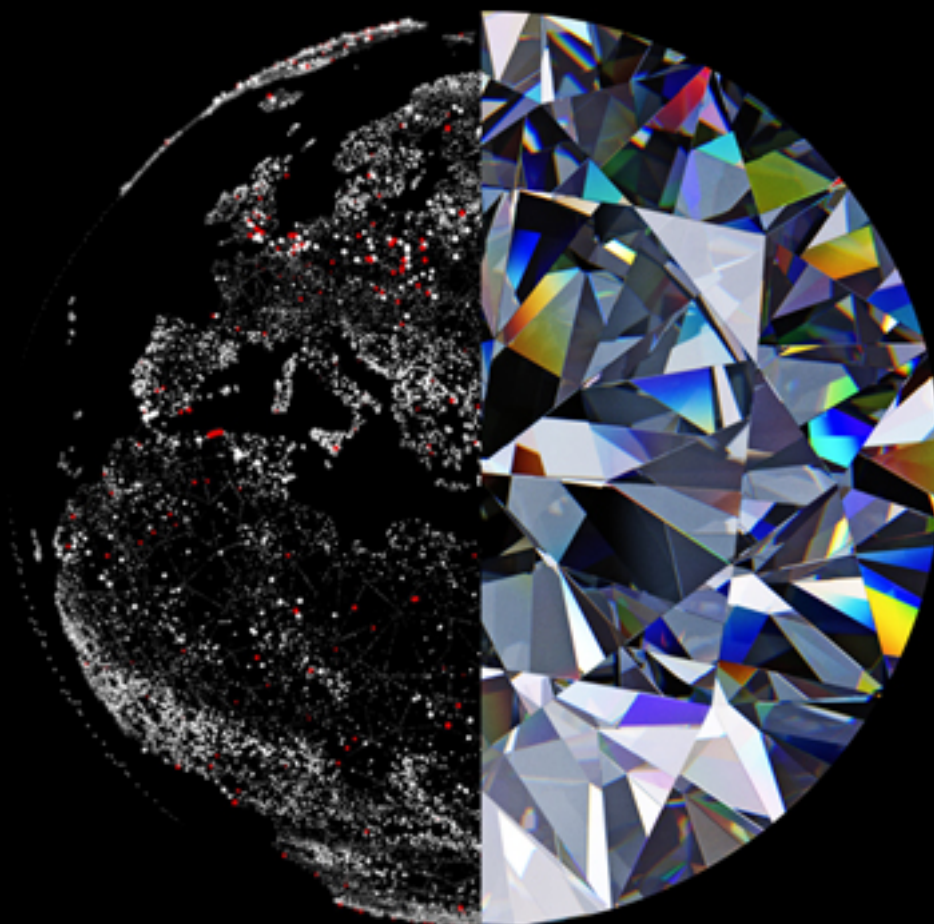


**Be SELECTIVE** when  
Managing your Wealth.

# HSBC SELECT DYNAMIC (A)

Monthly Report  
January 2025



**HSBC**  
Asset Management

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Non contractual document.

## 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. Despite operating within larger allocation limits, the mutual fund's profile may be compared with an allocation made up of 65% equities and 35% public and private bonds on average, exposed in developed markets with a euro bias as well as in emerging markets.

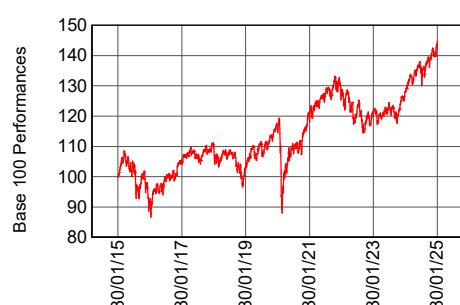
The mutual fund is managed actively without any reference to a benchmark index.

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	3.38%	13.08%	13.33%	26.41%	44.69%

### Indicators & ratios (weekly)

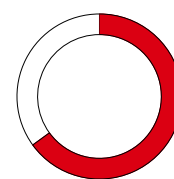
	1 year	3 years	5 years	10 years 07/01/2009*
Fund's volatility	7.79%	8.34%	11.58%	10.71%
Sharpe ratio	1.20	0.25	0.31	0.31

### Net performance by calendar year

	2025	2024	2023	2022	2021	2020
Portfolio	3.38%	10.50%	8.17%	-11.14%	12.40%	1.90%
	2019	2018	2017	2016	2015	
Portfolio	17.21%	-9.21%	3.75%	6.75%	2.71%	

**The performance figures relate to the past performance which should not be seen as an indication of future returns. The capital invested in the fund can increase or decrease and is not guaranteed. Future returns will depend, inter alia, on market conditions, fund manager's skill, fund risk level and fees.**

The investment objective has been modified on the 25th September 2014. Performance returns prior to this date have been realized under different circumstances.



**Strategic Allocation**  
**65% Equities**

## Fund Details

### Total Asset

EUR 142 634 144.20

### Net asset value

(AC)(EUR) 70.74

### Number of underlying funds

50

### 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

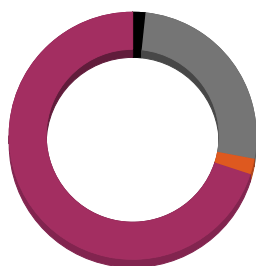
### Portfolio Composition

	31/12/2024 % TNA	31/01/2025 % TNA	Variation*
<b>Equities**</b>	67.27%	69.99%	▲
North America	30.60%	27.90%	▼
Europe	22.11%	25.54%	▲
Emerging Markets	6.23%	8.91%	▲
Global	5.10%	6.71%	▲
Japan	1.99%	1.33%	▼
Asia ex-Japan	1.25%	-0.40%	▼
<b>Bonds**</b>	33.91%	33.23%	▼
Europe	19.28%	12.63%	▼
North America	5.74%	12.33%	▲
Emerging Markets	4.91%	4.61%	◁▷
Global	4.40%	4.52%	◁▷
Asia ex-Japan	2.47%	1.18%	▼
Pacific ex-Japan	0.00%	1.06%	▲
Japan	-2.88%	-3.09%	◁▷
<b>Commodities</b>	2.49%	2.04%	◁▷
<b>Absolute Return</b>	0.00%	0.00%	◁▷
Global	0.00%	0.00%	◁▷
<b>Alternative</b>	2.02%	1.66%	◁▷
Global	2.02%	1.66%	◁▷
<b>Money Market &amp; Cash</b>	-5.70%	-6.92%	▼
<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.

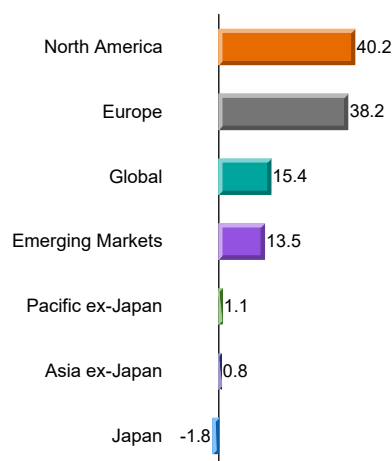
\*\* Including fixed income and equity market exposure via derivatives.

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



■ Absolute Return	0,0 %
■ Alternative	1,7 %
■ Bonds & Money Market	26,3 %
■ Commodities	2,0 %
■ Equities	70,0 %
<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	10.40%	2.19%	0.22%
2	HSBC GFI-MULTI FACT US EQ-ZC	Equities	7.80%	1.85%	0.14%
3	HSBC Global Funds ICAV - Multi Factor EMU Equity Fund ZC	Equities	7.65%	7.06%	0.53%
4	HSBC Global Investment Funds - Euro High Yield Bond ZC	Bonds	5.55%	0.73%	0.04%
5	HSBC MSCI Emerging Markets UCITS ETF	Equities	5.37%	1.84%	0.10%
Total		36.78%			

\* Monthly return in Euro of underlying funds is based on HSBC SELECT DYNAMIC 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

◀ ISHARES MSCI EMU SMALL CAP ETF EUR ACC	Equities	Europe
◀ HSBC SRI MONEY ZC	Money Market & Cash	Europe

### Positions added

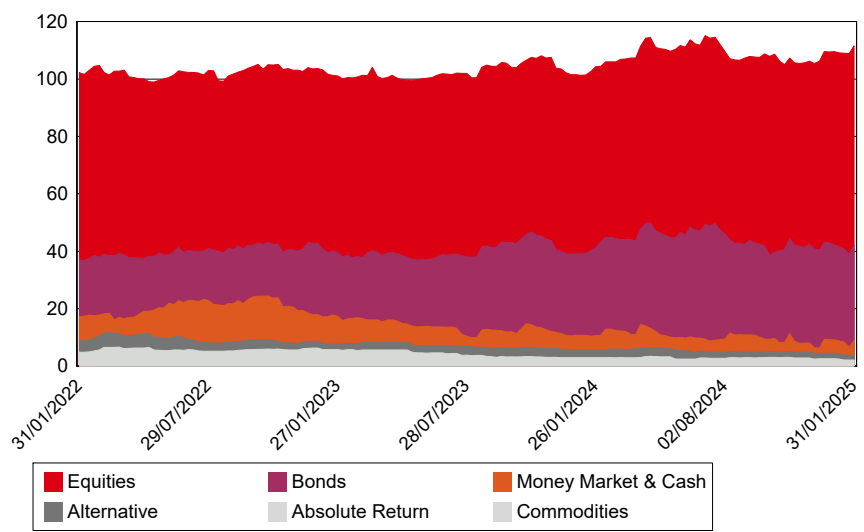
▲ UBS(LUX)FS FACT MSCI EMU QUAL ESGEURADIS	Equities	Europe
▲ AMUNDI MSCI MILLENNIALS ESG SCRN ETF ACC	Equities	Global
▲ ISHARES EDGE S AND P 500 MIN VOL ETF USD ACC	Equities	North America
▲ ISHARES EDGE MSCI USA MOMT FAC ETF ACC	Equities	North America
▲ HSBC S AND P 500 ETF	Equities	North America

### Positions reduced

▼ ISHARES S AND P 500 GROWTH ETF	Equities	North America
▼ XTRACKERS MSCI EMU ETF 1D	Equities	Europe
▼ HSBC MSCI CHINA ETF	Equities	North America
▼ HSBC GIF EUROLAND VALUE ZC	Equities	Europe
▼ ISHARES EDGE MSCI USA QUAL FAC ETF ACC	Equities	North America

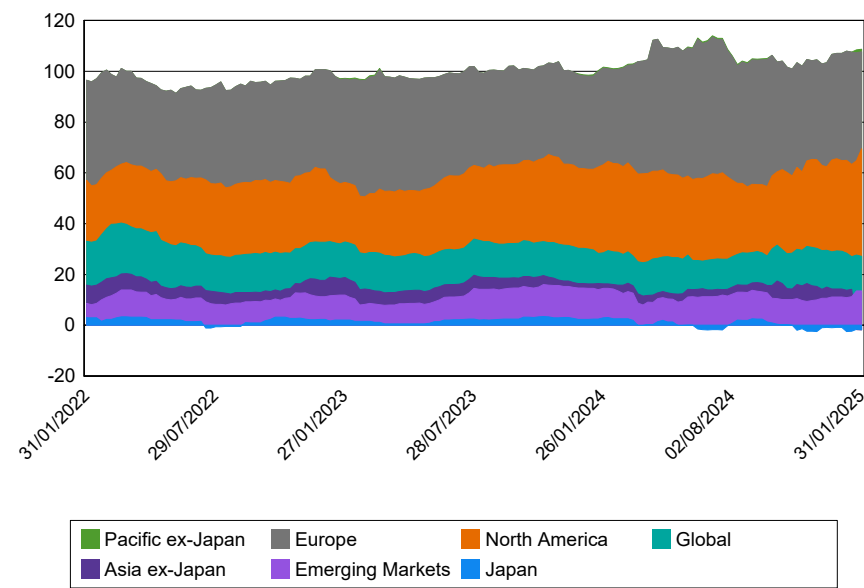
Portfolio's History

Historical Asset Allocation\*



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

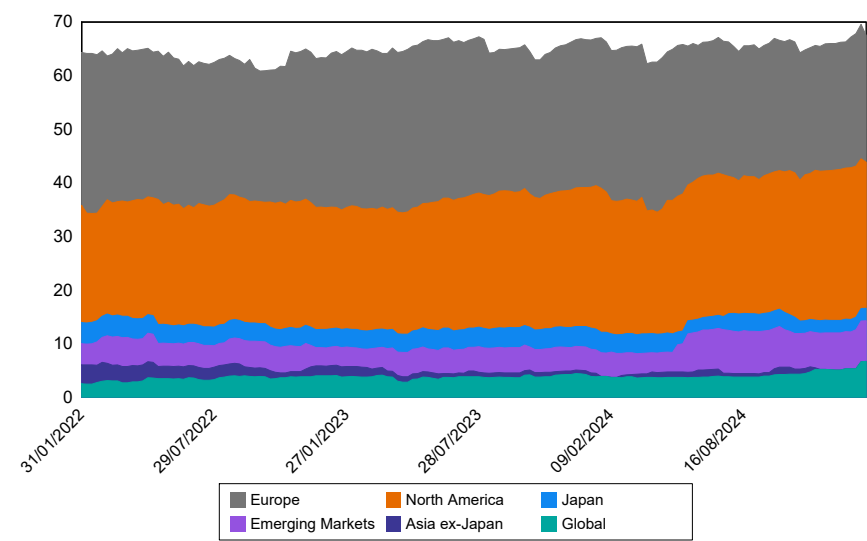
Historical Allocation by Region\*\*



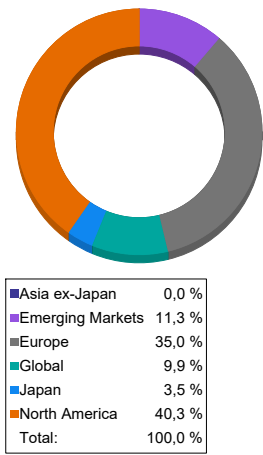
\*\*except cash

Equity component Analysis\*

Historical Allocation by Region

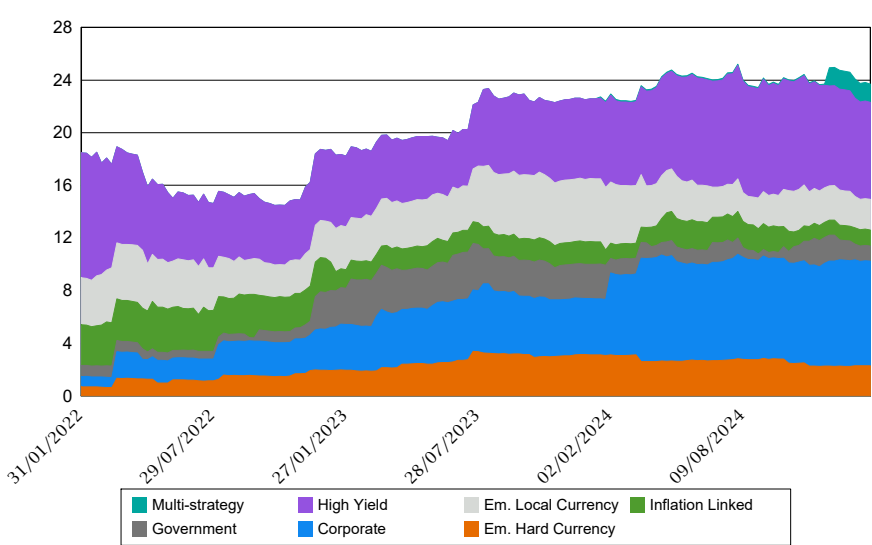


Equity  
as at 31/01/2025

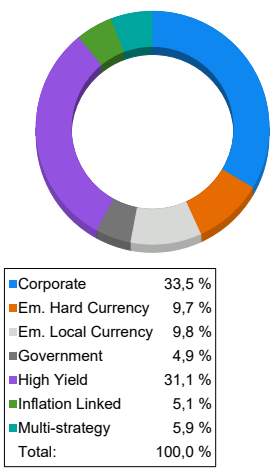


Bond component Analysis\*

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



### **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.



### **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.



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## 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 (Business Day)

### 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): FR0010329359

### Bloomberg Ticker

(AC): ACVALOR 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

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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 10/03/2025.

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