

Aligning Financial Goals & Personal Values

with HSBC Sustainable Structured Investments

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HSBC Sustainable Structured Investments are linked to indices or ETFs that have high environmental, social, and governance (ESG) scores. HSBC Sustainable Structured Investments enable you to align your client's personal values with their financial goals, all while realizing the benefits and flexibility of a structured investment.

Who's Seeking ESG Investments?

Every Generation – It is a common misconception that only Millennials are interested in ESG investing. While 74% of Millennials want to make a positive social impact with their investments, so do 71% of Gen X and 68% of Baby Boomers.

High Net Worth – 74% of High Net-Worth, greater than \$1M in investments, are seeking ESG investments to create a positive legacy and/or want investments to match their personal values.

Institutional Investors – The percentage of institutional investors who implemented an ESG strategy grew 18% between 2019 and 2021, while 34% say ESG can help minimize reputational risk while providing higher risk-adjusted returns.

Goodsell, D. (n.d.). 2021 ESG Investor Insight Report ESG Investing: Everyone's on the bandwagon but where's it actually going? Retrieved from <https://www.im.natixis.com/us/research/esg-investing-survey-insight-report>

Returns You Can Feel Good About

Today's ESG strategies have proven that you don't have to sacrifice returns while pursuing opportunities that you can feel good about. HSBC's Sustainable Bond Program enables you to do just that, facilitating use of investment proceeds to support a range of projects such as building hospitals, schools, renewable energy power plants, and more.

ESG by the numbers

Outperformance¹
4.3%

U.S. sustainable equity funds outperformed their traditional peer funds by a median total return of 4.3 percentage points

Projected Growth²
\$53tn

Global ESG investment is projected to be \$53 trillion by 2025, which is more than a third of projected assets under management

Risk Reduction³
\$600bn

S&P 500 companies have lost over \$600bn of market cap due to ESG-controversies in the last 7 years

Cheaper Capital⁴
-10%

Higher scoring ESG companies' cost of capital is on average 10% less, which correlates to lower regulatory, environmental and litigation risk

¹Morgan Stanley. (2021, February 24). *Sustainable Funds Outperform Peers in 2020 During Coronavirus*. Retrieved from <https://www.morganstanley.com/ideas/esg-funds-outperform-peers-coronavirus>

²ICR. (2022, February 24). *2022 Trends: ESG & Investor Activism. ICR Strategic Communication and Advisory*. Retrieved from <https://icrinc.com/insights/2022-trends-esg-investor-activism/>

³Guerin, G. (2021, November 17). *ESG and quality: Do not forget the fundamentals*.

Retrieved from <https://www.etfstream.com/industry-corner/esg-and-quality-do-not-forget-the-fundamentals/>

⁴Rapier, R. (2021, August 25). *The Cost Of Ignoring ESG*. *Forbes*.

Retrieved from <https://www.forbes.com/sites/rrapier/2021/08/25/the-cost-of-ignoring-esg/?sh=4ef9e1013d28>



HSBC Leading the Way

In the sustainable investing space, HSBC delivers a range of structured investments across the risk-return spectrum linked to the S&P 500 ESG Index. This index was launched to provide sustainable investment alternatives to leading market benchmarks and is **constructed for the core of an equity portfolio**, unlike many ESG indices which are thematic or narrow in their focus.

HSBC Sustainable Structured Investments going a step further

All proceeds from HSBC Sustainable Structured Investments will be used to help fight climate change, as well as reduce poverty and inequality. Your clients will be able to see the tangible impact of their investment, while still realizing the benefits of Structured Investments.

Starting the Conversation

Your clients and prospects may be new to ESG structured investments. But with interest on the rise, if you don't talk to them about it, someone else might. Here are some conversation starters from top advisors.



Are you interested in different styles of investing? Goals-based investing? Socially responsible investing?



Are you thinking about the next generation and the wealth you may pass along?



Is it important to you to invest in companies that you'd feel good about buying their products, or you'd want your children to work with?



Are you interested in sectors like energy or technology which is having a real convergence as an essential service?



Do you feel that companies "doing the right thing" in terms of ESG will lead the way in an increasingly regulated world?

Discover HSBC Sustainable Structured Investments

HSBC Structured Investments website
uswealth.hsbcnet.com

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