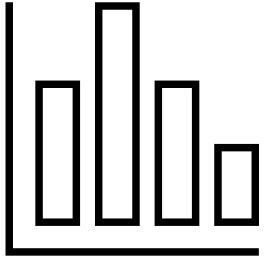
Past performance does not predict future returns.  
Source: HSBC Asset Management and Morningstar. Morningstar 2024 Mid-Year European Active/Passive Barometer, data as of June 30, 2024.

### 3. Diversification: Building resilience into portfolios



## Spinning around – a complicated economic outlook

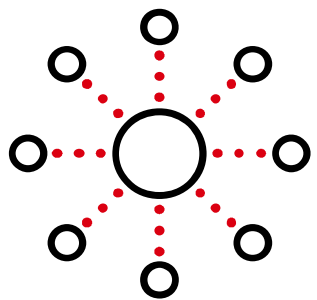
---



Elevated trade and economic policy uncertainty  
Broadening of global growth, moderating US growth



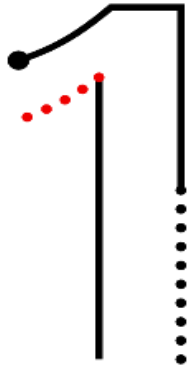
Divergence in developed market central bank monetary easing  
Ongoing concerns over US inflation = shallow rate cutting cycle



Opportunities in selective regions and sectors  
Spanish equities, German mid-cap equities, US Comms Services and  
European Financials show good potential

## Learning outcomes

---



To understand how different multi-asset portfolio solutions can cater for clients' different investment objectives




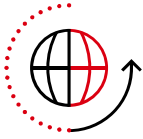


To understand the market outlook for 2025 and implications for portfolio positioning



To identify the key features of Fully Diversified, Low Cost and MPS solutions



## HSBC's Multi-Asset product suite

	HSBC Managed Portfolio Service	HSBC Global Strategy Portfolios	HSBC World Selection Portfolios	HSBC Global Responsible Multi-Asset Portfolios
				
	Model portfolios for more sophisticated investors	A simplified, cost-efficient solution	A highly diversified, 'best ideas' portfolio	A highly diversified, 'best ideas' responsible portfolio
Investment Objective	Capital growth under volatility constraints	Capital growth under volatility constraints	Capital growth under volatility constraints	Capital growth and ESG improvement under volatility constraints
Asset Class Universe	Equities and Bonds	Equities and Bonds	Equities, Bonds, High Yielding Fixed Income and Alternatives	Equities, Bonds, High Yielding Fixed Income and Alternatives
Balanced OCF	0.23%	0.18%	0.62%	0.71%
Investment Approach	Active Asset Allocation			
Fulfilment Vehicles	Passive	Passive	Active, Systematic, Passive	Responsible Active, Responsible Passive, Thematic
Direct Holdings	Direct	Funded	Funded	Funded
Track Record	>5 Years	>10 Years	>10 Years	>5 Years

**Diversification does not ensure a profit or protect against loss.**

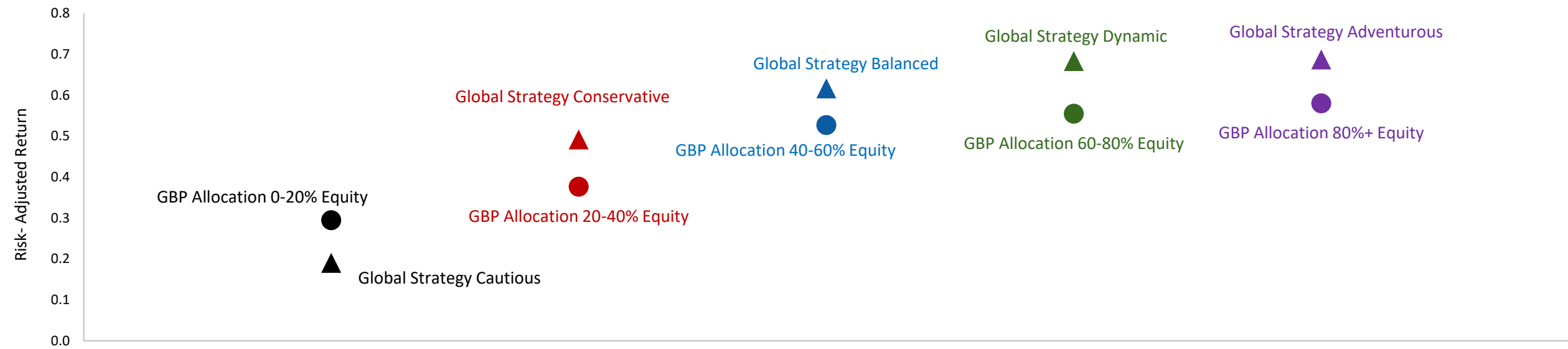
Source: HSBC Asset Management, OCF figures as at June 2025 from 'C acc share class'.

## Portfolio Returns (%)

	3m (Net)	1 Year (Net)	3 Year Ann. (Net)	5 Year Ann. (Net)	10 Year Ann. (Net)	Since Inception Ann. (Net)
Global Strategy Cautious	-0.90	5.40	2.08	1.10	2.82	3.47
Global Strategy Conservative	-1.43	6.10	3.67	3.54	-	-
Global Strategy Balanced	-2.11	6.80	5.40	6.22	6.60	7.40
Global Strategy Dynamic	-2.84	7.30	7.05	8.78	8.48	9.28
Global Strategy Adventurous	-3.33	7.33	8.02	10.06	-	-

Source: HSBC Asset Management, as at end May 2025. Global Strategy AC share class across the range, performance in GBP, net of fees. Portfolios Cautious, Balanced and Dynamic with inception date 17/10/2011. Portfolios Conservative and Adventurous with inception date 24/08/2017. Costs may vary with fluctuations in the exchange rate.

## Net 5-year risk-adjusted returns versus Morningstar peer group average



Past performance does not predict future returns.  
Source: Morningstar Direct, as at end May 2025. Global Strategy AC share class across the range, performance in GBP, net of fees. Costs may vary with fluctuations in the exchange rate. Risk-adjusted return is calculated as annualised return divided by annualised volatility net of fees in GBP.

# Appendix

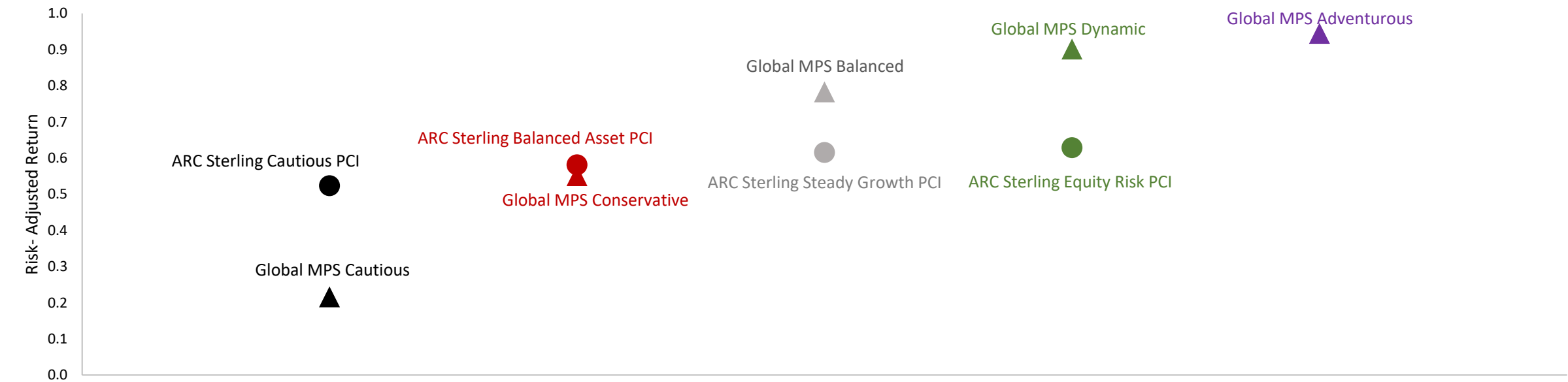
---

## Portfolio Returns (%)

	3m (Net)	1 Year (Net)	3 Year Ann. (Net)	5 Year Ann. (Net)	10 Year Ann. (Net)	Since Inception Ann. (Net)
Global MPS Cautious	-0.73	5.92	2.30	1.33	-	2.37
Global MPS Conservative	-1.36	6.23	3.77	3.67	-	4.13
Global MPS Balanced	-2.09	6.53	5.37	6.27	-	5.88
Global MPS Dynamic	-2.80	6.73	6.73	8.57	-	7.45
Global MPS Adventurous	-3.26	6.82	7.57	9.90	-	8.32

Source: HSBC Asset Management, as at end May 2025. Global MPS performance across the range, performance in GBP, net of fees. HSBC Global MPS Cautious, Conservative, Balanced, Dynamic and Adventurous Portfolios with inception date 30/06/2018. Costs may vary with fluctuations in the exchange rate.

## Net 5-year risk-adjusted returns versus ARC peer group



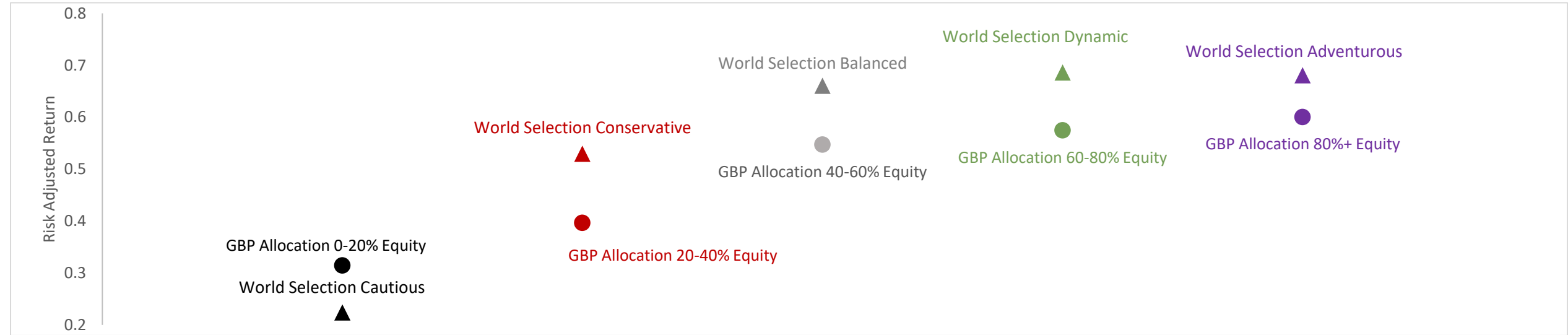
Past performance does not predict future returns.  
Source: Morningstar Direct, as at end May 2025. ARC peer groups, Global MPS performance in GBP, net of fees. Costs may vary with fluctuations in the exchange rate. Risk-adjusted return is calculated as annualised return divided by annualised volatility net of fees in GBP.

## Portfolio Returns (%)

	3m (Net)	1 Year (Net)	3 Year Ann. (Net)	5 Year Ann. (Net)	10 Year Ann. (Net)	Since Inception Ann. (Net)
World Selection Cautious	-1.07	4.19	1.50	1.00	1.94	3.17
World Selection Conservative	-1.52	5.01	2.89	3.29	3.40	3.49
World Selection Balanced	-2.26	5.71	4.87	6.15	5.58	6.94
World Selection Dynamic	-2.84	6.35	6.29	8.36	7.51	8.71
World Selection Adventurous	-3.14	5.51	6.48	8.97	8.43	8.63

Source: HSBC Asset Management, as at end May 2025. World Selection Net of Fees AC share class across the range, performance in GBP, net of fees. Portfolios Cautious, Balanced and Dynamic with inception date 03/12/2012. Portfolios Conservative and Adventurous with inception date 04/12/2014. Costs may vary with fluctuations in the exchange rate.

## Net 5-year risk-adjusted returns versus Morningstar peer group average

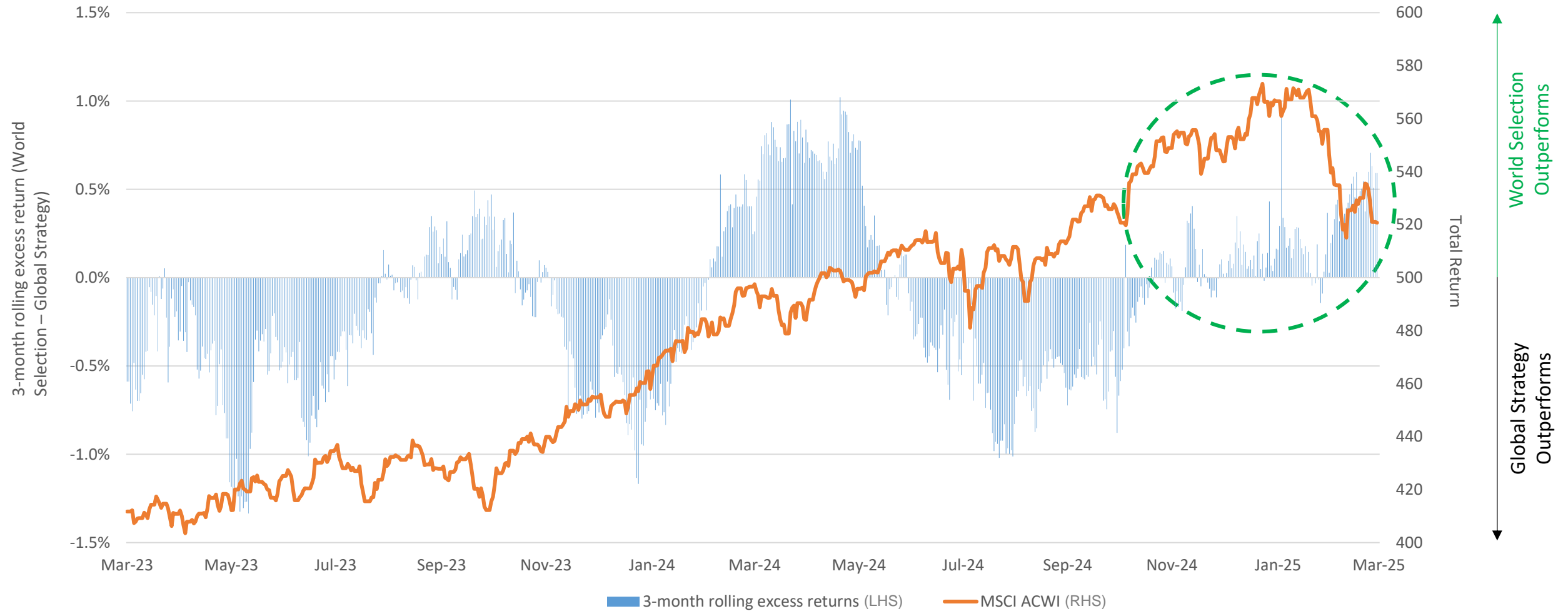


Past performance does not predict future returns.  
Source: Morningstar Direct, as at end May 2025. World Selection AC share class across the range, performance in GBP, net of fees. Costs may vary with fluctuations in the exchange rate. Risk-adjusted return is calculated as annualised return divided by annualised volatility net of fees in GBP. SFDR Article 6. This product is based overseas and is not subject to UK sustainable investment labelling and disclosure requirements



# Fully diversified World Selection portfolio outperforms Global Strategy in recent volatile market

3-month rolling excess returns of World Selection versus Global Strategy



Past performance does not predict future returns.

Source: HSBC Asset Management, Bloomberg (31/3/2025). March 2023 – March 2025. Balanced strategies represented. MSCI ACWI represents global equity market. MSCI ACWI Total Return in GBP.

## Net MIFID performance numbers in GBP

Discrete performance – rolling years

Start Date	31/5/2024	31/5/2023	31/5/2022	31/5/2021	31/5/2020	31/5/2019	31/5/2018	31/5/2017	31/5/2016	31/5/2015
End Date	31/5/2025	31/5/2024	31/5/2023	31/5/2022	31/5/2021	31/5/2020	31/5/2019	31/5/2018	31/5/2017	31/5/2016
Global Strategy Cautious	5.40	4.48	-3.40	-4.66	4.13	4.78	4.34	1.37	11.03	1.66
Global Strategy Conservative	6.10	7.44	-2.27	-1.90	8.89	4.98	4.39			
Global Strategy Balanced	6.80	10.74	-1.00	1.11	14.20	5.62	3.55	4.81	22.18	0.07
Global Strategy Dynamic	7.30	13.75	0.52	3.99	19.38	5.54	2.81	6.91	28.65	-0.74
Global Strategy Adventurous	7.33	16.00	1.23	5.70	21.22	5.38	2.81			

Past performance does not predict future returns. The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested.  
Source: HSBC Asset Management as at end May 2025. Global Strategy Net of Fees AC Share class. Portfolios Cautious, Balanced and Dynamic with inception date 17/10/2011. Portfolios Conservative and Adventurous with inception date 24/08/2017.

# HSBC Global Managed Portfolio Service

## Net MIFID performance numbers in GBP

Discrete performance – rolling years

Start Date	31/5/2024	31/5/2023	31/5/2022	31/5/2021	31/5/2020	31/5/2019
End Date	31/5/2025	31/5/2024	31/5/2023	31/5/2022	31/5/2021	31/5/2020
Global MPS Cautious	5.92	4.75	-3.50	-4.89	4.89	5.88
Global MPS Conservative	6.23	7.68	-2.31	-2.15	9.51	6.06
Global MPS Balanced	6.53	11.03	-1.10	1.03	14.68	5.95
Global MPS Dynamic	6.73	13.98	-0.04	3.82	19.50	5.91
Global MPS Adventurous	6.82	15.92	0.51	5.59	21.97	5.65

Past performance does not predict future returns. The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested.  
Source: HSBC Asset Management as at end May 2025. HSBC Global MPS Cautious, Conservative, Balanced, Dynamic and Adventurous Portfolios with inception date 30/06/2018.

# HSBC World Selection Portfolios

## Net MIFID performance numbers in GBP

Discrete performance – rolling years

Start Date	31/5/2024	31/5/2023	31/5/2022	31/5/2021	31/5/2020	31/5/2019	31/5/2018	31/5/2017	31/5/2016	31/5/2015
End Date	31/5/2025	31/5/2024	31/5/2023	31/5/2022	31/5/2021	31/5/2020	31/5/2019	31/5/2018	31/5/2017	31/5/2016
World Selection Cautious	4.19	4.33	-3.80	-3.73	4.41	2.63	3.08	0.48	7.03	1.38
World Selection Conservative	5.01	7.20	-3.22	-1.38	9.45	1.65	3.58	0.71	11.24	0.68
World Selection Balanced	5.71	11.35	-2.04	1.90	14.70	1.92	1.86	4.46	18.97	-1.03
World Selection Dynamic	6.35	14.21	-1.13	4.48	19.09	2.51	1.16	7.27	26.46	-1.84
World Selection Adventurous	5.51	15.43	-0.87	5.58	20.57	2.91	2.00	7.61	31.65	-1.73

Past performance does not predict future returns. The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested.  
Source: HSBC Asset Management as at end May 2025. World Selection Net of Fees AC Share class. Portfolios Cautious, Balanced and Dynamic with inception date 03/12/2012. Portfolios Conservative and Adventurous with inception date 04/12/2014.

# Supporting You – Multi-Asset Portfolios

## Advisory Business Development Team



### Fay Hendon

Head of UK Intermediary Business Development London

fay.hendon@hsbc.com

Tel: +44 (0) 20 3359 6750

Mobile: +44 (0) 74 6870 5975



### Lindsay McCallum

UK Intermediary Business Development Manager North, Scotland & Northern Ireland

lindsay.mccallum@hsbc.com

Tel: +44 (0) 14 1358 2084

Mobile: +44 (0) 73 8724 6584



### Marcus Hartley

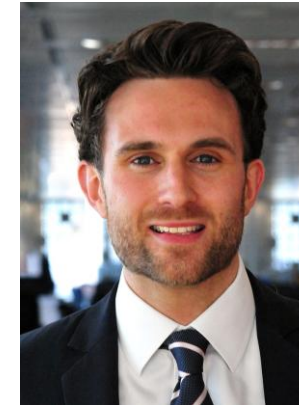
UK Intermediary Business Development Manager Midlands & South West

marcus.hartley@hsbc.com

Tel: +44 (0) 20 3359 3233

Mobile: +44 (0) 73 8479 3300

## Multi-Asset Investment Specialist



### Tom Morey

UK Multi-Asset Investment Specialist

tom.morey@hsbc.com

Tel: +44 (0) 74 0880 1930

## Wholesale Client Service



wholesale.clientservices@hsbc.com



# Appendix 1: HSBC Rolling Returns: Global Strategy Portfolios, Global Managed Portfolio Service, World Selection Portfolios

## Global Strategy Portfolios

Start Date	31/05/24	31/05/23	31/05/22	31/05/21	31/05/20	31/05/19	31/05/18	31/05/17	31/05/16	31/05/15
End Date	31/05/25	31/05/24	31/05/23	31/05/22	31/05/21	31/05/20	31/05/19	31/05/18	31/05/17	31/05/16
Global Strategy Cautious	5.4	4.48	-3.4	-4.66	4.13	4.78	4.34	1.37	11.03	1.66
Global Strategy Conservative	6.1	7.44	-2.27	-1.9	8.89	4.98	4.39			
Global Strategy Balanced	6.8	10.74	-1	1.11	14.2	5.62	3.55	4.81	22.18	0.07
Global Strategy Dynamic	7.3	13.75	0.52	3.99	19.38	5.54	2.81	6.91	28.65	-0.74
Global Strategy Adventurous	7.33	16	1.23	5.7	21.22	5.38	2.81			

## Global Managed Portfolio Service

Start Date	31/05/24	31/05/23	31/05/22	31/05/21	31/05/20	31/05/19
End Date	31/05/25	31/05/24	31/05/23	31/05/22	31/05/21	31/05/20
Managed Portfolio Service Cautious	5.92	4.75	-3.5	-4.89	4.89	5.88
Managed Portfolio Service Conservative	6.23	7.68	-2.31	-2.15	9.51	6.06
Managed Portfolio Service Balanced	6.53	11.03	-1.1	1.03	14.68	5.95
Managed Portfolio Service Dynamic	6.73	13.98	-0.04	3.82	19.5	5.91
Managed Portfolio Service Adventurous	6.82	15.92	0.51	5.59	21.97	5.65

## World Selection Portfolios

Start Date	31/05/24	31/05/23	31/05/22	31/05/21	31/05/20	31/05/19	31/05/18	31/05/17	31/05/16	31/05/15
End Date	31/05/25	31/05/24	31/05/23	31/05/22	31/05/21	31/05/20	31/05/19	31/05/18	31/05/17	31/05/16
World Selection Cautious	4.19	4.33	-3.8	-3.73	4.41	2.63	3.08	0.48	7.03	1.38
World Selection Conservative	5.01	7.2	-3.22	-1.38	9.45	1.65	3.58	0.71	11.24	0.68
World Selection Balanced	5.71	11.35	-2.04	1.9	14.7	1.92	1.86	4.46	18.97	-1.03
World Selection Dynamic	6.35	14.21	-1.13	4.48	19.09	2.51	1.16	7.27	26.46	-1.84
World Selection Adventurous	5.51	15.43	-0.87	5.58	20.57	2.91	2	7.61	31.65	-1.73

## Key risks

---

**Investing involves risk and the value of an investment and the income from it may fall as well as rise. You may not get back the full amount invested.**

- ◆ **Counterparty Risk:** The possibility that the counterparty to a transaction may be unwilling or unable to meet its obligations.
- ◆ **Credit Risk:** A bond or money market security could lose value if the issuer's financial health deteriorates.
- ◆ **Default Risk:** The issuers of certain bonds could become unwilling or unable to make payments on their bonds.
- ◆ **Derivatives Risk:** Derivatives 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.
- ◆ **Exchange Rate Risk:** Changes in currency exchange rates could reduce or increase investment gains or investment losses, in some cases significantly.
- ◆ **Interest Rate Risk:** When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality.
- ◆ **Investment Fund Risk:** 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.
- ◆ **Investment Leverage Risk:** 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 Risk:** Liquidity Risk: is the risk that a Fund may encounter difficulties meeting its obligations in respect of financial liabilities that are settled by delivering cash or other financial assets, thereby compromising existing or remaining investors.
- ◆ **Operational Risk:** Operational risks may subject the Fund to errors affecting transactions, valuation, accounting, and financial reporting, among other things.

**Further information on the potential risks can be found in the Key Investor Information Document (KIID) and/ or the Prospectus or Offering Memorandum.**

**For Professional Clients only and should not be distributed to or relied upon by Retail Clients.**

The material contained herein is for marketing purposes and is for your information only. This document is not contractually binding nor are we required to provide this to you by any legislative provision. It does not constitute legal, tax or investment advice or a recommendation to any reader of this material to buy or sell investments. You must not, therefore, rely on the content of this document when making any investment decisions.

This document is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. This document is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe to any investment.

The contents are confidential and may not be reproduced or further distributed to any person or entity, whether in whole or in part, for any purpose. This presentation is intended for discussion only and shall not be capable of creating any contractual or other legal obligations on the part of HSBC Global Asset Management (UK) Limited or any other HSBC Group company.

The document is based on information obtained from sources believed to be reliable, but which have not been independently verified. HSBC Global Asset Management (UK) Limited and HSBC Group accept no responsibility as to its accuracy or completeness. Care has been taken to ensure the accuracy of this presentation, but HSBC Global Asset Management (UK) Limited accepts no responsibility for any errors or omissions contained therein.

This document and any issues or disputes arising out of or in connection with it (whether such disputes are contractual or non-contractual in nature, such as claims in tort, for breach of statute or regulation or otherwise) shall be governed by and construed in accordance with English law.

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way.

HSBC World Selection Portfolios, The HSBC Global Strategy Portfolio and Global Responsible Multi-Asset Portfolios are sub-fund of HSBC OpenFunds, an Open Ended Investment Company that is authorised in the UK by the Financial Conduct Authority. From 29 July 2024, the Authorised Corporate Director is HSBC Asset Management (Fund Services UK) Limited and the Investment Manager is HSBC Global Asset Management (UK) Limited. All applications are made on the basis of the Prospectus, Key Investor Information Document (KID), Supplementary Information Document (SID) and most recent annual and semi-annual reports, which can be obtained upon request free of charge from HSBC Global Asset Management (UK) Limited, 8 Canada Square, Canary Wharf, London, E14 5HQ, UK or the local distributors. **Investors and potential investors should read and note the risk warnings in the Prospectus, KID and additionally, in the case of retail clients, the information contained in the supporting SID.**

The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. Where overseas investments are held the rate of currency exchange may also cause the value of such investments to fluctuate. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Stock market investments should be viewed as a medium to long term investment and should be held for at least five years. Any performance information shown refers to the past and should not be seen as an indication of future returns.

These funds are actively managed and is not managed in reference to any benchmark index.

The fund may use derivatives for the purposes of efficient portfolio management i.e. to meet the investment objective of the Fund and it is not intended that their use will raise the overall risk profile of the Fund. Please note derivative instruments may involve a high degree of financial risk. These risks include the risk that a small movement in the price of an underlying security or benchmark may result in disproportionately large movement; unfavourable or favourable in the price of the derivative instrument; the risk of default by counterparty; and the risk that transactions may not be liquid. There are additional risks associated with specific alternative investments within the portfolios; these investments may be less readily realisable than others and it may therefore be difficult to sell in a timely manner at a reasonable price or to obtain reliable information about their value; there may also be greater potential for significant price movements. Investments in commodities may be subject to greater volatility than investments in traditional investment types. They may be affected by disease, climatic changes and international economic and political developments, which may cause individual commodity prices to rise or fall sharply. The long-term nature of investment in property and the income generated tend to make this type of investment less volatile than equities although it can be difficult to buy and/or sell quickly. Where the underlying funds invest directly in property, the property in the fund may not be readily realisable, and the Manager of the fund may apply a deferral on redemption requests. The value of property is generally a matter of the valuer's opinion rather than fact.

To help improve our service and in the interests of security we may record and/or monitor your communication with us. HSBC Global Asset Management (UK) Limited provides information to Institutions, Professional Advisers and their clients on the investment products and services of the HSBC Group.

Approved for issue in the UK by HSBC Global Asset Management (UK) Limited, who are authorised and regulated by the Financial Conduct Authority.

HSBC Asset Management is the brand name for the asset management business of HSBC Group, which includes the investment activities provided through our local regulated entity, HSBC Global Asset Management (UK) Limited.

[www.assetmanagement.hsbc.co.uk](http://www.assetmanagement.hsbc.co.uk)

Copyright © HSBC Global Asset Management (UK) Limited 2025. All rights reserved.

Content ID: D047687; Expiry dated:31.12.2025

