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HSBC Global Strategy Portfolios: Fund Range Review – July 2026

This document provides a review of the HSBC Global Strategy Portfolios based on the information supplied, including the HSBC factsheets, Q2 2026 report, adviser material, brochure and the HSBC Asset Management intermediary website.

This is slightly different from a single fund review because this is a range of multi-asset portfolios. The review therefore focuses on the range, the investment philosophy, how the portfolios are built, the active/passive mix, cost, performance, key risks and where the range might sit within a centralised investment proposition.

Strategy Overview & Objective

The HSBC Global Strategy Portfolios are a range of five risk-managed, multi-asset funds.

The five portfolios are:

- Cautious
- Conservative
- Balanced
- Dynamic
- Adventurous

Each portfolio is designed to provide long-term growth in line with a stated risk profile. The HSBC website describes the range as five risk-managed funds providing affordable access to global markets, with each fund constructed to match individual risk tolerance and provide diversification across major global asset classes and regions.

The key point is that this is not a pure passive range.

It is also not a traditional active fund-picking range.

The better description is:

Active asset allocation, passive implementation.

In simple terms:

HSBC decides where to allocate capital across markets, asset classes and regions.

But the portfolios are mainly implemented using low-cost index funds and ETFs.

This is important because it helps explain both the strength and the limitation of the range.

At a Glance

Portfolio	Risk Profile	OCF	Equity Exposure	Government Bonds	Corporate Bonds	Property	Cash
Cautious	1	0.205%	18.88%	53.35%	23.19%	1.58%	3.00%
Conservative	2	0.200%	36.85%	40.79%	15.31%	3.41%	2.94%
Balanced	3	0.180%	57.04%	27.21%	6.68%	5.39%	3.68%
Dynamic	4	0.190%	74.46%	13.39%	1.28%	7.01%	3.31%
Adventurous	5	0.210%	84.94%	3.43%	0.43%	7.92%	3.29%

The Cautious, Conservative, Balanced and Dynamic figures are from the 30 June 2026 factsheets. The Adventurous factsheet provided was dated 31 May 2026.

The range is deliberately simple.

As risk increases, equity exposure increases.
As risk reduces, bond exposure increases.

This makes the range easy to understand, which is helpful for adviser firms, client segmentation and Consumer Duty evidence.

Investment Philosophy & Edge

The philosophy combines five core ideas.

1. Global Diversification

HSBC's material stresses that the portfolios are globally diversified and do not rely on a UK home bias. The adviser "reasons why" document states that the funds provide access to growth opportunities from across the world "without a home bias". This is important.

Many older multi-asset funds carried meaningful UK bias. The HSBC range is more global in structure, and therefore more exposed to the global equity market, especially the US.

This is not necessarily right or wrong.

It simply means the outcome will be heavily influenced by global market-cap leadership.

2. Active Asset Allocation

HSBC actively adjusts the asset allocation of the portfolios.

The website states that the portfolios' asset allocations are actively managed by HSBC's UK Multi Asset Investment Team.

This means the manager can tilt towards or away from:

- Equities
- Bonds
- Credit
- Property
- Regions
- Currencies
- Emerging markets
- Duration

The key question is whether these active allocation decisions add value over time.

3. Passive Implementation

The portfolios mainly use index funds and ETFs to access markets.

The Q2 2026 report states that the portfolios are fund of funds and use passive investment products, primarily index tracking funds and ETFs, to implement portfolio asset allocations.

This is sensible from a cost perspective.

It also means the performance is mostly driven by asset allocation and market exposure rather than individual stock selection.

4. Cost Efficiency

Cost is a clear part of the proposition.

The OCFs range from around 0.18% to 0.21% for the C Acc share classes. The Q2 report states that HSBC has a preference for HSBC products because these can typically be accessed at zero management fees, helping the portfolios offer OCFs from 0.18% to 0.21%.

This is one of the strongest parts of the range.

The portfolios are cheap enough to be used within adviser-led portfolios without making the total client cost look excessive.

5. Risk-Profiled Simplicity

The five portfolios map across different levels of risk.

HSBC's material shows volatility bands from 0–5% for Cautious through to 14%+ for Adventurous, with the five portfolios also mapped across several risk-rating tools and third-party ratings.

This makes the range operationally useful for advisers.

It is not bespoke.

But it is clear.

Active or Passive?

This deserves its own section.

The portfolios are **actively managed**, but they are not "active" in the traditional fund-picking sense.

HSBC makes active decisions around asset allocation.

But the portfolios are mainly implemented through passive funds and ETFs.

So the investment style is:

Active multi-asset allocation + passive building blocks.

This matters because advisers should not assess the range in the same way as a fully active multi-manager fund.

The key value test is not:

"Has HSBC picked the best active funds?"

The better questions are:

- Has HSBC built sensible long-term asset allocations?
- Do the portfolios stay within their risk profiles?
- Does active tactical allocation add value over time?
- Are costs low enough to justify the outcome?
- Are clients likely to understand the approach?

In simple terms:

HSBC is not charging active fund-picking fees.

It is charging passive-style costs for active asset allocation.

That is the key attraction.

Investment Process

The investment process has three parts.

1. Long-Term Portfolio Positioning

HSBC blends asset classes, regions and currencies to identify the long-term positioning for each risk profile. The brochure explains that the portfolios are built using forward-looking risk and return expectations rather than simply relying on past performance.

2. Adjusting Asset Allocation

The portfolios then reflect shorter-term views and asset class preferences.

The brochure states that asset allocation is reviewed at least monthly, or more frequently if market conditions require it.

This is where HSBC's active views come in.

3. Portfolio Implementation

The final stage is implementation.

HSBC states that passively managed investment vehicles are typically the best way to deliver this cost-efficiently, so the Global Strategy Portfolios primarily use index tracking funds and ETFs.

In simple terms:

The process is structured, scalable and cost-aware.

It is not about star managers.
It is about asset allocation discipline.

What Makes the Range Different?

There are many multi-asset ranges in the UK market.

This is a crowded space.

The HSBC range is not unique because it offers five risk-rated funds. Many firms do that.

The differentiation is more practical:

1. Low Cost

The OCFs are very competitive.

For a fully managed multi-asset fund range, charges around 0.18% to 0.21% are attractive.

2. Global Diversification Without UK Bias

The portfolios are built as global multi-asset portfolios rather than UK-centric solutions.

This has helped when global equities, especially US equities, have led markets.

3. HSBC Scale

HSBC has global research and investment resources. The brochure states that HSBC has 701 investment professionals globally, including 78 dedicated to multi-asset, and manages USD878bn, with USD184bn following a multi-asset approach.

4. Active Allocation, Passive Delivery

This is the key design feature.

It gives advisers something more active than a pure static passive solution, but at a cost closer to passive.

5. Simple Adviser Story

Five portfolios.

Five risk levels.

Low cost.

Globally diversified.

That is easy to explain.

Portfolio Overview

The portfolios follow a clear risk progression.

Cautious

The Cautious Portfolio is risk profile 1 and is the lowest-risk option in the range.

It held 18.88% in global equities, 53.35% in global government bonds, 23.19% in global corporate bonds, 1.58% in property and 3.00% in cash as at 30 June 2026.
This is a bond-heavy portfolio.

It is designed for lower volatility, but that does not mean it cannot fall.

The 2022 period showed that lower-risk multi-asset portfolios can still be hit when bonds and equities fall together.

Conservative

The Conservative Portfolio is risk profile 2.

It held 36.85% in global equities, 40.79% in government bonds, 15.31% in corporate bonds, 0.69% in emerging market local currency debt, 3.41% in property and 2.94% in cash as at 30 June 2026.

This is still bond-led, but with a meaningful equity allocation.

Balanced

The Balanced Portfolio is risk profile 3.

It held 57.04% in global equities, 27.21% in government bonds, 6.68% in corporate bonds, 5.39% in property and 3.68% in cash as at 30 June 2026.

This is likely to be the core proposition for many clients.

It has enough equity exposure to participate in growth, but enough bonds to provide some diversification.

Dynamic

The Dynamic Portfolio is risk profile 4.

It held 74.46% in global equities, 13.39% in government bonds, 1.28% in corporate bonds, 0.55% in emerging market local currency debt, 7.01% in property and 3.31% in cash as at 30 June 2026.

This is equity-led.

It should be expected to behave more like a growth portfolio than a traditional balanced fund.

Adventurous

The Adventurous Portfolio is risk profile 5.

It held 84.94% in global equities, 3.43% in government bonds, 0.43% in corporate bonds, 7.92% in property and 3.29% in cash as at 31 May 2026.

This is effectively an equity growth portfolio with some diversification from bonds, property and cash.

It should not be described as cautious simply because it is multi-asset.

Portfolio Holdings and Market Exposure

The portfolios are globally diversified, but the look-through exposure shows that US equities and large technology companies are significant.

For example, the Balanced Portfolio's look-through equity top 10 holdings included NVIDIA, Apple, Alphabet, Microsoft, Amazon, Broadcom, Taiwan Semiconductor, Micron, Meta and Tesla.

This is not unusual.

It is what happens when global market-cap index exposure is used.

But it matters for client understanding.

Clients may think a multi-asset portfolio is automatically "spread evenly" across markets. In reality, global equity markets are currently heavily influenced by the US and technology.

In simple terms:

The portfolios are diversified.

But they are still exposed to the shape of global markets.

Performance Overview

Performance has been strong across the higher-risk portfolios, helped by global equity market strength.

As at 30 June 2026, the factsheets showed the following returns:

Portfolio	YTD	1 Year	3 Years Annualised	5 Years Annualised	10 Years Annualised / Since Inception
Cautious	3.04%	7.37%	6.14%	1.71%	3.18% over 10 years
Conservative	5.16%	11.93%	8.82%	4.04%	4.69% since inception
Balanced	7.63%	17.38%	11.89%	6.65%	8.05% over 10 years
Dynamic	9.97%	22.39%	14.54%	9.09%	10.42% over 10 years
Adventurous	10.96%	27.78%	16.74%	11.23%	10.36% since inception

The Adventurous numbers are from the 31 May 2026 factsheet, while the others are from 30 June 2026 factsheets.

The Q2 2026 report shows positive quarterly returns across the range, from 4.20% for Cautious to 14.25% for Adventurous. It also notes that global equities delivered very strong returns in Q2, while global government bond returns were positive but more subdued, meaning higher-risk portfolios outperformed lower-risk portfolios.

This is exactly what we would expect.

When equities rise strongly, the portfolios with more equity do better.

When bonds struggle, lower-risk portfolios may not protect as much as clients expect.

Performance Against Peers

The factsheets include three-year peer comparisons.

The key point is that the range has generally delivered strong peer-relative returns, although not always with lower volatility.

For example:

- Cautious delivered 6.14% annualised over three years, broadly in line with the peer group average of 6.24%, with slightly higher volatility.
- Conservative delivered 8.82% annualised over three years versus a peer group average of 7.63%, again with higher volatility.
- Balanced delivered 11.89% annualised over three years versus a peer group average of 9.50%.
- Dynamic delivered 14.54% annualised over three years versus a peer group average of 11.85%.
- Adventurous delivered 16.74% annualised over three years versus a peer group average of 13.61%.

The conclusion is balanced.

The range has delivered good returns, particularly in the higher-risk portfolios.

But some of this reflects equity exposure and global market leadership.

The question is not simply whether performance has been good.

It is whether returns have been delivered in line with the risk profiles and whether HSBC's active allocation has added value after costs.

Recent Market Environment and Positioning

The Q2 report noted that geopolitics remained a key market driver, but the narrative shifted from escalation to relief after the US and Iran reached an interim peace deal and traffic through the Strait of Hormuz resumed. Global equities rose strongly in GBP terms, led by the US and European equities, while emerging markets outperformed developed markets, helped by South Korea and Taiwan semiconductor demand.

HSBC's June 2026 positioning was risk-positive, with a preference for equities. The portfolios were tilted towards the UK, Japan, Spain, Canada and Switzerland within developed markets, alongside an overweight to broad emerging market equities. HSBC also continued to favour higher exposure to government bonds, while remaining underweight global corporate bonds and listed property.

This shows the active element in practice.

However, the same Q2 report notes that active positioning detracted during the quarter. Headline equity positioning hurt because the portfolios entered the quarter broadly neutral while global equity markets moved sharply higher. The underweight to investment-grade credit and tilt towards UK equities also detracted, partly offset by duration preference and emerging market equity exposure.

This is an important point.

Active asset allocation can add value.

It can also detract.

This is not a set-and-forget passive tracker.

Strengths

1. Cost

This is the clearest strength.

The OCFs are low for a managed multi-asset range.

This supports the Consumer Duty value argument.

2. Clear Risk Progression

The five portfolios move clearly from lower-risk to higher-risk.

This makes the range easy to use within advice firms.

3. Global Diversification

The portfolios provide global exposure across equities, government bonds, corporate bonds, property and cash.

4. Simple Client Story

Low cost, global, risk-rated and actively allocated.

That is easy to explain.

5. HSBC Scale

The range benefits from the resources of a large global asset manager.

6. Passive Building Blocks

Using index funds and ETFs helps control cost and reduce manager selection risk.

7. Track Record

Several portfolios have meaningful history, especially Balanced and Dynamic.

8. Operational Simplicity

For advisers, the range is easy to map, monitor and document.

Key Risks & Considerations

1. Active Allocation Risk

The portfolios are actively managed.

Tactical positioning can be wrong.

Q2 2026 is a good example where active positioning detracted despite strong overall returns.

2. Passive Market-Cap Exposure

Because implementation is largely passive, equity exposure is shaped by global indices.

This means high exposure to the US and mega-cap technology.

3. Bond Risk

The lower-risk portfolios hold significant bond exposure.

Rising interest rates can hurt these portfolios, especially where duration is meaningful.

4. Currency Risk

The portfolios are globally invested.

Currency movements can materially affect sterling returns.

5. Emerging Market Risk

The funds can invest in emerging markets, which may be more volatile and less liquid than developed markets.

6. Property Risk

The portfolios include listed property exposure.

Property can provide diversification, but it can also be sensitive to interest rates and liquidity conditions.

7. Fund of Funds Risk

The portfolios invest through underlying funds and ETFs.

This adds a layer of implementation and means governance of underlying assets may sit with underlying fund managers.

8. HSBC Product Bias

HSBC notes that it has a preference for HSBC products because these can typically be accessed at zero management fees.

This helps cost.

But it also means the range is not selecting best-in-class external funds across the whole market.

9. No Benchmark Reference

The factsheets state that the funds are not managed with reference to a benchmark.

This gives flexibility, but it means advisers need to choose appropriate peer groups and risk-based comparators for monitoring.

10. Client Understanding

Clients may see “multi-asset” and assume low risk.

That is not always true.

Dynamic and Adventurous are equity-led portfolios.

Passive vs Active Context

Pure Passive Multi-Asset

- Lower cost
- Static or rules-based allocation
- Very transparent
- Little or no tactical judgement
- Performance mainly driven by market exposure

Traditional Active Multi-Asset

- Active fund selection
- Tactical asset allocation
- Higher cost
- More manager risk
- Greater potential for differentiated outcomes

HSBC Global Strategy

- Low cost
- Passive implementation
- Active asset allocation
- Five risk-rated portfolios
- Global, not UK-biased
- Uses HSBC scale and underlying funds

In simple terms:

HSBC sits between passive and active.

It is not as cheap as building a portfolio of ETFs yourself.

But it is much cheaper than many active multi-manager funds.

Peer / Portfolio Context

The range competes with:

- Vanguard LifeStrategy
- Vanguard LifeTarget / MPS-style propositions
- BlackRock MyMap
- Legal & General Multi Index
- Premier Miton multi-asset ranges
- Columbia Threadneedle multi-asset ranges
- Tatton / Parmenion / Timeline-style MPS solutions
- DFM model portfolios
- Adviser-built centralised investment propositions

The HSBC range is most comparable to low-cost multi-asset fund ranges rather than high-cost discretionary MPS.

The key question is:

Does the adviser want a fund solution or a model portfolio solution?

A fund range is simple.

A model portfolio may allow more flexibility, platform-specific design and tax management.

Role in a Portfolio

The HSBC Global Strategy Portfolios could be used as:

Core Multi-Asset Solution

For firms that want a low-cost, risk-rated fund range.

Smaller Client Proposition

The range may be useful where lower portfolio values make MPS or bespoke model portfolios less efficient.

Simple Centralised Investment Proposition

The five funds can provide a simple risk-mapped investment solution.

Benchmark / Comparator

Even if not used directly, the range may be a useful comparator for cost, performance and risk against more expensive multi-asset or MPS solutions.

It may be less suitable where:

- The adviser wants full control over asset allocation
- The firm wants open-architecture active fund selection
- The client requires bespoke income planning
- The firm needs specific ESG / sustainable mandates
- Tax management across wrappers is a key driver
- The client wants a discretionary MPS rather than a fund

Consumer Duty and Value

From a Consumer Duty perspective, the value case is strong.

The reasons are:

- Low OCFs
- Clear risk profiles
- Broad diversification
- Daily dealing
- Established provider
- Good adviser documentation
- Simple client explanation
- Strong cost discipline

However, value is not only about price.

The adviser should also consider:

- Whether the selected portfolio matches the client's risk profile
- Whether the client understands the level of equity exposure
- Whether the portfolio fits the client's time horizon
- Whether performance is being monitored against sensible comparators
- Whether the total cost including platform and adviser charge remains fair
- Whether the use of HSBC underlying funds is clearly documented

In simple terms:

The range looks good value.

But it still needs governance.

Key Monitoring Points

The range should be monitored against the following:

1. Risk Profile Consistency

Do the portfolios remain within their expected volatility bands?

2. Performance Against Peers

Are returns competitive against IA sectors, Morningstar peer groups and other risk-rated multi-asset ranges?

3. Active Allocation

Is active allocation adding value over rolling periods?

4. Equity Exposure

Is the level of equity exposure appropriate for each risk band?

5. Bond Duration

Are bond exposures and duration appropriate given the interest-rate environment?

6. Cost

Do OCFs remain competitive?

7. Underlying Funds

Are HSBC index funds and ETFs continuing to deliver efficient market exposure?

8. Currency Exposure

Is overseas currency exposure appropriate for sterling clients?

9. Client Understanding

Can the adviser clearly explain why the client is in Cautious, Conservative, Balanced, Dynamic or Adventurous?

10. Proposition Fit

Does the range still fit the firm's CIP and target market?

Money Wise UK View

The HSBC Global Strategy Portfolios are a credible and practical multi-asset range.

There is a lot to like.

The range has:

- Five clear risk-rated portfolios
- Low costs
- Global diversification
- Passive implementation
- Active asset allocation
- Strong HSBC resources
- Good adviser material
- A simple client story
- Competitive performance across several risk profiles

The central idea is clear:

Keep costs low, invest globally, use passive building blocks, and allow HSBC's multi-asset team to adjust the asset allocation.

That is a sensible proposition.

However, it should not be oversold.

This is not a bespoke portfolio.

It is not a fully open-architecture active fund selection process.

It is not purely passive either.

The main risks are:

- Active allocation calls can detract
- Global passive exposure creates high US and technology exposure
- Bond-heavy portfolios can still fall when rates rise
- The portfolios use HSBC underlying funds heavily
- Clients may not fully understand the difference between Cautious and Adventurous
- Multi-asset does not mean no risk

The key due diligence point is the active/passive balance.

If an adviser firm wants low-cost global market exposure with some active asset allocation, the HSBC range is a strong candidate.

If the firm wants fully passive, Vanguard-style simplicity, HSBC may feel too active.

If the firm wants full active manager selection and differentiated fund picking, HSBC may feel too passive.

A balanced conclusion:

- Strong low-cost multi-asset range
- Clear and easy to explain
- Well suited to a planning-led advice proposition
- Particularly useful where cost, simplicity and governance matter
- Active allocation needs ongoing monitoring
- Not a substitute for bespoke portfolio construction where that is required

In simple terms:

The HSBC Global Strategy Portfolios are a good example of where the market has moved.

They are not trying to be clever for the sake of it.

They provide a simple, low-cost, globally diversified range, with enough active management to adapt to changing markets.

For many firms, that may be enough.

The question is whether the adviser wants HSBC to make the asset allocation decisions, or whether that responsibility should sit with the adviser, DFM or investment committee.

Disclaimer

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