

HSBC Global Investment Funds

GLOBAL INFLATION LINKED BOND

Monthly report 31 January 2024 | Share class AC



Investment objective

The Fund aims to provide long-term capital growth and income by investing in a portfolio of inflation-linked bonds, while promoting environmental, social and governance (ESG) characteristics. The Fund qualifies under Article 8 of SFDR.



Investment strategy

The Fund is actively managed.

The Fund will normally invest at least 70% of its assets in bonds, the value of which is linked to inflation. The Fund invests in high quality bonds issued by companies, governments or government related entities of developed markets and emerging markets. Up to 15% of the Fund's assets may be invested in emerging markets.

The Fund will not invest in bonds issued by companies with involvement in specific excluded activities, such as: companies involved in the production of controversial weapons and tobacco; companies with more than 10% revenue generated from thermal coal extraction; and companies with more than 10% revenue generated from coal-fired power generation.

The Fund may invest up to 10% of its assets in onshore Chinese bonds. The Fund will not invest in securities issued by issuers with a credit rating below investment grade at the time of purchase and may invest up to 10% in other funds.

The Fund's primary currency exposure is to US dollars.

See the Prospectus for a full description of the investment objectives and derivative usage.



Main risks

- The Fund's unit value can go up as well as down, and any capital invested in the Fund may be at risk.
- The Fund invests in bonds whose value generally falls when interest rates rise. This risk is typically greater the longer the maturity of a bond investment and the higher its credit quality. The issuers of certain bonds, could become unwilling or unable to make payments on their bonds and default. Bonds that are in default may become hard to sell or worthless.
- The Fund may invest in Emerging Markets, these markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.

Share Class Details

Key metrics

NAV per Share	USD 143.92
Performance 1 month	-1.87%
Yield to maturity	4.20%

Fund facts

UCITS V compliant	Yes
Subscription mode	Cash
Dividend treatment	Accumulating
Dealing frequency	Daily
Valuation Time	17:00 Luxembourg
Share Class Base Currency	USD
Domicile	Luxembourg
Inception date	30 June 2010
Fund Size	USD 576,364,104
Reference benchmark	100% ICE BofA Global Inflation-Linked Government Alternative Weighting Scheme Custom (USD hedged; net of transaction costs)

Managers	Julien Renoncourt Richard Balfour
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Fees and expenses

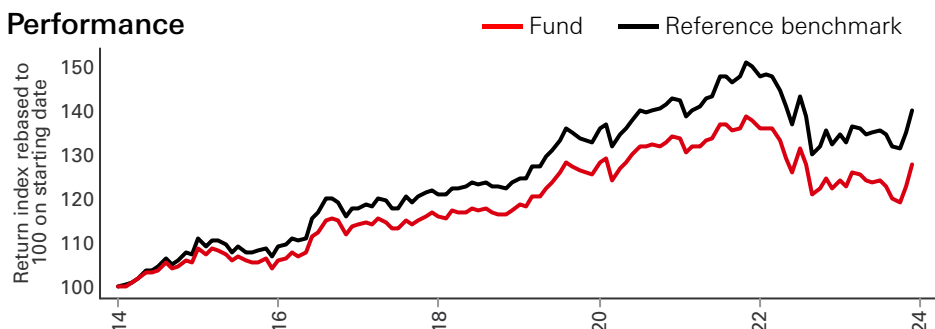
Minimum initial investment (SG) ¹	USD 5,000
Maximum initial charge (SG)	3.100%
Management fee	0.700%

Codes

ISIN	LU0518436224
Bloomberg ticker	HGILKBA LX

¹Please note that initial minimum subscription may vary across different distributors

Performance



Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis. For comparison with benchmark.

Performance numbers shown are before netting off sales / realisation charges.

This is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions.

Source: HSBC Asset Management, data as at 31 January 2024

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Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
AC	-1.87	-1.87	5.64	1.30	1.01	-2.04	1.17
Reference benchmark	-1.50	-1.50	5.20	2.03	2.61	-0.95	2.08

Calendar year performance (%)	2019	2020	2021	2022	2023
AC	7.38	6.66	2.73	-11.33	4.78
Reference benchmark	7.66	7.33	5.31	-11.95	6.03

3-Year Risk Measures	AC	Reference benchmark	5-Year Risk Measures	AC	Reference benchmark
Volatility	7.25%	7.60%	Volatility	6.36%	6.62%
Sharpe ratio	-0.59	-0.42	Sharpe ratio	-0.12	0.02
Tracking error	1.14%	--	Tracking error	0.95%	--
Information ratio	-0.96	--	Information ratio	-0.96	--

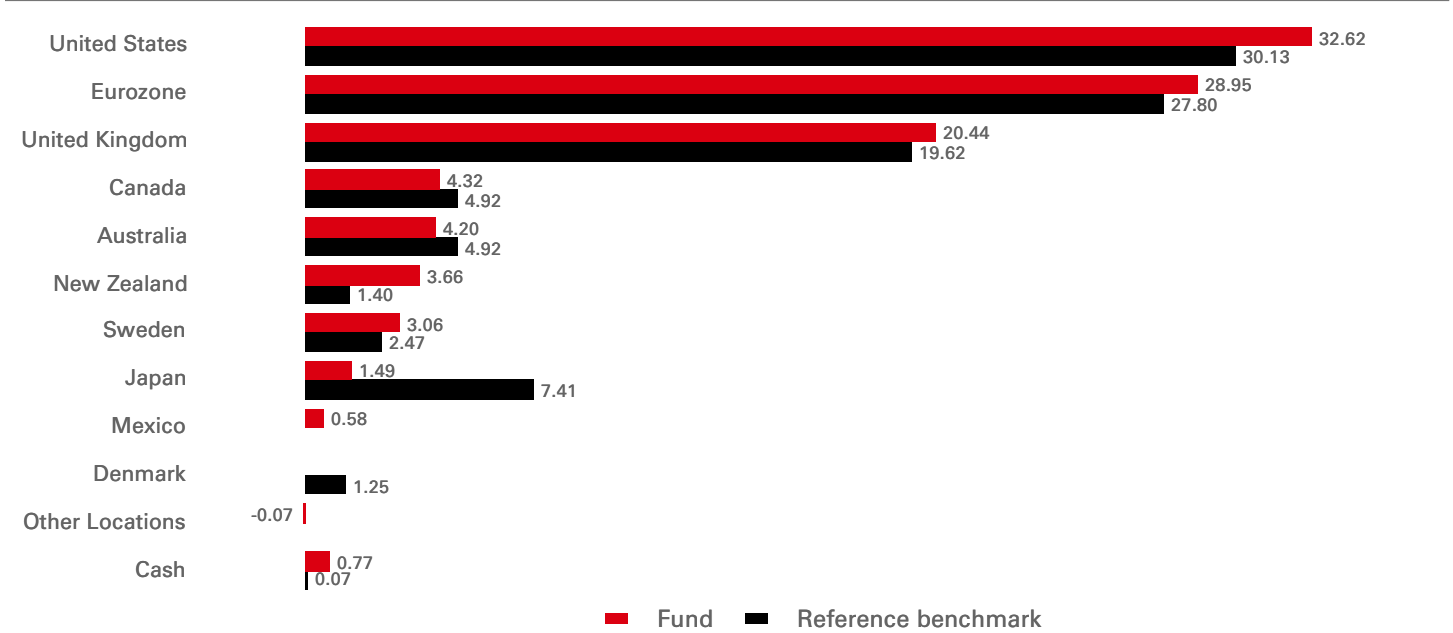
Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	95	146	--
Average coupon rate	0.75	0.95	-0.20
OAD	9.10	8.53	0.57
Modified Duration to Worst	9.16	8.51	0.65
Average maturity	9.31	9.15	0.16
Rating average	AA+/AA	AA/AA-	--

Credit rating (%)	Fund	Reference benchmark	Relative	Maturity Breakdown (OAD)	Fund	Reference benchmark	Relative
AAA	27.22	22.39	4.83	0-3 years	0.93	0.37	0.56
AA	59.51	58.13	1.38	3-5 years	0.51	0.67	-0.16
A	5.51	12.48	-6.97	5-10 years	2.72	2.26	0.45
BBB	6.99	6.92	0.07	10-15 years	0.88	0.92	-0.04
Cash	0.77	0.07	0.70	15-20 years	1.13	1.35	-0.23
				20-30 years	2.93	2.91	0.02
				30+ years	--	0.03	-0.03
				Total	9.10	8.53	0.57

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Geographical Allocation (%)



Top 10 Holdings	Weight (%)
DEUTSCHLAND I/L 0.100 15/04/26	6.37
TSY INFL IX N/B 1.125 15/01/33	5.73
TSY INFL IX N/B 0.500 15/01/28	4.71
TSY INFL IX N/B 0.375 15/01/27	4.35
UK TSY I/L GILT 0.250 22/03/52	3.67
TSY INFL IX N/B 2.500 15/01/29	3.32
TSY INFL IX N/B 0.125 15/01/32	3.28
DEUTSCHLAND I/L 0.500 15/04/30	2.88
UK TSY I/L GILT 0.750 22/03/34	2.83
UK TSY I/L GILT 0.125 10/08/31	2.76

Top 10 holdings exclude holdings in cash and cash equivalents and money market funds.

Monthly performance commentary

Performance review

The fund's absolute performance and relative performance were negative in January. Rates positioning was negative due to the negative contribution from the overall duration overweight, mainly in the US, Australia and New-Zealand. This was only partly offset by the positive contribution from the US curve steepener as well as relative country allocation. The US curve continued to steepen as the 30y underperformed while short Canada and short Japan were positive. EM local rates such as Mexico slightly detracted from performance. The breakeven positioning was slightly negative while breakeven movements have been heterogeneous. However, we decided to take some profits on the short EUR breakeven position.

FX performance was negative as the broad USD rebounded sharply as the market priced out a March rate cut, given Fed speakers pushing back on that front and a very resilient US economy.

Strategy

Over the month, we added a US 10s30s steepener. We closed our short Italy vs Germany 10yr position. In breakevens, we closed our short breakeven positioning in Europe. In FX, we closed out our short GBP versus USD and long EUR versus USD.

Risk Disclosure

- Derivatives may be used by the Fund, and these can behave unexpectedly. The pricing and volatility of many derivatives may diverge from strictly reflecting the pricing or volatility of their underlying reference(s), instrument or asset.
- Investment Leverage occurs when the economic exposure is greater than the amount invested, such as when derivatives are used. A Fund that employs leverage may experience greater gains and/or losses due to the amplification effect from a movement in the price of the reference source.
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- Investment involves risk. Past performance figures shown are not indicative of future performance. Investors should read the prospectus (including the risk warnings) and the product highlights sheets, before investing. Daily price change percentage is based on bid-bid price.

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Benchmark disclosure

The Investment Advisor will use its discretion to invest in securities not included in the reference benchmark based on active investment management strategies and specific investment opportunities. It is foreseen that a significant percentage of the Fund's investments will be components of the reference benchmark. However, their weightings may deviate materially from those of the reference benchmark. Any deviations with respect to the benchmark are monitored within a comprehensive risk framework, which includes monitoring at country level. The deviation of the Fund's performance and underlying investments' weightings relative to the benchmark are monitored, but not constrained, to a defined range.

Source: HSBC Asset Management, data as at 31 January 2024

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Glossary



Important Information

Performance is annualised when calculation period is over one year. Net of relevant prevailing sales charge on a single pricing (NAV) basis, calculated on the basis that dividends are reinvested.

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No document or material in connection with the offer or sale of the Units may be circulated or distributed, nor may the Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the SFA, in accordance with the conditions specified in that section, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Units are subscribed or purchased under Section 305 of the SFA by a relevant person which is (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable within 6 months after that corporation or that trust has acquired the Units pursuant to an offer made under Section 305 of the SFA except (1) to an institutional investor or to a relevant person as defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) where the transfer is by operation of law; or (4) as specified in Section 305A(5) of the SFA; (5) The sub-fund uses financial derivative instruments significantly and a significant portion of the sub-fund's payout income are generated from financial derivative strategies, investors should take note of expected risks associated with such strategies and higher volatility in payout income profile.

HSBC Global Asset Management (Singapore) Limited

10 Marina Boulevard, Marina Bay Financial Centre, Tower 2, #48-01, Singapore 018983

Telephone: (65) 6658 2900 Facsimile: (65) 6225 4324

Website: www.assetmanagement.hsbc.com/sg

Company Registration No. 198602036R

Should there be any discrepancy, the English version shall prevail. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.

Supplemental information sheet

Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
AC USD	-1.87	-1.87	5.64	1.30	1.01	-2.04	1.17
ACHEUR EUR	-2.03	-2.03	5.09	0.26	-1.17	-3.82	-0.83
IC USD	-1.83	-1.83	5.75	1.51	1.41	-1.65	1.58

Calendar year performance (%)	2019	2020	2021	2022	2023
AC USD	7.38	6.66	2.73	-11.33	4.78
ACHEUR EUR	4.16	4.93	1.74	-13.23	2.41
IC USD	7.81	7.08	3.14	-10.97	5.20

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Last Paid Dividend	Annualised Yield based on ex-dividend date
AC	USD	--	--	--	--
ACHEUR	EUR	--	--	--	--
IC	USD	--	--	--	--

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	30 June 2010	LU0518436224	USD	USD 5,000	143.92	0.700%	Accumulating
ACHEUR	30 June 2010	LU0522826162	EUR	USD 5,000	120.81	0.700%	Accumulating
IC	30 June 2010	LU0518436737	USD	USD 1,000,000	151.95	0.350%	Accumulating

Different classes may have different performances, dividend yields and expense ratios. For hedged classes, the effects of hedging will be reflected in the net asset values of such classes. Expenses arising from hedging transactions may be significant and will be borne by the relevant hedged classes. Hedged class performs the required hedging on a best efforts basis.

Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis. For comparison with benchmark.

Performance numbers shown are before netting off sales / realisation charges.

The above table cites the last dividend paid within the last 12 months only.

Dividend is not guaranteed and may be paid out of capital, which will result in capital erosion and reduction in net asset value. A positive distribution yield does not imply a positive return. Past distribution yields and payments do not represent future distribution yields and payments. Historical payments may comprise of distributed income, capital, or both.

The calculation method of annualised yield prior to August 2019 is the simple yield calculation: (dividend amount / NAV per share or units as of ex-dividend date) x n; The calculation method of annualised yield from August 2019 is the compound yield calculation: $((1 + (\text{dividend amount} / \text{ex-dividend NAV}))^n) - 1$, n depends on the distributing frequency. Annually distribution is 1; semi-annually distribution is 2; quarterly distribution is 4; monthly distribution is 12.

The annualised dividend yield is calculated based on the dividend distribution on the relevant date with dividend reinvested, and may be higher or lower than the actual annual dividend yield.

Investors and potential investors should refer to the details on dividend distributions of the Fund, which are available on HSBC Asset Management (Singapore) Limited website.

Source: HSBC Asset Management, data as at 31 January 2024

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