

Aligning Financial Goals & Personal Values

with HSBC Sustainable Structured Investments



HSBC Sustainable Structured Investments are linked to indices or ETFs that have high environmental, social, and governance (ESG) scores. 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.

Who's Seeking ESG Investments?

Millennials – Millennials are known for being investment activists. In fact, A 2019 Morgan Stanley Institute survey of high net-worth investors found 95% of millennials were interested in sustainable investing.

Source: BofA Merrill Lynch US Equity & Quant Strategy ESG Survey 2019

Baby boomers – Baby boomers are creating a legacy and will be passing down an unprecedented \$30 trillion in assets to the next generation. With a new focus on creating a legacy of a better world and financial security for their families, baby boomers are focusing more and more on ESG investments.

Institutional Investors – These investors are not just responding to increased demand and often requirements for ESG investing. They are also finding that an ESG focus can reduce risk, provide stability in volatile environments, and create comparable or better returns.

Returns You Can Feel Good About

The Sustainable Bond Program launched by HSBC – the first of its kind offered by a private sector company – facilitates use of investment proceeds to support a range of projects such as building hospitals, schools, small scale renewable energy power plants, and more.

ESG by the numbers

Outperformance¹

3%

A strategy of buying well ranked ESG stocks would have outperformed the market by 3% over 5 years

Projected Growth²

\$20tn

Project growth in ESG investments over the next 2 decades, driven by women, millennials & high net-worth individuals

Risk Reduction³

\$534B

Peak to trough change in market capitalization losses for US companies due to ESG-related controversies

Cheaper Capital⁴

-2%

The average cost of debt for companies with higher ESG scores, increasing the potential for growth and innovation



¹MSCI ESG Research LLC, FactSet, BofA Merrill Lynch US Equity & Quant Strategy, August 2019

²BofA Merrill Lynch US Equity & Quant Strategy Survey, November 2019

³Refinitiv, BofA Merrill Lynch US Equity & Quant Strategy Based on the S&P 500 universe, November 2019

⁴MSCI ESG Research LLC, BofA Merrill Lynch US Equity & Quant Strategy, August 2019

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

The proceeds from Sustainable Structured Investments are then used to support projects that adhere to the United Nations Sustainable Development Goals and benefit a multitude of green and sustainable initiatives across the globe.

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

HSBC Sustainable
Investing website

[https://www.gbm.hsbc.com/
us-sustainable-investment-solutions](https://www.gbm.hsbc.com/us-sustainable-investment-solutions)

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