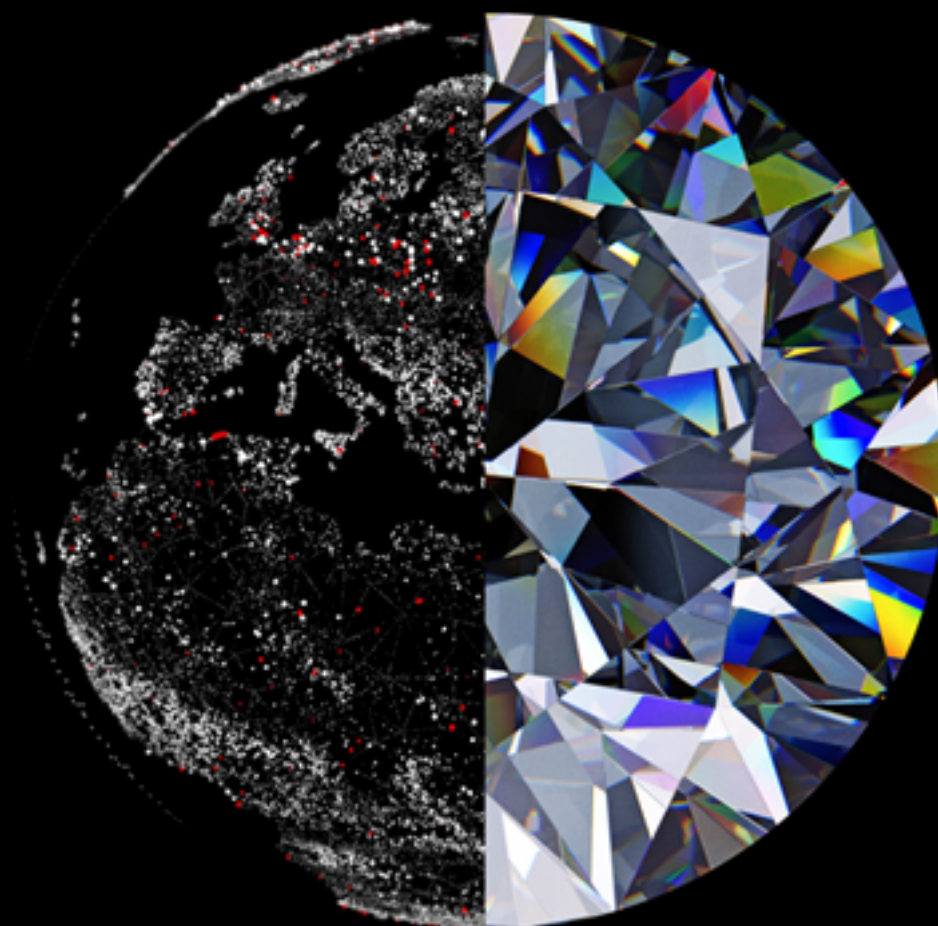


**Be SELECTIVE** when  
Managing your Wealth.

# HSBC SELECT FLEXIBLE (A)

Monthly Report  
January 2025



**HSBC**  
Asset Management

## Objective and investment policy

The objective of the mutual fund is to offer flexible management on equity and fixed-income markets over a minimum investment period of five years. For information purposes, exposure to equity markets is between 20% and 80% of assets and the exposure to fixed-income markets, between 0% and 80% of assets. The mutual fund exposes in developed markets with a euro bias as well as in emerging markets.

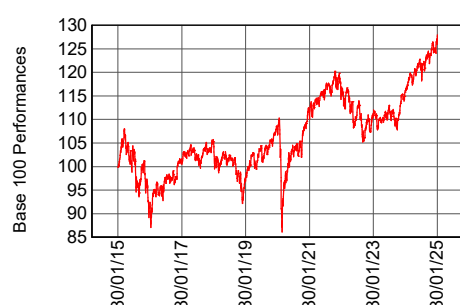
The mutual fund is managed actively without any reference to a benchmark index.

The investment strategy is discretionary and is based on a portfolio management process organised around three pillars:

- a medium/long-term strategic asset allocation depending on the manager's level of conviction (asset classes, geographical areas, sectors),
- a tactical allocation resulting from the manager's short-term convictions in order to strive to take advantage of market opportunities,
- a selection of undertakings for collective investment (UCI) and managers able to, according to us, generate performance over time.

## Performance and risk analysis

Fund's performance



### Net Cumulated performance

	1 month	1 year	3 years	5 years	10 years 07/01/2009*	
Portfolio	2.76%	10.20%	10.24%	19.92%	27.96%	128.70%

### Indicators & ratios (weekly)

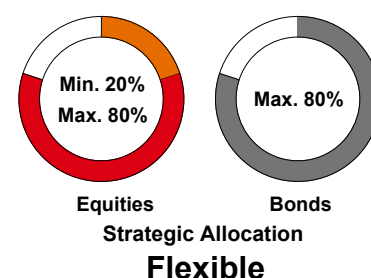
	1 year	3 years	5 years	10 years 07/01/2009*	
Fund's volatility	5.79%	6.78%	9.39%	9.03%	9.10%
Sharpe ratio	1.15	0.16	0.26	0.22	0.53

### Net performance by calendar year

	2025	2024	2023	2022	2021	2020
Portfolio	2.76%	7.90%	7.56%	-9.91%	8.61%	2.74%
	2019	2018	2017	2016	2015	
Portfolio	14.14%	-9.20%	2.31%	3.99%	1.91%	

**Past performance is not a reliable indicator for future performance. Returns are shown net of fees. Further fees (if applicable) are not considered in the statement and will have a negative effect on the investment performance.**

Further fees (if applicable) are not considered in the statement and will have a negative effect on the investment performance. The investment objective has been modified on the 25th September 2014. Performance returns prior to this date have been realized under different circumstances.



## Fund Details

### Total Asset

EUR 210 711 622.32

### Net asset value

(AC)(EUR) 107.33

### Number of underlying funds

53

### Legal Form

Mutual Fund regulated under French law

### Investment horizon

> 5 years

### Dividend Policy

(AC): Accumulation Shares

### Start Date of Management\*

07/01/2009

## Risk and Reward Profile



**Do not run any unnecessary risk. Read the Key Information Document (KID).**

The risk and reward indicator is based on price volatility over the last five years, and is an indicator of absolute risk. Historical data may not be a reliable indication for the future. The value of an investment, and any income from it, may fall as well as rise, and you may not get back the amount you originally invested. The category is not guaranteed to remain unchanged and the categorisation may shift over time. The lowest category does not mean a risk-free investment. This Mutual Fund is classified in category 3 because its price or simulated data has shown low to medium fluctuations historically.



## Analysis of the investment strategy

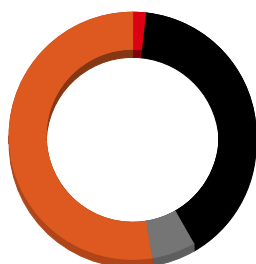
### Portfolio Composition

	31/12/2024 % TNA	31/01/2025 % TNA	Variation*
<b>Equities**</b>	46.63%	52.59%	▲
North America	20.27%	20.83%	▲
Europe	15.37%	18.96%	▲
Emerging Markets	4.60%	7.17%	▲
Global	3.84%	5.06%	▲
Japan	1.40%	1.06%	◁▷
Asia ex-Japan	1.15%	-0.50%	▼
<b>Bonds**</b>	53.35%	49.94%	▼
Europe	33.39%	22.53%	▼
North America	7.42%	16.48%	▲
Global	8.40%	7.52%	▼
Emerging Markets	5.56%	4.83%	▼
Asia ex-Japan	2.71%	1.80%	▼
Pacific ex-Japan	0.00%	1.42%	▲
Japan	-4.13%	-4.64%	▼
<b>Commodities</b>	2.78%	5.67%	▲
<b>Absolute Return</b>	2.04%	0.00%	Exit
Global	2.04%	0.00%	Exit
<b>Alternative</b>	2.08%	1.73%	◁▷
Global	2.08%	1.73%	◁▷
<b>Money Market &amp; Cash</b>	-6.87%	-9.93%	▼
<b>Total</b>	100.00%	100.00%	

\* There is a change over the period if the difference in weighting is greater than 0.5% in absolute value terms.

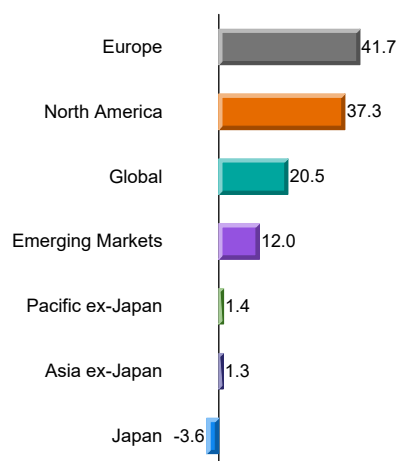
\*\* Including fixed income and equity market exposure via derivatives.

### Asset Allocation as at 31/01/2025



Alternative	1,7 %
Bonds & Money Market	40,0 %
Commodities	5,7 %
Equities	52,6 %
<b>Total:</b>	<b>100,0 %</b>

### Regional Allocation\*\*\* as at 31/01/2025



\*\*\*except cash

## Main Lines

	Asset Class	Weight	Monthly Performance*	Performance Contribution**	
1	HSBC S And P 500 UCITS ETF	Equities	7.41%	2.19%	0.15%
2	HSBC Global Investment Funds - Euro Credit Bond ZC	Bonds	6.87%	0.99%	0.07%
3	HSBC Global Investment Funds - Euro High Yield Bond ZC	Bonds	5.84%	0.73%	0.04%
4	HSBC GFI-MULTI FACT US EQ-ZC	Equities	5.80%	1.85%	0.11%
5	HSBC Global Funds ICAV - Multi Factor EMU Equity Fund ZC	Equities	5.37%	7.06%	0.37%
Total		31.30%			

\* Monthly return in Euro of underlying funds is based on HSBC SELECT FLEXIBLE portfolio at the end of 01/31/2025 and 12/31/2024. The return is calculated with the following formula : end of month valuation ÷ preceding end of month valuation -1.

\*\* The performance contribution is calculated as follows : monthly return x monthly average weight.

## Main decisions taken during the month

### New positions

	Asset Class	Regional Zone
▶ ISHARES LATIN AMERICA 40 ETF	Equities	Emerging Markets

### Positions liquidated

◀ HSBC GIF MULTI-ASSET STYLE FACTORS ZC	Absolute Return	Global
◀ ISHARES MSCI EMU SMALL CAP ETF EUR ACC	Equities	Europe

### Positions added

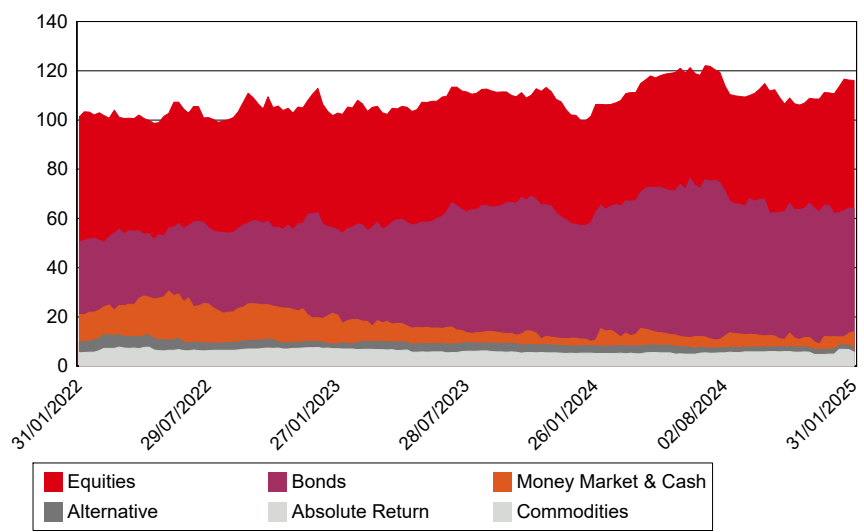
▲ L AND G MULTI-STRATEGY ENHANCED CMDTS ETF	Commodities	Global
▲ ISHARES BLMBRG ENH ROLL YLD CMD SWAP ETF	Commodities	Global
▲ HSBC S AND P 500 ETF	Equities	North America
▲ ISHARES EDGE S AND P 500 MIN VOL ETF USD ACC	Equities	North America
▲ UBS(LUX)FS FACT MSCI EMU QUAL ESGEURADIS	Equities	Europe

### Positions reduced

▼ HSBC GIF EURO CREDIT BOND ZC	Bonds	Europe
▼ HSBC US DOLLAR LIQUIDITY W	Money Market & Cash	Global
▼ ISHARES S AND P 500 GROWTH ETF	Equities	North America
▼ HSBC GIF EUROLAND VALUE ZC	Equities	Europe
▼ HSBC GIF GLOBAL CORP BD ZCHEUR	Bonds	Global

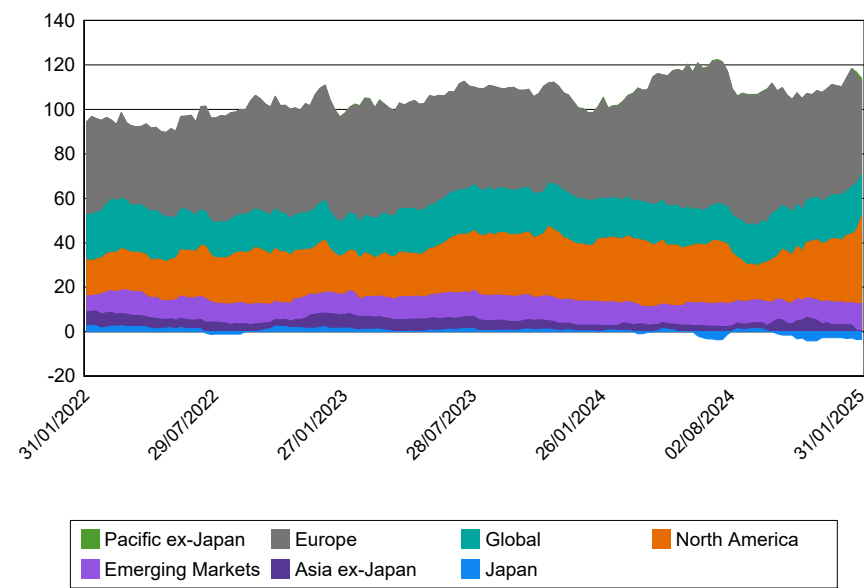
Portfolio's History

Historical Asset Allocation\*



\*derivative products' off-balance-sheet commitment included (except options)

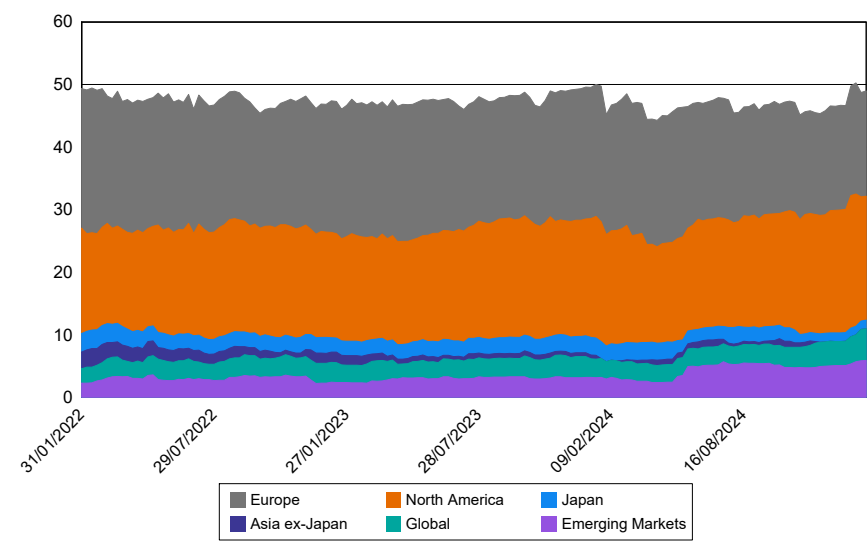
Historical Allocation by Region\*\*



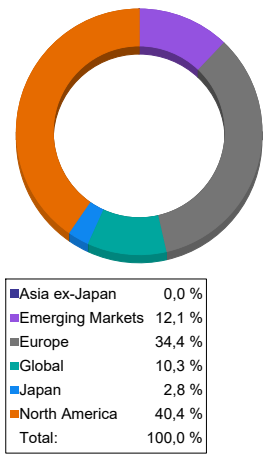
\*\*except cash

Equity component Analysis\*

Historical Allocation by Region

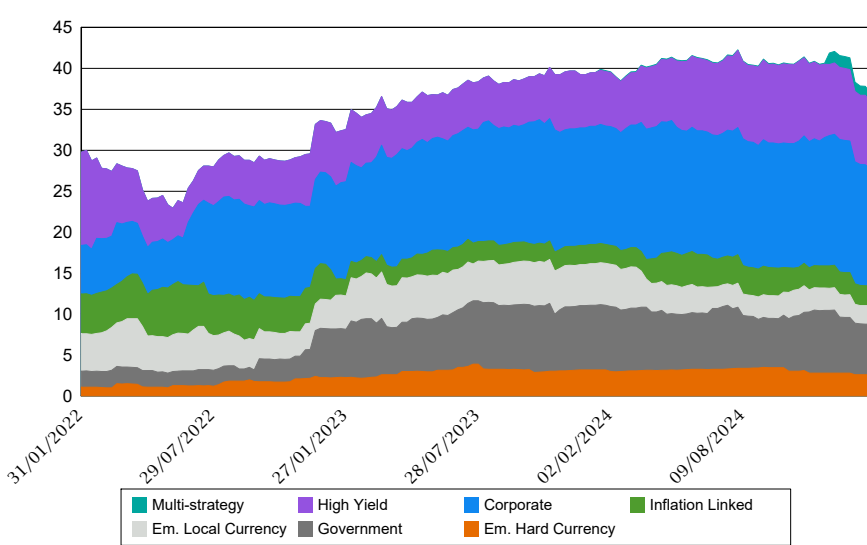


Equity  
as at 31/01/2025

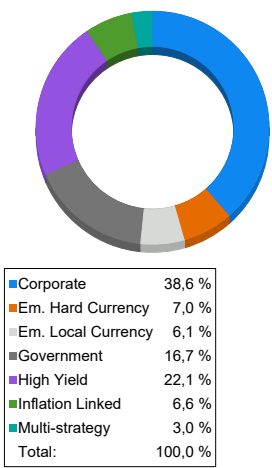


Bond component Analysis\*

Historical Allocation by Strategy



Bonds  
as at 31/01/2025



\*except derivative products' off-balance-sheet commitment

## Fund Manager Commentary

### Economic Environment

In January, Donald Trump and Elon Musk took centre stage in the news, profoundly marking the financial and media landscape. With no specific announcement on tariffs before the end of the month, global equity markets rose 2.7% in euros.

The eurozone outperformed other regions over the month with the MSCI EMU up 7.3%. Despite mixed economic indicators, investors preferred to focus on the good news, with a slightly better performance from the composite PMI, back above the 50-point threshold, and more favourable corporate results in certain sectors such as luxury goods.

The US markets also ended the month in positive territory with the S&P 500 up 2.8% in euros. Corporate results supported share prices but, for once, technology stocks were weighed down by China's announcement about DeepSeek, a new open architecture and less CPU-intensive AI model, rivalling ChatGPT. Signs of a slowdown in economic growth (composite PMI at 52.4 in January following 55.4 in December) also had a negative impact.

As regards central banks, unsurprisingly, in the United States, the Fed left its key rate unchanged at 4.25-4.50% following cuts made in the last three meetings, while the ECB lowered its key rate by a further 25 basis points to 2.75%.

The development of long-term interest rates has followed the pace of growth. In the eurozone, the German 10-year yield rose from 2.37% to 2.46%, while in the United States, the 10-year yield fell very slightly from 4.57% to 4.54%.

### Performance & current holdings

Our overexposure to equity markets made a positive contribution and we are gradually reducing our positions. Our regional equity allocation favours the United States, which has been reduced over the last few weeks, and Europe, where we have increased our position at the expense of emerging markets and Japan, which were reduced over the month.

With the "tech giants" losing their hegemony in terms of performances over the month, our diversified positions in value stocks and the financial sectors in Europe and the United States made a positive contribution.

In Europe, our investment vehicles performed in line with market indices. We gain from our overexposure to the bank sector. We sold our exposure to small caps to strengthen our position in low-volatility and quality stocks.

In the United States, we reduced our positions in small caps and growth stocks after the rally welcoming Trump's return. We increased the proportion of low-volatility stocks and our index fund.

In terms of emerging markets, we benefited from our diversification into frontier markets, Türkiye and Poland. Our long-term growth themed funds outperformed global indices, particularly in the Artificial Intelligence segment as well as gold mining.

Within our fixed income investments, we benefited from absolute yields and contraction in credit premiums. The best performances came from our investments in corporate debt funds. We took profits during the month on inflation-linked bonds and Asian private debt to strengthen our position in financial sector subordinated credit and emerging market debt in local currency. Finally, our diversification into commodities made a positive contribution.

### Outlook

For 2025, we expect a soft landing in the US and in developed economies, combined with stabilisation in China. At the halfway point of the earnings season in the United States, 2024 earnings are up almost 10% compared with 2023.

Sentiment remains fairly high, but with ongoing hawkish foreign policy rhetoric and interest rates still high, some caution is required. Increases in long-term real yields have had no effect while growth is slowing and valuations are on the high side, warranting a wait-and-see approach.

We marginally favour developed markets over emerging markets. Within developed countries, we still prefer US equities and to a lesser extent the eurozone over the Japanese market.

In the United States, we continue to overweight growth and defensive stocks, while in the Eurozone, our allocation is evenly split between undervalued, growth and defensive stocks. Finally, in emerging markets, we maintain a significant share of diversification and favour China in Asia.

With the macroeconomic slowdown in terms of growth and inflation, and central banks patiently lowering rates, the long position looks very attractive. The main risk is a resurgence in inflation, particularly in the United States.

We believe that inflation-linked bonds are attractive if tariff policies and stimulus measures prove to be inflationary. We are well positioned on corporate bonds, even though valuations are stretched. We favour European investment grade and high-yield bonds, as well as financial debt.

## Fund Management Team



### **Stéphane Mesnard**

Fund manager

Stéphane Mesnard has been a multi-asset fund manager since November 2012 and he has been working in this sector since he joined the HSBC group in 2005. Before taking up his current position, he worked in the financial engineering department at Louvre Gestion (formerly Banque du Louvre), an investment management firm dedicated to the HSBC group's private banking activities in France. He gained a Master's degree in finance from Paris II - Panthéon Assas University and qualified as a Chartered Financial Analyst (CFA) in 2009.



### **Laurence Jobert**

Fund manager

Laurence Jobert has been a multi-asset fund manager since December 2014. She joined HSBC in 2007 as an equity fund manager then as a relationship manager. Prior to joining HSBC, Laurence worked for La Banque Postale Asset Management as quantitative equity fund manager from 1999 to 2007. Laurence holds an Applied Mathematics Master's Degree I from Paris I and Paris VII University and a Master's Degree II in Quantitative Methods for Management from Paris X Nanterre University. She also holds a SFAF (Société des Analystes Financiers) financial analyst degree and a CIIA (Certified International Investment Analyst) degree.



## Risks

Investments in emerging markets may exhibit a more volatile performance and may be affected by reduced liquidity which makes them risky. Investments in emerging markets may exhibit political, settlement, liquidity and custodian risks, as well as risks which may occur regarding accounting standards. The underlying assets of this fund are totally or partly exposed to bond markets. The value of these assets may increase or decrease. An increasing interest rate level and/or negative changes in the credit ratings of the underlying issuer of the assets have a negative effect on the assets/ affect the value of the assets negatively. The value of shares in equity funds may be subject to relatively strong fluctuations and capital losses may be incurred. The fund may invest in non-investment grade bonds. They exhibit a higher risk of default on repayment. The fund may use derivative instruments particularly for hedging purposes. The fund may also use, but not extensively, financial derivative instruments for investment purposes. The price of derivative instruments may fluctuate strongly. The fund is denominated in EUR. The fund also invests in securities denominated in other currencies which results in a currency risk. If the investor's own currency is not EUR an additional currency risk may occur.

## Important Information

This document is produced by HSBC Global Asset Management (France). The information contained herein is subject to change without notice.

This document has no contractual value and is designed for sales and marketing purposes for the introduced fund and is not an offer, an investment advice/recommendation or an invitation to make an application to invest in this fund. It does not constitute independent investment research. All statutory requirements concerning impartiality of financial analysis are unaffected. This document does not replace a professional investment advice. It is not an offer for subscription. A prohibition of trading concerning mentioned financial products before publishing this document does not exist. This document is not determined to citizens of the USA. Past performance contained in this document is not a reliable indicator of future performance whilst any forecasts, projections and simulations contained herein should not be relied upon as an indication of future results. Due to the composition of the fund prices may fluctuate significantly in the short term to the downside as well as the upside.

This document provides a high level overview of the recent economic environment. It is for marketing purposes and does not constitute investment research, investment advice nor a recommendation to any reader of this content to buy or sell investments. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination.

This document is based on information obtained from sources we believe to be reliable but which have not been independently verified; therefore we accept no responsibility for accuracy and/or completeness. All data come from HSBC Global Asset management (France) unless otherwise specified. The opinions represented in this document express opinions of the author/the authors and are subject to change. The shift of opinion has not to be published. The fund is not suitable for every investor. It cannot be ruled out that an investment in the fund could lead to losses for the investor. It is also possible that investors might lose all of their initial investment. All information within this document do neither replace the prospectus for the fund nor the Key Investor Information Documents and the most recent annual and semi-annual reports. These documents can be obtained upon request and free of charge from HSBC Trinkaus & Burkhardt AG, Hansaallee 3, 40549 Duesseldorf, Germany. They are also available on the internet via [www.assetmanagement.hsbc.de/de](http://www.assetmanagement.hsbc.de/de).

## Index Disclaimers

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain for making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided as an as is basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively 'the MSCI Parties') expressly disclaims all warranties (including, without limitation, all warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. ([www.mscibarra.com](http://www.mscibarra.com)). If you have any doubts about the suitability of this investment, you should contact an independent financial adviser.

The Investment Advisor will use its discretion to invest in securities not included in the reference benchmark based on active investment management strategies and specific investment opportunities. It is foreseen that a significant percentage of the Fund's investments will be components of the reference benchmark. However, their weightings may deviate materially from those of the reference benchmark.

Document updated on 07/03/2025.

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

## Fund Details

### Legal Form

Mutual Fund regulated under French law

### Investment horizon

> 5 years

### Dividend Policy

(AC): Accumulation Shares

### \*Start Date of Management

07/01/2009

### Base Currency

EUR

### Valuation

Daily

### Subscriptions & Redemptions

Ten thousandths of share

### Dealing / Payment Date

Daily - D (Business Day) before 12:00 pm (Paris) /

D+2 (subscriptions) - D+3 (redemptions)

### Initial Fee / Exit Fee

2.00% / Nil

### Minimum Initial Investment

Whole shares

### Portfolio Management Company

HSBC Global Asset Management (France)

### Custodian

Caceis Bank

### Central Paying Agent

Caceis Bank

### ISIN Code

(AC): FR0007036926

### Bloomberg Ticker

(AC): CENTVRM FP

### Fees

Real internal management fees

1.20% inc. taxes

Maximum internal management fees

1.20% inc. taxes

Maximum indirect fixed management fees

1.00% inc. taxes