

**HSBC Global Investment Funds**

# GLOBAL BOND TOTAL RETURN

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 global bonds, while promoting environmental, social and governance (ESG) characteristics. The Fund qualifies under Article 8 of SFDR.



## Investment strategy

The Fund is actively managed and is not constrained by a benchmark. The Fund employs a Total Return strategy which has a flexible allocation across the global bond universe and currency markets, over an investment cycle, to achieve risk-adjusted returns above those of the investment universe. In normal market conditions, the Fund will primarily invest its assets in investment grade bonds and non-investment grade bonds issued by governments, government-related entities, supranational entities and companies that are based in developed or emerging markets. The Fund includes the identification and analysis of a company's ESG Credentials as an integral part of the investment decision making process. The Fund may invest up to 10% in onshore Chinese bonds, up to 10% in securities with a non-investment grade rating; up to 30% in asset-backed securities and mortgage-backed securities; up to 10% in contingent convertible securities; up to 49% in cash and money market instruments, and up to 10% in other funds. The Fund's primary currency exposure is to USD. 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	<b>USD 10.95</b>
Performance 1 month	<b>0.11%</b>
Yield to maturity	<b>6.71%</b>

### Fund facts

UCITS V compliant	<b>Yes</b>
Subscription mode	<b>Cash</b>
Dividend treatment	<b>Accumulating</b>
Dealing frequency	<b>Daily</b>
Valuation Time	<b>17:00 Luxembourg</b>
Share Class Base Currency	<b>USD</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>27 February 2015</b>
Fund Size	<b>USD 185,811,273</b>
Managers	<b>Oliver Boulind Ernst Josef Osiander</b>

### Fees and expenses

Minimum initial investment (SG) <sup>1</sup>	<b>USD 5,000</b>
Maximum initial charge (SG)	<b>3.100%</b>
Management fee	<b>0.900%</b>

### Codes

ISIN	<b>LU1163225284</b>
Bloomberg ticker	<b>HSBAICU LX</b>

<sup>1</sup>Please note that initial minimum subscription may vary across different distributors

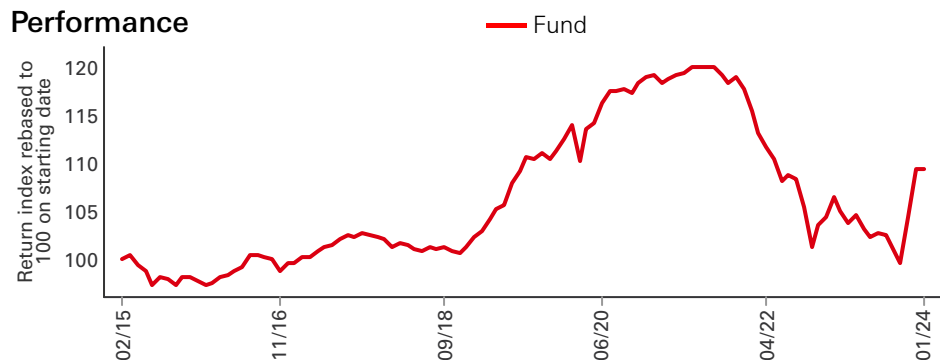
Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis. For comparison with benchmark. Performance numbers shown are before netting off sales / realisation charges. This is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions.

There is no guarantee on the principal investment or return on the fund.

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

For institutional and accredited investors use only. Not for further distribution.

## Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
AC	0.11	0.11	9.93	6.58	2.85	-2.76	1.36

Calendar year performance (%)	2019	2020	2021	2022	2023
AC	10.02	6.89	0.03	-12.24	4.69

3-Year Risk Measures	AC	Reference benchmark	5-Year Risk Measures	AC	Reference benchmark
Volatility	5.94%	--	Volatility	5.43%	--
Sharpe ratio	-0.85	--	Sharpe ratio	-0.10	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	186	--	--
Average coupon rate	5.03	--	--
Yield to worst	6.60%	--	--
OAD	7.13	--	--
Option Adjusted Spread Duration	4.19	--	--
Average maturity	9.26	--	--
Rating average	BBB+/BBB	--	--

Credit rating (%)	Fund	Reference benchmark	Relative	Maturity Breakdown (OAD)	Fund	Reference benchmark	Relative
AAA	5.17	--	--	0-2 years	0.09	--	--
AA	4.57	--	--	2-5 years	2.56	--	--
A	15.52	--	--	5-10 years	4.20	--	--
BBB	51.55	--	--	10-20 years	0.27	--	--
BB	16.16	--	--	<b>Total</b>	<b>7.13</b>	<b>--</b>	<b>--</b>
B	0.35	--	--				
NR	1.28	--	--				
Cash	5.41	--	--				

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.

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

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Currency Bloc Allocation (OAD)	Fund	Reference benchmark	Relative	Currency Allocation (%)	Fund	Reference benchmark	Relative
Dollar	4.37	--	--	USD	95.08	--	--
Euro	2.56	--	--	JPY	1.97	--	--
UK	0.40	--	--	CNY	1.51	--	--
EM Local Currency	0.12	--	--	INR	0.97	--	--
Others	0.05	--	--	AUD	0.94	--	--
Japan	-0.38	--	--	IDR	0.48	--	--
<b>Total</b>	<b>7.13</b>	<b>--</b>	<b>--</b>	EUR	0.41	--	--
				GBP	0.07	--	--
				NZD	0.03	--	--
				CZK	0.01	--	--
				Other Currencies	-1.47	--	--

Sector Allocation (%)	Fund	Reference benchmark	Relative
Corp Fin	29.12	--	--
Corp Non-fin	27.60	--	--
Collateralised	19.62	--	--
Treasuries	9.47	--	--
Supra/agencies	6.92	--	--
Other	2.02	--	--
credit default swap index	-0.17	--	--
Cash	5.41	--	--

Top 10 Holdings	Weight (%)
NEW ZEALAND GVT 3.500 14/04/33	2.56
BUNDESOBL-189 2.100 12/04/29	2.35
US TREASURY N/B 4.500 15/11/33	2.24
NATWEST GROUP 3.622 14/08/30	1.82
NEXTERA ENERGY 5.250 15/03/34	1.28
ASHTAD CAPITAL 4.250 01/11/29	1.12
MX REMIT FUND 4.875 15/01/28	1.09
BANQUE STEL FR 4.000 21/01/27	1.07
CA AUTO BANK IE 6.000 06/12/26	1.05
AIRCASTLE LTD 5.250 11/08/25	1.04

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

## Monthly performance commentary

### Performance review

For the month, the fund generated a positive return. Overall, interest rates in the US were roughly unchanged across the curve during the month. On the other hand, rates in Europe rose and given the fund holds an overweight to duration, this movement detracted from performance. Credit market spreads were tighter on the month in general which added to performance, given the strategy remains risk facing. Holdings in Securitised contributed positively to performance.

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.

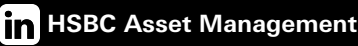
### Strategy

Over January, we added a US 10s30s steepener. We cut our UK 10s30s flattener position and short Italy vs Germany 10yr. We rotated a fair amount of older bonds into new issues, and we reduced risk throughout the month of January by roughly 10%. In FX, we closed out our short GBP versus USD and long EUR vs 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.
- 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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## 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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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.

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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	0.11	0.11	9.93	6.58	2.85	-2.76	1.36
Calendar year performance (%)			2019	2020	2021	2022	2023
AC USD			10.02	6.89	0.03	-12.24	4.69

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

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	27 February 2015	LU1163225284	USD	USD 5,000	10.95	0.900%	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 + (dividend amount / 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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