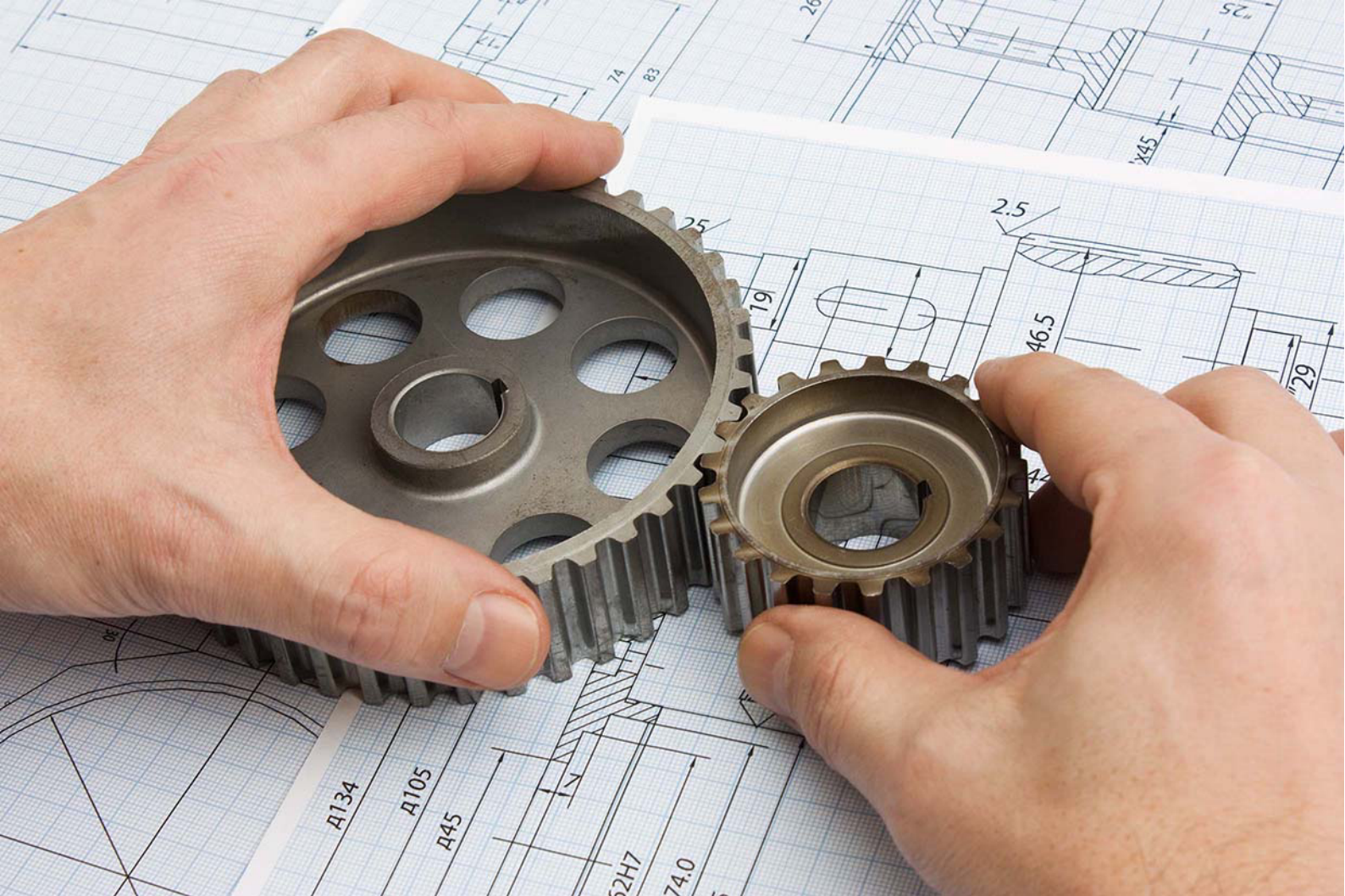




HSBC GIF MULTI-STRATEGY TARGET RETURN

EUR Share Class A

Monthly Report
September 2023

This monthly report is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions.

HSBC GIF MULTI-STRATEGY TARGET RETURN

Monthly Report
29 September 2023
EUR Share Class A

Investment Objective

The aim is to provide capital growth and income on your investment over time.

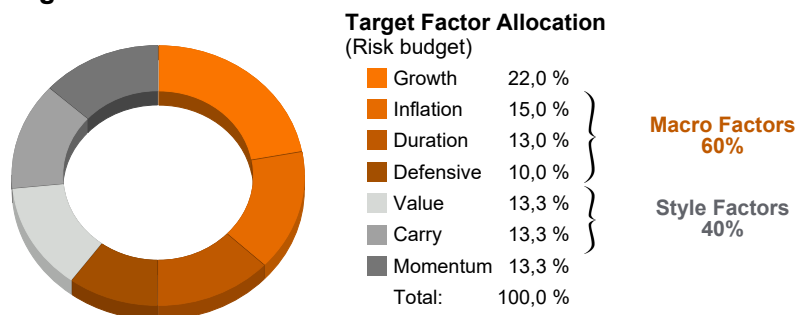
The fund targets annualised returns of ESTR plus 4% (gross of annual on going charges) over a rolling three year period. The fund aims to do this with annualised volatility (a rate that measures the risk of a fund by estimating the range to which the price of your shares may increase or decrease) of 6-8% over a rolling three year period.

You should be aware that your capital is at risk and there is no guarantee of stable growth over any time period.

The fund employs complementary strategies which may invest across a diversified range of asset classes (directly and through funds) from across the world. These include equity (shares), fixed income (types of debt securities), currency, cash and other UCITS eligible assets. The strategies may be long only (where the fund benefits from increases in an assets value) or may be long and short (where the fund benefits from decreases in an assets value).

The fund does not track a benchmark. Consideration may be given to a reference benchmark when selecting investments. The reference benchmark for the fund is : ESTR.

Strategic Factor allocation



HGIF Multi Strategy Target Return aims to provide a cash plus return by using a factor based approach to markets, combining **Macro Factors*** (growth, real rates, defensive and inflation) and **Style Factors*** (carry, momentum and value).

The portfolio is based on two strategies:

1) A medium to long-term strategic factor allocation that exploits market-based and style-based factors, which has two components:

- A **Macro Factor*** portfolio invested, through directional long-only positions, in traditional asset classes with the aim to be well-diversified and resilient across different macro environments,
- A **Style Factor*** portfolio invested, through long/short positions, within traditional asset classes that aims to capture non-traditional risk premia over the long run.

2) A short to medium-term tactical factor allocation that seeks to tweak the Strategic allocation actively based on trend following and valuation signals, as well as discretionary views.

These two portfolios are complementary and combined using a risk-budgeting approach with target annual volatility of 7%. Portfolio has a long-only constraint by asset class. Thus, it is expected to exhibit a moderate correlation to financial markets.

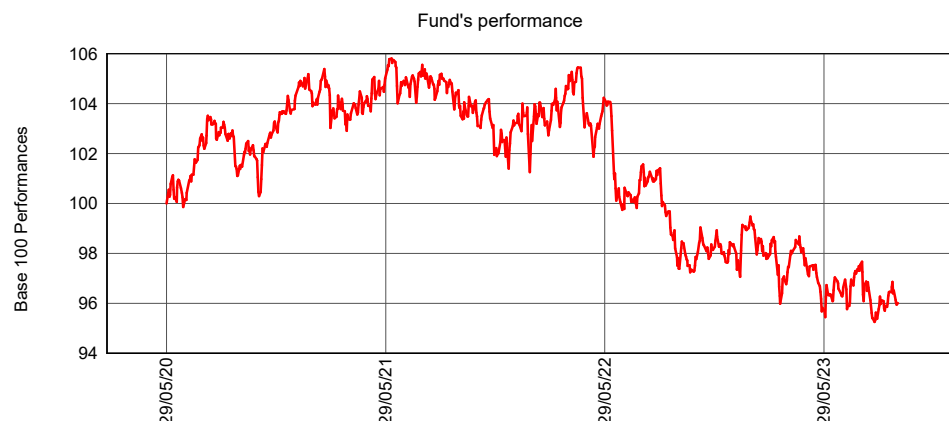
*A **Macro Factor** is any fundamental source of risk related to the global economic environment consistently explaining the returns of the asset class.

*A **Style Factor** is any characteristic shared by a group of assets that consistently explains the assets' return relative to the return of the asset class.

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Performance and risk analysis



Fund Details

Total Asset
EUR 104 711 516.40
Net asset value
(AC)(EUR) 9.60
Legal Form
SICAV regulated under Luxembourg law
Investment horizon
> 3 years
Benchmark for comparison only
100% ESTR
Dividend Policy
(AC): Accumulation Shares
***Start Date of Management**
29/05/2020

Net Cumulated performance

	1 month	1 year	2 years	3 years	29/05/2020*
Portfolio	0.03%	-1.42%	-7.61%	-5.45%	-4.00%
Benchmark**	0.30%	2.58%	2.10%	1.54%	1.38%

**for comparison only.

Indicators & ratios (weekly)

	1 year	2 years	3 years	29/05/2020*
Fund's volatility	5.08%	5.16%	4.99%	5.01%
Sharpe ratio	-0.79	-0.99	-0.45	-0.33

Net performance by calendar year

	2023	2022	2021	2020
Portfolio	-2.29%	-4.81%	-1.06%	4.33%
Benchmark**	2.27%	-0.02%	-0.56%	-0.26%

**for comparison only

Net monthly performance by calendar year

	2023	2022	2021	2020
January	0.94%	0.26%	-0.12%	
February	-1.20%	-0.14%	-1.32%	
March	-0.54%	1.50%	0.32%	
April	0.37%	-1.22%	0.52%	
May	-2.41%	0.43%	0.69%	
June	1.24%	-4.12%	-0.26%	0.18%
July	1.08%	1.71%	0.35%	2.02%
August	-1.74%	-1.15%	-0.11%	0.82%
September	0.03%	-2.93%	-1.23%	-1.47%
October		0.69%	-0.70%	-1.22%
November		0.67%	-1.17%	2.55%
December		-0.47%	1.30%	1.44%

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.

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Analysis of the investment strategy

Portfolio

Asset Type

Sovereign Nominal Bonds	39.78%	
Money Market	30.24%	
Equity	17.81%	
Cash, other	11.76%	
Corporate Bonds	9.24%	
Commodities	6.80%	
Emerg. Mkt Debt – Local Curr.	6.00%	
Gold	5.84%	
FX forwards	-39.36%	
Total	88.11%	

Equity

Sector Allocation - Europe

Oil & Gas	2.57%	
Financial Services	1.56%	
Telecommunications	0.93%	
Automobile	0.86%	
Banks	0.84%	
Personal Goods	0.48%	
Basic Resources	0.44%	
Technology	0.38%	
Health Care	0.21%	
Construction & Materials	0.14%	
Insurance	0.10%	
Travel & Leisure	-0.03%	
Utilities	-0.03%	
Industrial Goods	-0.34%	
Retail	-1.02%	
Media	-1.21%	
Food & Beverage	-1.22%	
Chemical	-1.72%	
Total	2.92%	

Sector Allocation - US

Energy	2.10%	
Industrial Services	0.66%	
Materials	0.15%	
Technology	0.15%	
Financial Services	0.09%	
Telecommunications	-0.32%	
Consumer Staples	-0.32%	
Health Care	-0.48%	
Consumer Discretionary	-0.60%	
Utilities	-0.66%	
Total	0.78%	

Regional Exposure (including Risk overlay)

	Net Exposure	
Italy	7.42%	
United Kingdom	7.04%	
United States of America	5.53%	
Japan	3.45%	
Poland	2.40%	
Germany	-1.51%	
Thailand	-3.16%	
Canada	-4.15%	
Australia	-5.47%	
Eurozone	-6.98%	
Other	9.52%	
Total	14.10%	

In percentage of the Portfolio, derivative products' off-balance-sheet commitment included.

Fixed-income

Duration Exposure

	Duration	
Inflation Linked Bond	1.33	
Emerg. Mkt Debt	1.10	
Investment Grade Credit	0.31	
Money Market & Cash	0.20	
High Yield Credit	0.09	
Developed Government Bond	-2.12	
Total	0.90	

Developed Government Bond

	Duration	
CHF	0.54	
CAD	0.54	
GBP	0.45	
AUD	0.44	
USD	0.26	
NZD	-0.39	
NOK	-0.47	
SEK	-0.64	
EUR	-2.85	
Total	-2.12	

Currency Exposure

	Net Exposure	
USD	17.93%	
COP	6.37%	
HUF	5.67%	
GBP	4.10%	
CLP	3.89%	
PLN	3.46%	
SEK	2.96%	
MXN	2.05%	
NOK	1.75%	
JPY	1.42%	
CNH	0.77%	
TRY	0.63%	
NZD	0.56%	
THB	0.27%	
MYR	0.26%	
HKD	0.22%	
RUB	-0.01%	
INR	-0.25%	
BRL	-0.26%	
TWD	-1.58%	
ZAR	-3.15%	
CAD	-5.73%	
KRW	-6.41%	
IDR	-6.65%	
SGD	-7.67%	
AUD	-8.48%	
CHF	-10.51%	
Total	1.63%	

In percentage of the Portfolio, except derivative products' off-balance-sheet commitment.

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Fund Manager Commentary

Economic Environment

After declining in August, markets fell again in September amid aggressive rhetoric from central banks in their fight against inflation, deteriorating macroeconomic indicators and an imminent shutdown in the United States.

Central banks continued to drive stock market trading with their monetary policy. In the eurozone, the ECB hiked rates by another 25bp, but stated that this would likely be the last hike amid a weakening growth outlook. In the United States, although the Federal Reserve left rates unchanged, its overall message and guidance were more hawkish than expected.

In terms of economic activity, US statistics remained fairly solid. The economy created 187,000 jobs in August compared to an expected figure of 170,000, while the ISM Manufacturing and Services indices recovered.

Although inflation edged up during the month on the back of rising oil prices, core inflation continued to slow, falling from 4.6% to 4.3% year-on-year. Data remains weak in the Europe but seems to have bottomed. The eurozone's composite PMI recovered slightly in September, rising from 46.5 to 47.1, thanks to an improved environment in the services sectors.

Against this backdrop, global equities lost 4.1% in dollars. Japanese equities outperformed, rising 0.3% in local currency. Other regions fell, with emerging markets and the eurozone shedding 2.6% and 3.2%, respectively, while the United States underperformed, giving up 4.7% in dollars. In euro terms, the US market dropped 2.4%. In terms of fixed income, corporate bonds benefited from their yields and slipped back only 0.9% compared to a 2.7% drop for eurozone government bonds.

Performance & current holdings

The fund slightly underperformed the money market (+0.3%) this month. Its NAV rose 0.1% compared to a 3.9% decline for global equities (MSCI World EUR Hedged) and a 1.7% dip for global government bonds (Barclays Global Govt Bond EUR Hedged). Drilling further down, the fund's exposure to macroeconomic factors detracted from its performance, while style factors had a positive impact.

Within the fund's directional allocation, strategic exposure to macroeconomic factors had a negative impact, while the conservative tactical allocation offset some of these losses. Specifically, our equity market investments were negative, especially our long positions on the Italian, US and Polish markets. The solid performances by our short tactical Canadian, Australian and European positions were noteworthy.

The rising dollar and higher real rates impacted our positions in inflation-linked bonds and physical gold (which fell 4.7% in dollars). Finally, in terms of currencies, the dollar's upside was positive but offset by negative contributions from Asian and Eastern European (Hungary, Poland) currencies.

Within style factors, Carry and Valuation made positive contributions, but these were mitigated by the negative contributions of the Momentum factor. In terms of contributions by asset class, the equity, bond and currency portfolios made positive contributions.

Within the equity portfolios, the positive contributions from developed market portfolio were mitigated by the negative contributions from the sector portfolios.

Within the currency portfolios, the developed market portfolios were positive, but this was mitigated by negative contributions from the emerging market portfolios.

On the fixed-income markets, we got a boost mainly from our long Korea and Switzerland and short Germany positions and took a hit from our long Canada and short Norway exposures.

Outlook

As of the end of September, the portfolio was still highly diversified in its international asset allocation and positioned to capture macroeconomic and style risk premiums. Our equity exposure was reduced from 20% to 18% at the end of the month.

Our main aggregate exposures by asset classes are, on the fixed-income market, long Canada, Switzerland and UK and short the eurozone, Sweden and Norway. In equities, we are mainly long the UK, US and Italy and short Canada, Europe and Australia. In currencies, our main positions are long the US dollar, Hungarian forint, Chilean peso and Colombian peso, and short the Swiss franc, Singapore dollar and Australian dollar.

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Fund Details

Legal Form

SICAV regulated under Luxembourg law

Investment horizon

> 3 years

Benchmark for comparison only

100% ESTR

Dividend Policy

(AC): Accumulation Shares

*Start Date of Management

29/05/2020

Base Currency

EUR

Valuation

Daily

Subscriptions & Redemptions

Thousandths of shares

Dealing / Payment Date

Daily - D (Business Day) before 10:00 am (Paris) / D+4 (Business Day)

Initial Fee / Exit Fee

3.10% / Nil

Minimum Initial Investment

5,000 EUR

Portfolio Management Company

HSBC Investment Funds (Luxembourg) SA

Portfolio Management Company by delegation

HSBC Global Asset Management (France)

Custodian

HSBC Continental Europe

Central Paying Agent

HSBC Continental Europe

ISIN Code

(AC): LU1655449863

Fees

Real direct fixed management fees

1.50% inc. taxes

Administrative and accounting fees

0.20% inc. taxes