

HSBC ASSET MANAGEMENT LAUNCHES FIRST VINTAGE OF ITS REVOLVING CREDIT FACILITY PARTNERSHIP STRATEGY

HSBC Asset Management (HSBC AM) has launched the first vintage of its revolving credit facility (RCF) strategy in partnership with HSBC banking entities (HSBC).

The strategy will invest in a diversified portfolio of RCFs issued to private equity-owned businesses across Europe, originated by HSBC. It will target the senior segment of the capital structure with a focus on quality leverage credits, backed by quality sponsors.

RCFs are floating rate senior or super senior committed facilities primarily for working capital and general corporate purposes.

As part of the partnership agreement with HSBC, the strategy will be managed by HSBC AM's Capital Solutions team whilst leveraging HSBC's origination capabilities in Europe. HSBC AM will provide an additional layer of independent strategy selection on top of HSBC's conservative underwriting process.

The Capital Solutions team is part of HSBC AM's alternatives business and was set up last year to provide the firm's institutional and wealth clients with access to HSBC's proprietary private asset deal flow.

Borja Azpilicueta, Head of Capital Solutions at HSBC Asset Management said:

"As an asset class, we believe that RCFs represent a diversifier to traditional private credit strategies, offering access to an underserved part of the market, supporting real economy businesses. RCFs have the potential to generate attractive returns whilst benefitting from a higher liquidity premium and lower default rates vs other traditional credit strategies.

"We are pleased to offer investors an efficient solution to access this opportunity, through a proposition bringing together our investment expertise with HSBC's origination capabilities in Europe."

The launch of the RCF strategy is part of HSBC AM's ambition to grow its alternatives capabilities, which include private markets, private credit, hedge funds, real assets, venture capital and flexible capital solutions. With a team of 260 dedicated alternatives staff including over 100 investment professionals, HSBC AM's alternatives business has combined assets under management and advice of USD67bn* as of 30 September 2023.

Ends/more

**Including committed capital ('dry powder')*

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Notes to editors

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HSBC Asset Management

HSBC Asset Management, the investment management business of the HSBC Group, invests on behalf of HSBC's worldwide customer base of retail and private clients, intermediaries, corporates and institutions through both segregated accounts and pooled funds. HSBC Asset Management connects HSBC's clients with investment opportunities around the world through an international network of offices in 23 countries and territories, delivering global capabilities with local market insight. As at 30 September 2023, HSBC Asset Management managed assets totalling US\$662bn on behalf of its clients. For more information see <http://www.global.assetmanagement.hsbc.com/>

HSBC Asset Management is the brand name for the asset management business of HSBC Group, which includes the investment activities provided through our local regulated entity, HSBC Global Asset Management (UK) Limited.

The HSBC Group

HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 62 countries and territories. With assets of \$3,021bn at 30 September 2023, HSBC is one of the world's largest banking and financial services organisations.

ends/all