



HSBC GIF – European Equity

Gain exposure to wide universe of opportunities in Europe

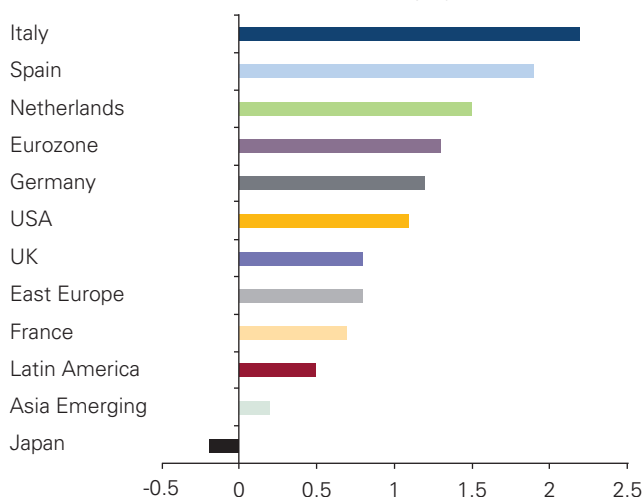
Why invest?

1 Benefit from the European recovery story

- ▶ Financial headwinds have moderated and we are witnessing a synchronised improvement in European growth.

Improving economic growth in the eurozone and major global economies¹

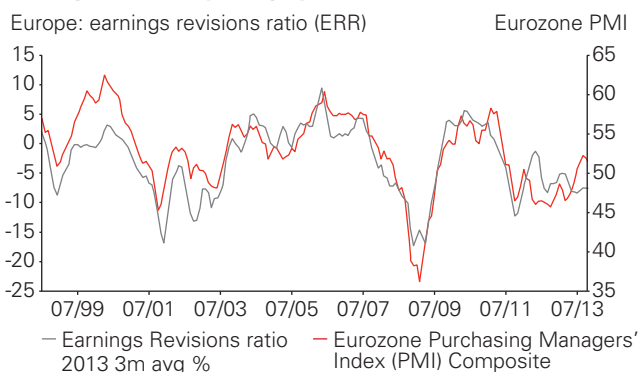
Variation of GDP between 2013 and 2014 (projected)



3 Improving profitability to fuel positive sentiment

- ▶ Profit growth has stabilised and estimated at around 10% for 2014, which is positive for European equities.

Profit growth seen picking-up in 2014³



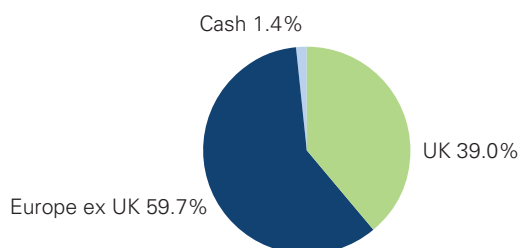
Growth				
Estimates (%)	2013e	2014e	2015e	3Y CAGR _e
Sales	-1.20	2.59	3.57	1.64
EBIT	-4.85	9.27	7.90	3.91
Net	-3.82	13.29	11.11	6.58
Dividend	5.26	8.33	9.77	7.77

2 Gain exposure to opportunities in the UK

- ▶ A universe that includes UK enhances the opportunity set as it offers a deep market of globally competitive companies.

European equity portfolio offers significant exposure to UK²

HGIF European Equity asset allocation



4 Managed by a highly experienced team

- ▶ The Fund is managed by a close knit team of investment professionals, with an average of 15 years fund management experience as at December 2013.

Investment professional	Years of experience
Angus Parker	20 years
Nicholas Dowell	20 years
Se-Ting Frenzel	15 years
Ben Hubbard	15 years
Oliver Gottlieb	9 years
Tobyn Dickinson	8 years

View the HSBC-GIF European Equity fund

[Find out more](#)

Note: GDP- Gross Domestic Product; EBIT- Earnings Before Earnings and Taxes.

Source: 1. Consensus forecast, HSBC Global Asset Management, data as at 30 September 2013. Any forecast, projection or target contained in this material is for information purposes only and is not guaranteed in any way. HSBC accepts no liability for any failure to meet such forecasts, projections or targets. 2. HSBC Global Asset Management, data as at 30 November 2013. Data shown is for illustrative purposes only and does not constitute any investment recommendation to buy or sell in the above-mentioned asset classes. 3. Datastream, Morgan Stanley, IBES, MSCI as at 14 November 2013, PMI October 2013. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Global Asset Management accepts no liability for any failure to meet such forecasts, projection or target. ERR definition: number of upward revisions minus number of downward revisions over total number of revisions.

Investment objective

The Fund seeks long-term capital growth mainly through a diversified portfolio of investments in shares of companies listed on a major stock exchange or other regulated market of any developed European country.

Market outlook & fund strategy

- ▶ The removal of tail risks with the announcement of the European Central Bank (ECB) Outright Monetary Transactions (OMT) government bond buying program last year has served to boost both investor and private sector sentiment.
- ▶ Europe's macroeconomic environment should start to improve in 2014, helped by the actions of the ECB and the changed attitude of governing council members.
- ▶ Growth expectations for the region remain so modest that there is little substantial risk of disappointment.
- ▶ With over 50% of revenues for European companies now coming from outside the European region, the profit driver for many stocks is the global cycle, which remains robust.
- ▶ We anticipate that earnings growth will tick higher going forward as top line growth picks up on improved global growth.

Suitable investors

This Fund is suitable for investors who:

- ▶ seek capital growth over the long term.
- ▶ are comfortable with the volatility and risks related to investing in equities of European countries.
- ▶ understand that the principal of the Fund will be at risk.

Potential risks

- ▶ The value of the Fund's assets may rise or fall due to normal market fluctuations and investors may not get back all of their investment.
- ▶ The value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies in Europe.
- ▶ The underlying assets of the Fund may be denominated in currencies other than the currency of the share class you have invested into. The value of your investment may rise or fall in line with movements in the relevant exchange rates.
- ▶ The Fund is not listed in Singapore and there is no secondary market for its Shares. You can only redeem your investment on a Dealing Day through the Fund.
- ▶ Investment of the Fund's assets in relatively illiquid investments may restrict the ability of the Fund to dispose of its investments at a price and time that it wishes to do so. This may result in a loss to the Fund.

Fund details¹

Fund size	EUR132.20 million	Inception date	12 November 1993
Share class	Class PD	Management fee	1% per annum
Fund price (NAV)	EUR35.750 / SGD62.545 / USD49.376	Dividend (31/7/2013)	EUR0.471137 per unit
Minimum investment	EUR1,000 / SGD1,000 / USD1,000	Subscription mode	Cash / SRS

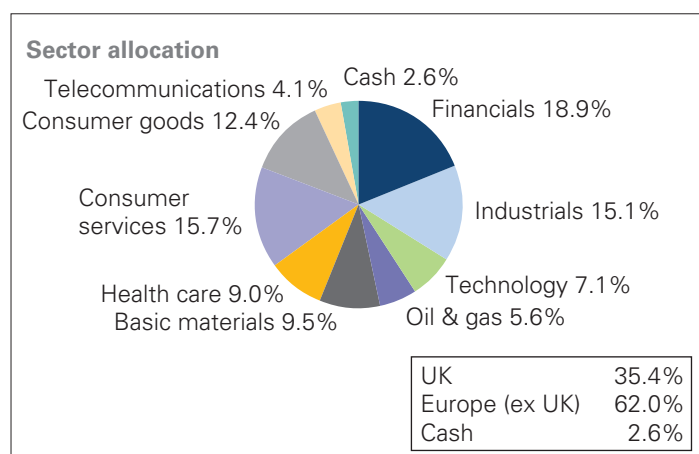
Benefit from the European recovery with HSBC-GIF European Equity

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Note: NAV- Net Asset Value.

Source: 1. HSBC Investment Funds (Hong Kong) Limited as at 28 February 2014. Data shown is for illustrative purposes only and does not constitute investment recommendation to buy or sell in above-mentioned sectors or securities. 2. HSBC Global Asset Management & Morningstar, Inc. as at 28 February 2014, dividend reinvested in USD terms. Benchmark = MSCI Europe Net. Benchmark sourced from Datastream. Benchmark was FTSE W Europe Net Total Return from Inception to July 13. Past performance is not indicative of future returns.

Asset allocation¹



Top 10 holdings¹

Securities	Industry	Country	Holdings
Ryanair Holdings	Travel & leisure	UK	4.1%
BNP Paribas	Banks	France	4.1%
BT Group	Telecommunications	UK	4.1%
Legrand Promesses	Electronic & electrical equip.	France	4.0%
Safran	Aerospace & defence	France	4.0%
Roche Holdings	Pharmaceuticals & biotechnology	Switzerland	4.0%
Signet Jewelers	General retailers	UK	4.0%
ING Groep	Insurance	Netherlands	3.9%
Publicis Groupe	Media	France	3.9%
Prudential plc	Insurance	UK	3.8%

Performance²

Class PD in USD Terms	Annualised Inception						
	%	3mths	6mths	1yr	3yrs	5yrs	(12 Nov 1993)
NAV		5.4	17.1	24.6	6.7	17.6	9.3
NAV (net of sales charge)		-0.2	11.0	18.1	4.8	16.4	9.1
Benchmark		5.5	19.3	26.0	8.8	20.1	8.6

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