

Q4 / 2025

HSBC Perspectives

Shaping your investment portfolio



HSBC

Opening up a world of opportunity

Contents

Foreword	3
Key data to watch	4
Investment themes Four investment themes to help shape your portfolio	6
Regional market outlook Where should you invest your money?	10
Infrastructure: From bottleneck to catalyst	12
Retirement isn't just a life stage. It's a lifestyle	15



Growing optimism as markets gear up for Fed rate cuts

Trade tariffs were undoubtedly the key factor shaping market dynamics in Q3, intertwined with inflation and growing US debt concerns. Yet, they didn't stop US equity indices from reaching new highs, or Q2 earnings growth from exceeding consensus expectations. Rapid technological innovation deserves much of the credit, and we believe this trend will continue.

While most of the positive drivers for Q3 should remain in force, we may start to see the real impact of tariffs on growth and inflation in the coming quarter. However, we aren't too worried because we should see the return of US rate cuts, as the Fed shifts its focus from inflation to tackling a mild growth slowdown. Moreover, the US One Big Beautiful Bill Act has ushered in a new phase of tax cuts, and we expect further deregulation to follow.

What does this mean for investors?

Most economic indicators suggest that the increase in US inflation will only be mild and gradual, so the wait for rate cuts will soon be over. Lower rates will help boost economic activity and corporate investments, lifting market sentiment and creating further upside for risk assets. Not only will equities benefit, but the bond markets are also primed to perform well, as more investors may move to lock in current yields before rates are cut further. So, we maintain a risk-on approach, with the US, China and Singapore remaining our top picks for equities. Moreover, we've recently moved US investment grade bonds back to an overweight position too.

AI innovation remains firmly in place

The pace and scope of AI adoption are going from strength to strength, helping companies improve productivity and explore new sources of revenue. This should justify technology's elevated valuations, help offset the impact of tariffs to some extent and offer enormous opportunities across sectors that benefit from the AI ecosystem more broadly – software, cloud services and networks, as well as industrials and infrastructure. Given that the broader tech theme accounts for 48% of the US equity market, US stocks should fare well if this momentum continues. Deregulation can also foster a more conducive environment for growth to accelerate, particularly in the IT and financials sectors.

Outside the US, Fed rate cuts and recent dollar weakness are key positives for Asia, and the power of AI innovation remains a key driver for earnings too – especially in China, where leading tech stocks are still trading at 30%-40% discounts to their global peers. China's renewed focus on supply-side reforms should also help lift earnings expectations. Europe is less preferred, as growth momentum remains lacklustre and its AI adoption is still lagging behind.

Overall, we think the US rate cuts and AI innovation will be the key drivers that will help compensate for challenges in some parts of the economy. That's why we remain positive on the market outlook while keeping an eye on tariff, inflation and growth risks across the board.

Diversification in action

Our four investment themes for the final quarter of 2025 continue to emphasise diversification across asset classes, sectors and regions, to build resilience in an uncertain world. And this resilience is further enhanced by adding less-correlated assets, such as gold, infrastructure and other alternatives, to our multi-asset strategies.

In line with the theme of diversification, we've included a special feature on infrastructure and its role in the transition to a net zero future. Another piece looks at unconventional approaches to retirement among affluent investors, with mini retirement growing in popularity.

As we head into the final stretch of a volatile year, investors will need to remain on guard against any surprises that could trigger further swings in markets. As always, our investment team is ready to discuss any changes you would like to make to your portfolio.



Willem Sels

Global Chief Investment Officer,
HSBC Private Bank and Premier Wealth

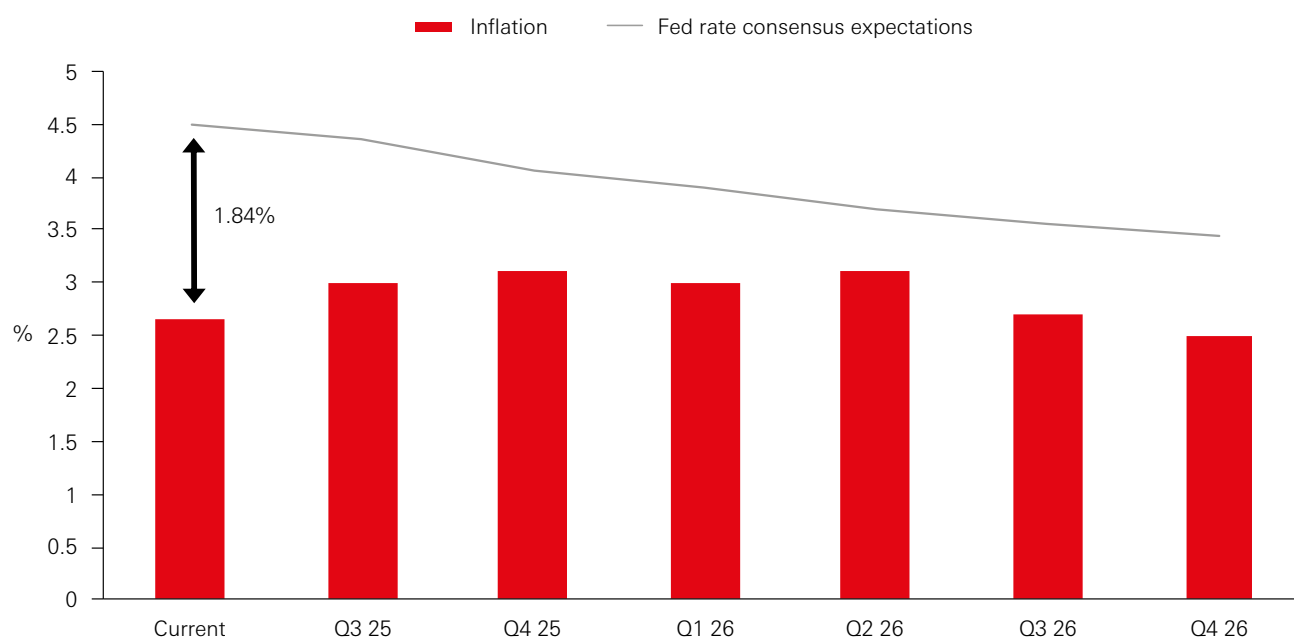
Key data to watch

US economic growth is expected to slow a bit, while inflation is on a downward trend in most markets

	GDP		Inflation	
	2025f	2026f	2025f	2026f
World	2.6	2.4	3.2	2.9
US	1.8	1.3	2.8	3.0
Eurozone	1.2	1.3	2.1	1.8
UK	1.0	1.0	3.6	2.7
Japan	0.6	0.5	3.1	1.6
Mainland China	4.9	4.6	0.0	0.8
India	6.7	6.2	3.2	4.7

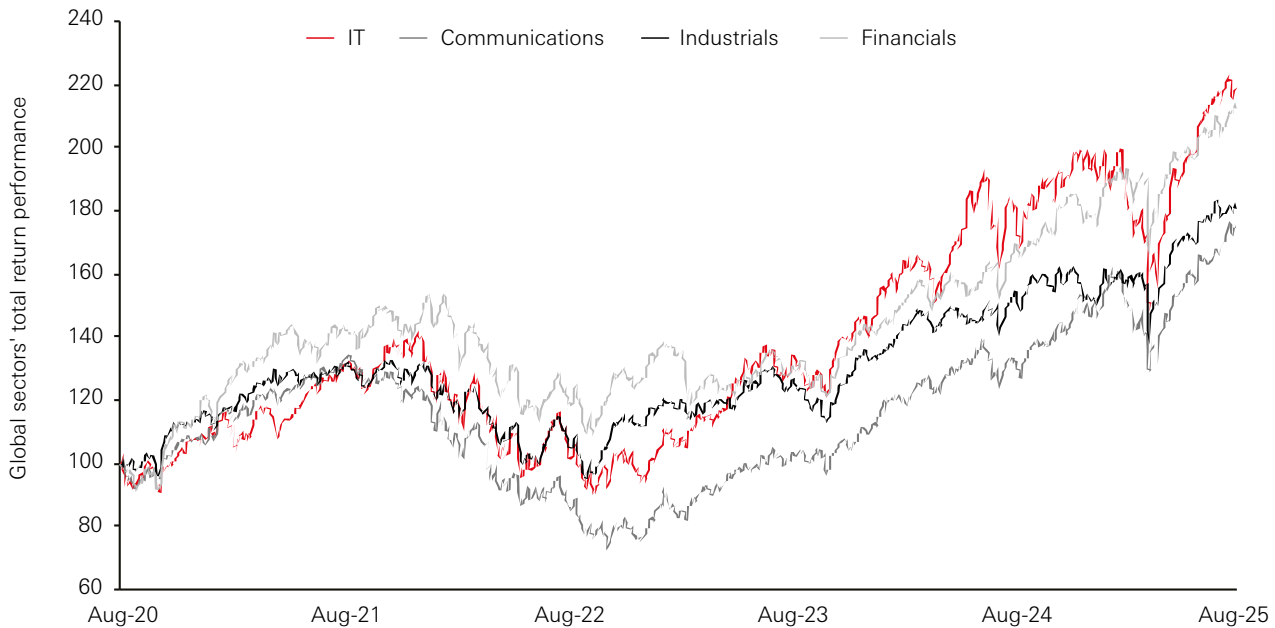
Source: HSBC Global Investment Research as at 29 August 2025. Estimates and forecasts are subject to change. India inflation forecasts are fiscal year.

US policies influence growth and inflation. Volatility persists, but substantial real yields give the Fed ample scope for meaningful rate cuts



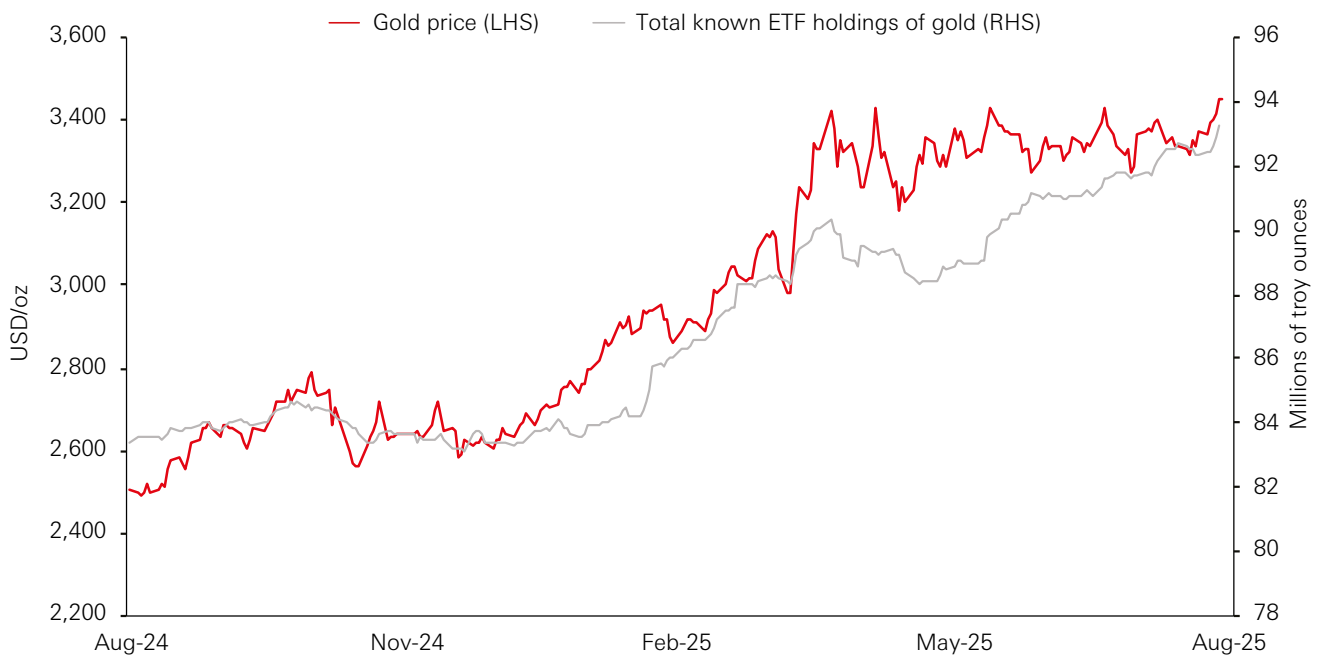
Source: Bloomberg, HSBC Private Bank and Premier Wealth as at 26 August 2025. Note: Red bars denote the market's inflation expectations.

Industrials and Financials have been performing strongly and are good complements to IT and Communications exposure



Source: Bloomberg, HSBC Private Bank and Premier Wealth as at 27 August 2025. Past performance isn't a reliable indicator of future performance.

Gold remains resilient amid USD weakness and monetary easing in the US. While improving risk sentiment may cap further gains for gold, it continues to serve as a crucial portfolio diversifier



Source: Bloomberg, HSBC Private Bank and Premier Wealth as at 1 September 2025. Past performance isn't a reliable indicator of future performance.

Four investment themes to help shape your portfolio

1 Unlock the strengths of geographical diversity

In the US, AI, resilient growth and a weaker dollar provided a favourable backdrop for companies to exceed Q2 earnings expectations. Meanwhile, the US One Big Beautiful Bill Act, which includes tax cuts and broad policy shifts favouring the energy and healthcare sectors, further adds to the momentum. Although economic and earnings growth is expected to slow a bit in the remainder of 2025, and fiscal concerns linger, these concerns will be offset by rapid technological innovation and the resumption of Fed rate cuts in Q4.

The growth story in Asia remains upbeat and diverse, with China and Singapore appearing more attractive from both tactical and fundamental perspectives. China's strength in AI innovation and a renewed focus on addressing the overcapacity issue have boosted market optimism. Singapore has outperformed its regional peers so far this year due to its defensive characteristics and high dividend yield. Robust structural opportunities also make the UAE a preferred market.

Although tariff uncertainty seems to be easing, we maintain a geographically diversified approach to capitalise on the strengths of different regions.

- ◆ **We maintain a risk-on stance to global equities, preferring the US, Asia and the UAE.**
- ◆ **In Asia, we overweight China and Singapore, and have moved India to a neutral position due to some short-term cyclical headwinds.**



2 Look to strategic sectors that benefit from AI and policy support

It's no surprise that IT and Communications were key contributors to the better-than-expected Q2 earnings in the US, as AI adoption continues to supercharge growth and innovation. While this uptrend will likely stay on course, given the significant weight of technology and AI in equity indices, we also want to look at other sectors that are gaining momentum. Financials are a good example.

US Financials benefit from increased activity related to AI adoption, long-term structural trends, productivity gains and deregulation. Some of Europe's largest banks have posted their best results in years thanks to improved cost control and digitalisation efforts, while Asian banks are also enjoying the benefits of strong deposit growth, wealth management inflows and buoyant capital market activity in the region. Globally, banks are less impacted by tariffs and remain the second-cheapest sector after healthcare.

The global demand for digital infrastructure to support accelerating AI adoption (e.g. software, cloud and data centres), and the ongoing near-shoring and re-industrialisation trends in the US make Industrials a strategic driver for most regions. In China, companies that embrace the AI ecosystem are poised to gain an edge, too.

- ◆ **In the US, we diversify beyond IT and Communications into Financials and Industrials, while we remain overweight on Financials, Industrials and Utilities in Europe.**
- ◆ **In Asia, we look for opportunities in the consumer discretionary, financials, communications and healthcare sectors.**

3 Keep multi-asset portfolios fit with quality bonds

Although market volatility is inevitable, it can be managed through diversification by tapping into a broader range of investment opportunities, while optimising returns and reducing concentration risk. While the recent trade deals bode well for equities, history tells us that policy swings could happen anytime. Meanwhile, growth uncertainty and geopolitical risks aren't going away. We maintain our multi-asset strategy with exposure to quality assets.

As Fed policymakers are now prioritising growth risks over inflation concerns, we believe rate cuts will be back soon, and this should favour long-duration quality bonds. Falling equity/bond correlations also increase the diversification power of bonds, encouraging investors to move cash into bonds before cash rates fall further. The resumption of Fed rate cuts also provides more room for other developed and emerging market central banks to follow, with the exception of Japan.

FX diversification shouldn't be overlooked, as the movement of the US dollar is more closely linked to cyclical forces, such as the Fed rate cuts and narrowing rate differentials, compared to other currencies.

- ◆ **Multi-asset solutions enable investors to enjoy the benefits of asset class, market, and FX diversification, along with professional management, in a cost-efficient way.**
- ◆ **We mitigate downside risk by overweighting UK government bonds and USD/EUR/GBP investment grade corporate bonds, while staying neutral on US Treasuries. To benefit sufficiently from the Fed rate cuts, we have a 7-10-year duration preference.**

4 Deepen diversification with a mix of less-correlated assets

In today's complex world, the use of non-traditional diversifiers to strengthen portfolio resilience represents a strategic approach to enhancing overall diversification. These include less-correlated assets like gold, infrastructure and renewable energy, each of which performs at its best in different scenarios.

While the uptrend may ease, the gold price, supported by rate cuts and a weakening US dollar, will likely stay elevated, as the safe-haven properties of the precious metal have proven to be an effective hedge against market uncertainty.

Infrastructure, whether physical or digital, is valued for its ability to safeguard against inflation while also offering a stable income stream, therefore stabilising investment portfolios amid market fluctuations. Re-industrialisation and the GENIUS Act in the US are among the policy tailwinds that add to infrastructure's appeal. Moreover, AI adoption and the focus of governments on energy security mean that renewable energy remains an attractive investment theme rather than a passing trend.

Where appropriate, alternatives can represent a new channel for retail investors due to their low correlation with traditional stocks and bonds, and their access to unique opportunities.

- ◆ **We remain overweight on gold to hedge against policy, growth and geopolitical uncertainties, and look to navigate various scenarios with infrastructure and renewable energy.**
- ◆ **Given the challenges in predicting which scenario will dominate next, it may be prudent to take a broad approach. In other words, diversify your diversifiers.**



Regional market outlook

Where should you invest your money?

United States



US economic data will remain volatile and hard to read, but we think that consumption will be hit by rising costs of imported goods due to trade tariffs. This should be offset, however, by increased investment in manufacturing capacity as companies bring production back home, and by the rapid innovation enabled by AI and technology. The Fed will probably restart its rate cuts in September, which should help support economic growth, risk appetite and M&A activity. We overweight US stocks, with a preference for IT and Communications, but also see good opportunities in Industrials and Financials. The interest rate cuts should result in further USD weakness but support bond markets. We lock in yields on quality bonds as they're likely to fall from here.

The Eurozone and UK

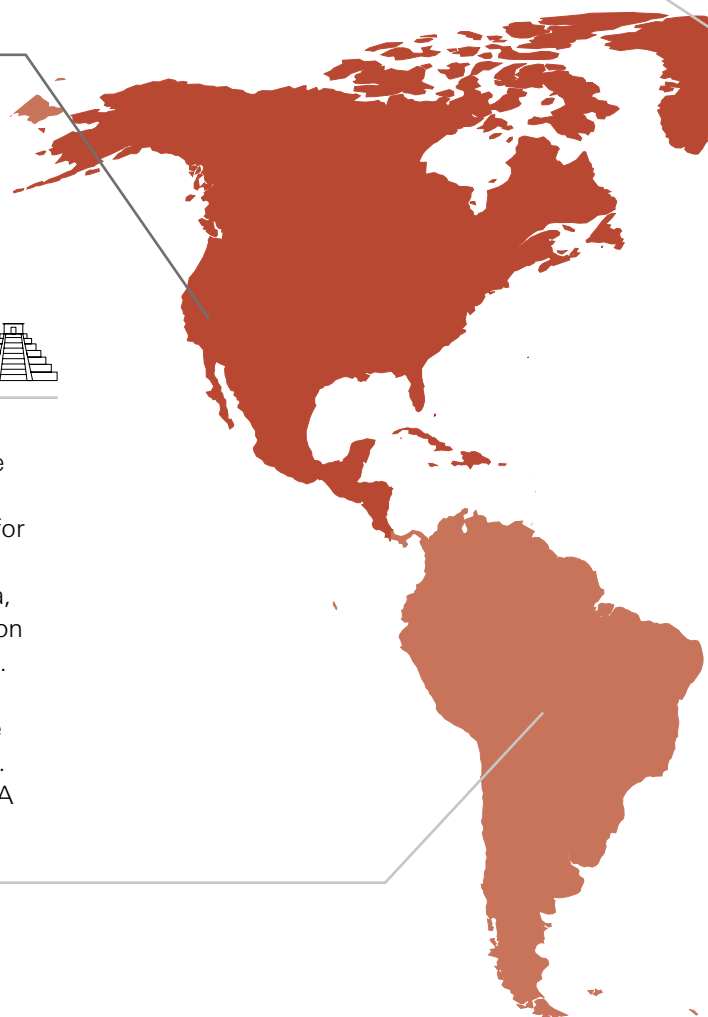


Both the Eurozone and the UK are seeing relatively slow growth, while their exports may fall as US trade tariffs have come into effect. More fiscal spending (e.g. on defence) could help, but it's unclear that this will lift activity quickly. In the Eurozone, low inflation at 2% has allowed the ECB to cut rates, and we think this process has come to an end. In the UK, inflation is stickier, and the Bank of England should take a gradual approach to rate cuts. While stock valuations in both the Eurozone and the UK are attractive, we only hold a neutral view because of the weak growth outlook and the fact that a stronger EUR and GBP vs USD is a negative for earnings growth.

EM EMEA and EM Latin America



In Latin America, trade uncertainty remains a key risk: Brazil is subject to a very elevated 50% US trade tariff, while negotiations are ongoing with Mexico, which is highly dependent on trade with the US. As for emerging markets in EMEA, there are opportunities for global diversification in the UAE and Saudi Arabia, but sentiment for the region as a whole will depend on whether the Russia-Ukraine war can come to an end. While EM assets have been supported by inflows in recent months as investors diversified away from the US, the rebound in US markets may halt those flows. As a result, we maintain an underweight in EM EMEA and a neutral allocation for EM Latin America.



Asia (ex-Japan)

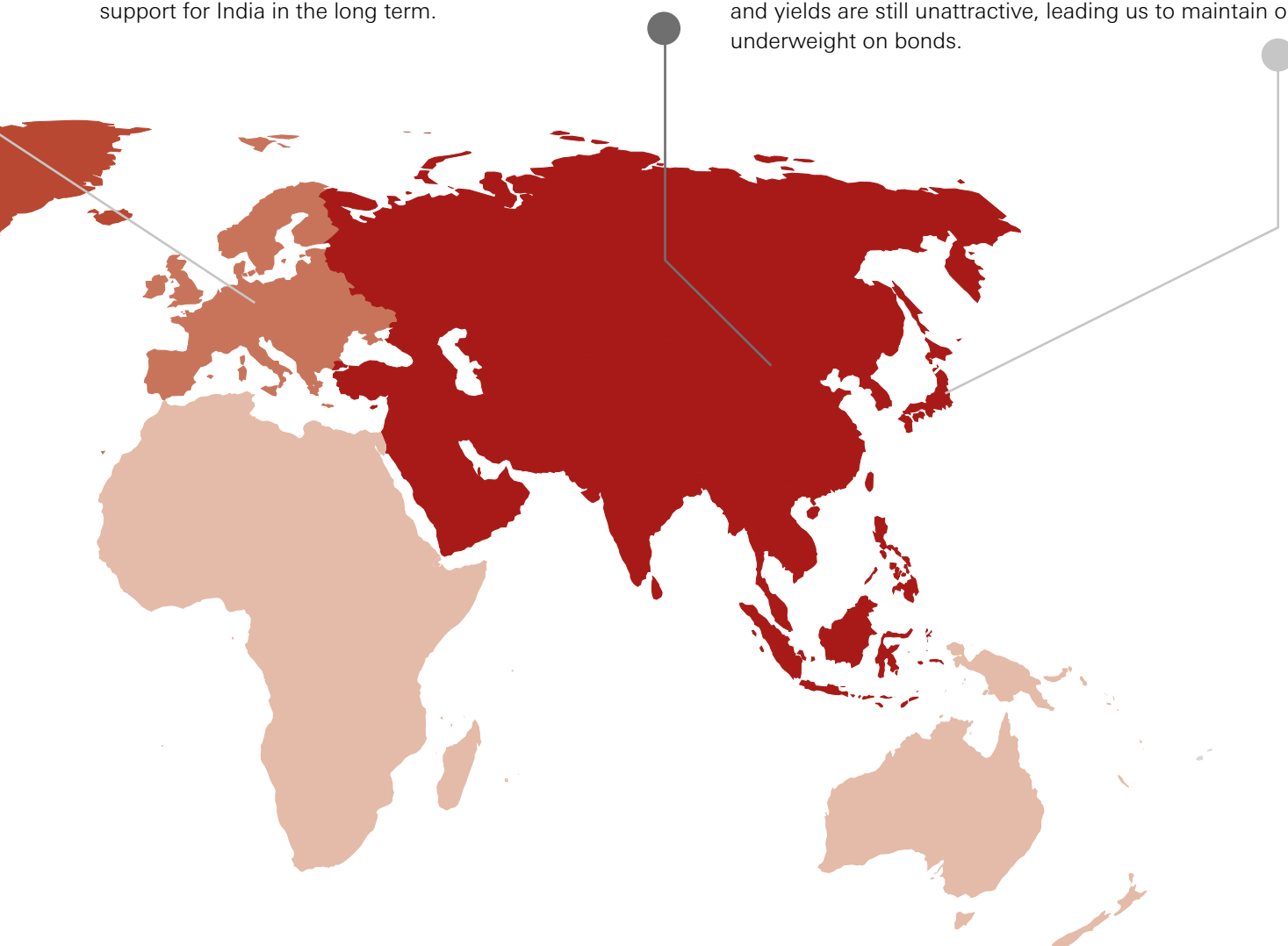


Asian markets traditionally benefit when the USD is weakening and the Fed cuts rates. As inflation in most Asian markets is under control, we expect local central banks to cut rates too, thereby supporting economic growth and risk appetite. China's tech sector is showing rapid innovation and trades at a 30-40% discount to Western peers. And as the government is addressing deflation and overcapacity issues, we think that rising earnings forecasts will attract more investment flows into China. We overweight Chinese stocks and also like Singapore stocks, which have defensive characteristics and a high dividend yield. We've downgraded Indian stocks from overweight to neutral due to short-term cyclical headwinds, though we see strong structural support for India in the long term.

Japan



We hold a neutral view on Japanese stocks as they're caught between headwinds and tailwinds: JPY strength vs USD is likely to be a strong headwind, but markets can take comfort that the country has reached a trade deal with the US. Japanese companies' strong innovation credentials should allow the equity market to benefit from investors' appetite for the global AI trade. Bond markets are relieved that inflation has peaked, and the Bank of Japan should slow its rate hikes. But fiscal uncertainty has increased following the upper house election in July, and yields are still unattractive, leading us to maintain our underweight on bonds.



Note:

The above comments reflect a 6-month view (relatively short-term) on asset classes for a tactical asset allocation. For a full listing of HSBC's house view on asset classes and sectors, please refer to our Investment Monthly issued at the beginning of each month.

Infrastructure: From bottleneck to catalyst

By HSBC Global Investment Research

Key takeaways

- ◆ Expanding and upgrading infrastructure is crucial for net zero goals, as it shapes emissions pathways for the long term.
- ◆ Mobilising capital can help accelerate progress, turning infrastructure from a bottleneck to a catalyst for the net zero transition and for economic growth.
- ◆ We anticipate increased participation from sovereign wealth funds in infrastructure financing, building on existing initiatives.

With the power and transport sectors responsible for over two-thirds of global CO₂ emissions¹, infrastructure upgrades can either accelerate or hinder a country's decarbonisation efforts. The pace of change is in turn determined by access to capital, and by politics. We think that updating infrastructure is key to speeding up renewable energy expansion, electrifying the economy, and adopting low-carbon fuels.

1. World Resource Institute CAIT Database



Backbone of a net zero future

Infrastructure plays a crucial role in achieving net zero goals, as it determines the speed and scale of decarbonisation, especially in the power and transport sectors. Transitioning to a renewable-based power system, for example, requires new supporting infrastructure, like battery storage and updated control systems, to connect new solar plants and wind farms to the current grid.

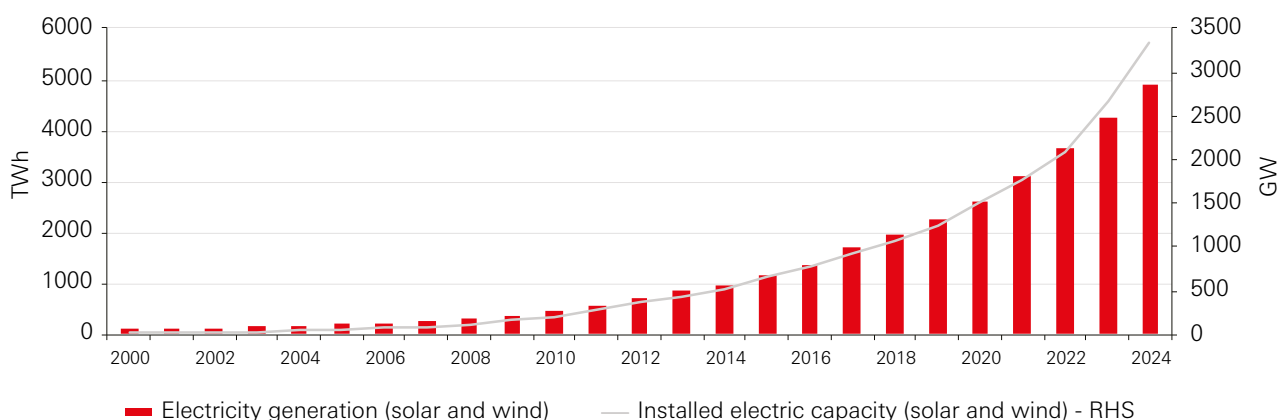
Global infrastructure investment has surged over the last decade due to rising populations and economic activity. In 2023, private investment in primary market infrastructure projects – including new projects and upgrades – hit USD380 billion, doubling since 2013 and exceeding the past five-year average (2018-22) by 45%². Meanwhile, investment in secondary markets soared to USD960 billion, a fivefold increase since 2013.

Based on current trends, global needs are projected to hit USD94 trillion in 2016-40 to support global economic and social development. Despite the growth of infrastructure investment in recent years, there would be an investment gap of more than USD15 trillion, according to the G20-led Global Infrastructure Hub.

Emissions control

As renewable energy becomes more affordable, capacity and production have surged (Figure 1). Global electricity use has doubled over the past 20 years and is expected to rise by at least 75% by 2050 vs 2024, according to BloombergNEF³. The International Energy Agency (IEA) forecasts that renewables would meet 95% of the electricity demand growth over the next three years, with the share of variable renewable electricity (VRE), including solar and wind energy, likely to keep growing⁴.

Figure 1. Global installed electric capacity and electricity generation from solar and wind



Source: BNEF, HSBC

However, the current grid wasn't built to handle a high level of renewables, even with new transmission systems. The unpredictable nature of VRE leads to voltage swings and frequency changes, which makes it crucial to modernise the grid and roll out large-scale battery storage. These batteries can boost grid stability by storing surplus energy when production peaks and releasing it when demand is high.

Despite the rapid deployment of renewables, investment in grids and large-scale energy storage is lagging. The Energy Transition Commission says that global grids need to expand by 50% by 2050 at a cost of USD22.5 trillion⁵, while the IEA suggests energy storage capacity must grow five times by 2030 to hit net zero targets.

Without proper upgrades to transmission and distribution systems, the growth of renewables will face a bottleneck. The IEA highlights that delays in grid investment and reform could lead to increased reliance on fossil fuels and hinder renewable adoption, impacting energy security. In a scenario where grid investment is delayed, the share of solar and wind in power generation could be c15% lower, and global power sector CO₂ emissions would be c160% higher, than in a scenario aligned with national climate targets.

2. Global Infrastructure Hub, Infrastructure Monitor 2024, 6 May 2025. 3. BloombergNEF, New Energy Outlook 2025, April 2025. 4. IEA, Electricity 2025, February 2025. 5. Energy Transition Commission, Building Grids Faster: The backbone of the energy transition, September 2024.

Transport infrastructure is also important in the net zero transition, with its role being more diverse than power infrastructure. Airports and shipping ports can support low-carbon fuels like sustainable aviation fuel and biofuels, aiding in the decarbonisation of aviation and shipping, where electrification isn't yet practical. Meanwhile, rail and road transport can lead the charge towards electrification by swapping out fossil fuel-powered vehicles for electric ones.

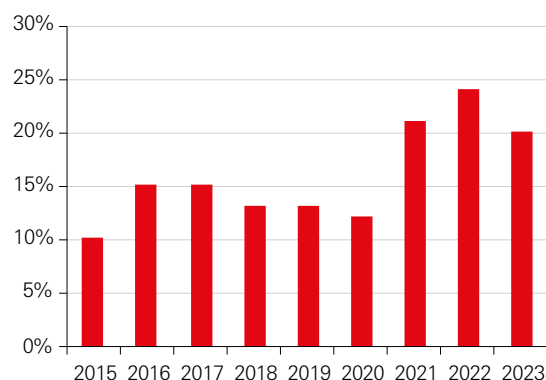
Financing a net zero future

We think the investment gap is driven by three key barriers that deter private capital from investing into infrastructure: hefty capital costs, higher financing expenses, and longer asset lifecycles than other types of investment. As infrastructure projects usually take a long time to finish, political, regulatory, commercial and construction uncertainties contribute to more complex risk profiles and higher capital costs.

To close the investment gap, we believe that new funding sources will emerge from unexpected areas. Companies with high emissions will contribute funds towards the transition through carbon taxes and emissions trading schemes, effectively using their steady cash flow to pay governments and sovereign wealth funds (SWFs). With large amounts of capital, long-term investment horizons and a focus on diversifying their portfolios, many SWFs are willing to take on the risks and costs associated with infrastructure projects.

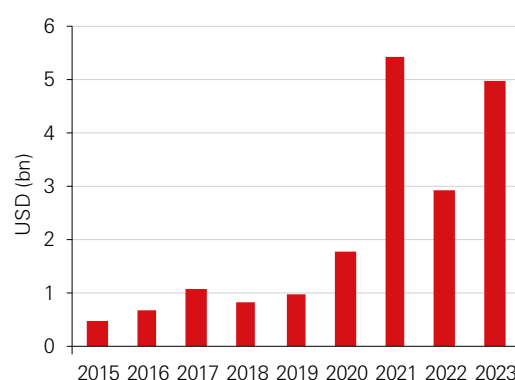
SWFs have ramped up their exposure to direct infrastructure investments in recent years, with a focus on energy transition. In 2023, SWFs' direct investment in renewable and infrastructure projects reached USD5 billion, which was five times more than in 2018, according to the International Forum of Sovereign Wealth Funds (Figures 2 and 3). Multilateral development banks (MDBs) also play an important role in reducing risks in infrastructure investment, boosting project appeal and drawing in investors.

Figure 2. Share of infrastructure in SWFs' direct investments



Source: International Forum of Sovereign Wealth Funds, HSBC

Figure 3. SWFs' direct investment in renewable energy and infrastructure projects



Source: International Forum of Sovereign Wealth Funds, HSBC

Inclusive resilience

Infrastructure disruptions from climate change can significantly affect vulnerable communities. According to the World Bank⁶, these disruptions cost low and middle-income countries between USD391 billion and USD647 billion annually, with extreme events being the leading cause. The Sendai Framework Monitor⁷ reported that an average of 142,852 critical infrastructure units and facilities were destroyed or damaged by disasters each year between 2015 and 2021. This underscores the fragility of current systems and the urgent need for action.

Adaptation and natural infrastructure

Natural infrastructure also offers flexible and cost-effective solutions beyond the benefits of engineered systems. Wetlands, forests, and urban green spaces not only absorb carbon and enhance biodiversity but also serve as natural defences against climate threats – helping to mitigate floods, cool urban areas, and protect coastlines from storms. These nature-based solutions strengthen community resilience by weaving ecological processes into urban planning, creating spaces that are both adaptive and regenerative. Prioritising natural infrastructure can also pave the way for climate mitigation measures and enhance community wellbeing, supporting the transition towards a net zero future.

6. World Bank, Underutilised Potential: The Business Costs of Unreliable Infrastructure, June 2019. 7. UNDRR, The Report of the Midterm Review of the Implementation of the Sendai Framework for Disaster Risk Reduction 2015–2030, April 2023.

Retirement isn't just a life stage. It's a lifestyle



By Jenny Wang

Head of Premier Wealth Solutions,
HSBC International Wealth and
Premier Banking

Key takeaways

- ◆ **Retirement is reimagined today** – Affluent investors are considering non-linear retirement and taking more fluid, frequent and intentional pauses across their lifetime.
- ◆ **Tension between short-term aspirations and long-term goals** – While 5 in 10 affluent investors have intention to take a mini retirement in the future, more than 30% indicate that they plan to draw from pension plans or retirement accounts to fund their mini retirement, a sign that they will need more savings for their final retirement.
- ◆ **Ensuring financial security for mini retirement and the long haul** – 5 steps to empower affluent investors to withstand inflation and create a personalised financial plan.



Affluent investors are no longer waiting until later life to take their retirement, with some now reimagining more fluid, frequent and intentional pauses in their careers.

The traditional approach to retirement planning – study, work, then retire – is being passed over by 5 in 10 affluent investors according to our new research¹.

Nearly half (49%) of those surveyed who are considering a mini retirement are planning to take between two and three breaks across their lifetime. They view the optimal length of a mini retirement to be between 6 and 12 months, with 47 the ideal age for taking the first pause.

So, what is a mini retirement? They can be defined as a clean career break, typically lasting 6-12 months, for individuals to travel, spend quality time with family, pursue hobbies, or develop new skills. These intentional pauses differ from a sabbatical, as they typically last longer and can lead to significant life changes, such as a new career path or starting a business².






The report also highlights a shift in priorities among affluent investors as they look to improve their quality of life, focusing on personal fulfilment and well-being. They're redefining what wealth and success mean to them, measuring in time and well-being rather than traditional financial milestones, such as accumulation of assets or a larger bank balance. Nearly three quarters (74%) of those surveyed consider mini retirements as a route to enhance their overall quality of life.

Of those intending to take a mini retirement, there was remarkable consistency across the generations in terms of the number of these breaks they plan to take across their lives. Gen Z and Millennials plan for an average of three mini retirements, while Gen X and Baby Boomers report the intention to take an average of 2.9 and 2.8 breaks, respectively.

Motivations for a mini retirement

The leading drivers for mini retirement among respondents include pursuing individual goals and well-being, taking a step back from work to reassess career goals, spending quality time with family, travel and exploration, and other activities, such as philanthropic work.

Leading drivers for mini retirements

1	2	3	4	5
				
Individual goals and well-being	Designing long-term careers	Time with family	Travel and exploration	Others
31%: focus on individual well-being 28%: pursue lifelong passions or personal development 25%: do something for myself after years of being focused on others	25%: step back from work to reassess career goals 22%: start a business/entrepreneurial project 21%: study/undertake professional training/learn new skills	34%: spend quality time with family 20%: care for dependants	30%: travel and explore without constraints 20%: live an international lifestyle	25%: test financial independence 18%: volunteer in local community/philanthropic work

Ensuring financial security for your mini retirement and the long haul

The report finds a tension between short-term aspirations and long-term goals of respondents, with more than 30% of affluent investors indicating that they plan to draw from pension plans or retirement accounts to fund their mini retirements – and that they will need more savings for their final retirement.

An increasing number of affluent investors across all generations are also now placing greater importance on maintaining their pre-retirement standard of living in their final retirement. With the cost-of-living ranking as their top concern, it's no surprise that the view among respondents in 2025 is that they will need up to 34% more savings to feel comfortable and secure in their final retirement than last year (USD1.05m in 2025 versus USD780,000 in 2024).

Whatever your approach to retirement, financial security is an important consideration that requires an objective assessment of what savings you will require. It's important to review and assess your plans regularly to ensure you stay prepared for changing personal circumstances and protect yourself against inflation.

Engaging a Wealth Specialist or Advisor is crucial as you can benefit from creating a personalised financial plan that empowers both short-term aspirations and long-term goals. It's important not to solely rely on dividends and interest, but also to explore avenues for generating a steady income that can withstand the impact of inflation, empowering you in planning a multi-retirement journey.

If you're considering a non-linear retirement, think about these 5 steps:

1. **Assess your budget:** Your current financial situation and cash flow are important when planning for any specific activities or experiences you want to pursue in your non-linear retirement, such as travel, education, classes, or hobbies. It's important to decide how your absence from work will affect your retirement savings and pension entitlements. Consider adjusting your pension contributions during your mini retirement if possible, or estimate how your retirement plans will be impacted.
2. **Seek professional guidance:** You might benefit from getting expert advice to create a financial plan to fulfil your mini retirement aspirations and a plan to support your expenses after you retire. Professional support can provide an objective assessment of the savings needed to achieve your desired lifestyle, including an emergency fund during mini retirement – it's never too early to start investigating this.
3. **Explore the timing of your break and consider your career roadmap:** The difference between a good decision and a bad one can be timing. Think about what would make sense for you based on your life stage, family circumstances and the opportunities you have in the next few years.
4. **Consider healthcare costs:** Evaluate your health insurance options during your break, including whether your current plan covers you while you're away from work or if you need to acquire personal coverage for your mini retirement. Keep in mind any implications for your healthcare plan after you retire, should you take a mini retirement now.
5. **Identify extra income sources:** Revisit existing or explore new income sources you could leverage during mini retirement to support you in growing your pension savings. Consider products and investment strategies that could increase your financial security and safeguard your savings from the impact of inflation over time, such as developing a diversified portfolio.

Notes:

1. The Affluent Investor Snapshot 2025, a global Quality of Life special report by HSBC, delves into the investment portfolios, behaviours, and priorities of affluent individuals worldwide. Conducted in March 2025 through an online survey across 12 markets, this research captures insights from 10,797 affluent investors aged 21 to 69, each possessing investable assets ranging from USD 100K to USD 2M. The Rise of Multi Retirements report explores the theme of mini and multi retirements using the insights from the Affluent Investor Snapshot, specifically delving into the behaviours and priorities of affluent individuals with a focus on mini retirement.
2. These pauses don't cover career changes such as redundancy or parental leave after the birth of a child.

Glossary

Alternative investments: A broad term referring to investments other than traditional cash and bonds. They may include real estate, hedge funds, private equities and commodities investments, among other things. Some of these investments may offer diversification benefits within a portfolio.

Asset class: A group of securities that show similar characteristics, behave similarly in the marketplace and are subject to the same laws and regulations. The main asset classes are equities, fixed income and commodities.

Asset allocation: The allocation of funds held on behalf of an investor to various categories of assets, such as equities, bonds and others, based on their investment objectives.

Company fundamentals: The intrinsic value of a company as analysed by looking at its revenue, expenses, assets, liabilities and other financial aspects.

Diversification: Often referred to as “not putting all your eggs in one basket”, diversification means to invest in a variety of different sectors, asset classes and regions to spread the risk of loss.

Fiscal policy: The use of government spending and tax policies to influence macroeconomic conditions, such as aggregate demand, employment, inflation and economic growth.

Investment strategy: The internal guidelines that a fund follows in investing the money received from its investors.

Inflation: The rise in the general price levels of goods and services in an economy over a period of time.

Monetary policy: The process by which the authorities of a country control the supply of money. This often involves targeting a rate of interest for the purpose of promoting economic growth and stability.

Quantitative easing: Also known as large-scale asset purchases, a monetary policy whereby a central bank buys government securities or other financial assets from the market in order to increase the money supply and encourage lending and investment.

Strategic asset allocation: A practice of maintaining a mix of asset classes which aims to meet an investor’s risk and return objectives over a long-term horizon rather than to take advantage of short-term market opportunities.

Tactical asset allocation: An active management strategy that deviates from the long-term strategic asset allocation in order to capitalise on economic or market conditions that may offer near-term opportunities.

Tapering: The reduction of the interest rate at which a central bank accumulates new assets on its balance sheet under a policy of quantitative easing.

Volatility: A term for the fluctuation in the price of financial instruments over time.

Contributors

**Willem Sels**

Global Chief Investment Officer, HSBC Private Bank and Premier Wealth

Willem joined HSBC Private Bank and Premier Wealth in 2009, where his career has spanned Fixed Income, Investment Research, leading the UK Investment Group and, most recently, the role of Global Chief Investment Officer. He chairs the Global Investment Committee and the CIO Office for Private Bank and Premier Wealth. Willem holds an MBA from the University of Chicago and an MSc from the University of Louvain (Belgium).

**Lucia Ku**

Global Head of Wealth Insights, HSBC International Wealth and Premier Banking

Lucia leads the Wealth Insights function with a focus on the development of its content strategy and delivery of key content initiatives to drive Insights consumption across different channels. She is also responsible for leveraging the firm's research capabilities to enhance our Insights offering to wealth clients in Asia and globally. Previously, she worked at a number of banks and asset managers, including HSBC Asset Management.

**Ivy Suen**

Senior Wealth Insights Manager, HSBC International Wealth and Premier Banking

Ivy leads the creation of market insights, thought leadership initiatives and the delivery of an ESG-focused content strategy as part of HSBC's core investment philosophy. Previously, she launched initiatives for HSBC Premier and International in Hong Kong, connecting clients with tailored multi-channel services and initiatives for their portfolio growth.

Guest contributor

**Jenny Wang**

Head of Premier Wealth Solutions, HSBC International Wealth and Premier Banking

Jenny leads the development of retail wealth strategy at HSBC, focusing on financial planning, product strategy and omni-channel solutions. Since joining HSBC in 2001, she has held key leadership roles in distribution, proposition, products, analytics and marketing in retail banking and wealth management. Jenny holds an Executive MBA from China Europe International Business School and is a Chartered Financial Analyst.

Disclosure appendix:

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