

HSBC Global Funds ICAV - Global Aggregate Bond Index Fund

Share Class S5DHEUR

28 Feb 2021

Fund Objective and Strategy

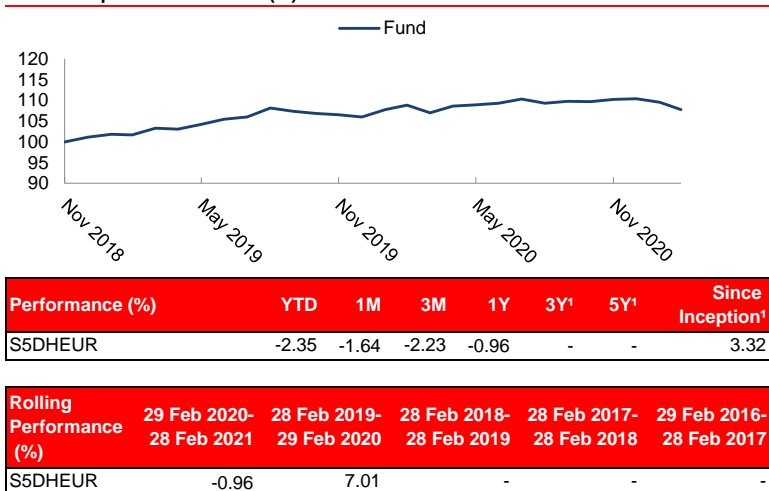
Investment Objective

The Fund aims to provide regular income and capital growth by tracking as closely as possible the performance of the Bloomberg Barclays Global Aggregate Bond Index (total return hedged to US dollars) (the Index).

Investment Policy

The Index is comprised of investment grade bonds (and other similar securities). The Index is multi-currency but is hedged to US dollars (USD). The Index includes treasury, government-related, corporate and securitised fixed-rate bonds from developed and emerging markets issuers. The Fund will be passively managed and will invest in bonds issued by governments, government-related, supranational bodies and companies based in developed and emerging markets; ABS and MBS; and covered bonds, all of which are Index constituents. It uses an investment technique called optimisation, which seeks to minimise the difference in return between the Fund and the Index by considering tracking error (the risk that the Fund return varies from the Index return) and trading costs when constructing a portfolio. The Fund will not necessarily invest in every Index constituent or invest proportionally to each constituents' Index weight and may invest in assets outside of the Index, such as: bonds with a credit rating of Ba1, BB+ and below; as well as cash, money market instruments and funds. The Fund may invest up to 30% in China Interbank Bond market, up to 10% of its assets in funds. The Fund may also invest up to 30% in total return swaps. However, this exposure is not expected to exceed 0%. The credit ratings of the Fund's underlying investments is expected to be at least investment grade. The Fund's primary currency exposure is to USD. See the Prospectus for a full description of the investment objectives and derivative usage.

Since Inception Performance (%)



Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

Source: HSBC Global Asset Management, data as at 28 February 2021

Risk Disclosure

- 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.
- To the extent that the Fund seeks to replicate index performance by holding individual securities, there is no guarantee that its composition or performance will exactly match that of the target index at any given time ("tracking error").
- 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.
- Further information on the Fund's potential risks can be found in the Key Investor Information Document and Prospectus.

Share Class Details

UCITS V Compliant	Yes
Distribution Type	Distributing
Distribution Frequency	Annually
Dividend ex-date	22 Jan 2021
Dividend Yield ²	1.28%
Last Paid Dividend	0.1340
Dealing Frequency	Daily
Valuation Time	23:00 Ireland
Min. Initial Investment	USD 100,000,000
Ongoing Charge Figure ³	0.055%
Share Class Base Currency	EUR
Domicile	Ireland
ISIN	IE00BD720876
Valoren	41185868
Share Class Inception Date	16 Nov 2018
NAV per Share	EUR 10.47
Fund Size	USD 5,316,874,830
Bloomberg Ticker	HSAS5DE ID
Manager	HSBC Passive Fixed Income Team

¹Result is annualised when calculation period is over one year.

²Dividend Yield: represents the ratio of distributed income over the last 12 months to the fund's current Net Asset Value.

³Ongoing Charges Figure, is based on expenses over a year. The figure includes annual management charge but not the transaction costs. Such figures may vary from time to time.

3-Year Risk Measures	S5DHEUR
Volatility	-
Sharpe Ratio	-

5-Year Risk Measures	S5DHEUR
Volatility	-
Sharpe Ratio	-

Characteristics	Fund
Number of Holdings ex Cash	3,392
Average Coupon	2.52
Option Adjusted Duration (OAD)	7.30
Yield to Worst (Gross)	1.05

Characteristics	Fund
Modified Duration to Worst	7.29
Option Adjusted Spread	7.20
Duration (OASD) ⁴	
Rating Average ⁵	AA-/A+
Maturity Average	8.87

Credit Quality Rating Allocation (Market Value %)	Fund	Reference Benchmark	Relative
AAA	35.76	36.41	-0.66
AA	14.82	15.40	-0.58
A	32.49	32.10	0.38
BBB	15.89	16.08	-0.19
BB	0.03	-	0.03
Cash	1.01	-	1.01

Sorted from highest to lowest rating. Cash is not included in any rating.

Sector Allocation (Market Value %)	Fund	Reference Benchmark	Relative
Treasuries	52.11	53.00	-0.89
Supra/agencies	15.08	15.00	0.08
Corp Non-fin	12.47	11.91	0.56
US Agency Mbs	10.01	10.20	-0.18
Corp Fin	6.33	6.79	-0.46
Collateralised	2.99	3.10	-0.11
Cash	1.01	-	1.01

Sorted from largest to smallest per market values of weight.

Maturity Breakdown (Option Adjusted Duration)	Fund	Reference Benchmark	Relative
0-2 years	0.14	0.17	-0.02
2-5 years	1.13	1.10	0.03
5-10 years	1.89	1.94	-0.05
10+ years	4.14	4.14	0.00
Total	7.30	7.34	-0.03

Sorted from shortest to longest per the length of maturity.

Geographical Allocation (Market Value %)	Fund	Reference Benchmark	Relative
United States	39.53	39.47	0.06
Europe	29.62	29.07	0.55
Asia	25.05	26.44	-1.39
Other	2.13	2.16	-0.03
Latin America	1.17	1.10	0.07
Eastern Europe	0.81	1.02	-0.21
Middle East	0.68	0.72	-0.05
Africa	0.00	0.02	-0.02
Cash	1.01	-	1.01

Sorted from largest to smallest per market values of weight.

Duration Allocation by Currency Bloc (Option Adjusted Duration)	Fund	Reference Benchmark	Relative
Dollar	2.93	2.93	0.00
Euro	1.92	1.95	-0.02
Japan	1.29	1.30	-0.01
EM Local Currency	0.61	0.61	0.00
UK	0.56	0.56	0.00
Total	7.30	7.34	-0.03

Sorted from largest to smallest per Option Adjusted Duration.

Top 10 Holdings (%)	Weight (%)
CHINA GOVT BOND 2.750 08/08/22	0.98
CHINA GOVT BOND 3.250 06/06/26	0.54
FNCL 3 3/21 3.000	0.41
CHINA DEV BANK 4.010 09/01/37	0.36
AGRICUL DEV BANK 3.510 03/04/24	0.35
CHINA GOVT BOND 3.190 11/04/24	0.33
EXP-IMP BK CHINA 3.280 11/02/24	0.32
FNCL 3.5 3/21 3.500	0.30
CHINA DEV BANK 3.180 17/05/22	0.30
UK TSY GILT 4.250 07/03/36	0.29

⁴Spread duration excludes interest rate futures and bond futures. We can force the local government spread duration to zero for certain funds on request.

⁵Average credit rating uses 'Index rating' which is an average of S&P, Fitch, Moody's. The average fund and benchmark rating does not include securities rated NR or NA.

Source: HSBC Global Asset Management, data as at 28 February 2021

The benchmark data is that of the reference benchmark of the fund, Bloomberg Barclays Global Aggregate Hedged USD, as this data is calculated at fund level rather than share class level.

Important Information

This document has no contractual value and is not by any means intended as a solicitation, nor a recommendation for the purchase or sale of any financial instrument. (Potential) investors are kindly asked to consult the latest issued Key Investor Information Document (KIID), prospectus, articles of incorporation and the (semi-)annual report of the fund which may be obtained free of charge at the head office of the representative: HSBC Global Asset Management (Switzerland) AG, Gartenstrasse 26, Postfach, CH-8002 Zürich, Schweiz. Paying agent: HSBC Private Bank (Suisse) S.A., Quai des Bergues 9-17, P. O. Box 2888, CH-1211 Geneva 1. Investors and potential investors should read and note the risk warnings in the prospectus and relevant KIID. Before subscription, investors should refer to the prospectus for general risk factors and to the KIID for specific risk factors associated with this fund. Issue and redemption expenses are not taken into consideration in the calculation of performance data.

Further Information can be found in the prospectus.

Terms of Glossary

Accumulation Share: a type of share where the income earned by the Fund is retained in the Fund

ACD: HSBC Global Asset Management (UK) Limited, the Authorised Corporate Director of the Company

Actively Managed: where the fund manager uses their expertise to pick investments to achieve the fund's objectives

Beta: an historical measure of volatility to measure how a fund moves versus its benchmark (i.e. an Index)

Bond(s): a loan, usually to a company or government, that pays interest

Bond Index Futures: a contract stating that the holder agrees to purchase a bond index at a particular price on a specified future date

Collective Investment Scheme: a fund that more than one person contributes to with the aim of increasing the value of their investments or receiving income from a pooled investment. A fund manager will invest the pooled money into one or more types of asset, such as stocks, bonds or property

Credit Rating: an assessment of the credit risk of a company, government or other organisation. It seeks to measure how likely it is that the issuer of a bond will be able to continue to make interest payments and repay the money loaned to it

Developed Markets: countries with relatively high levels of personal income and established economies

Duration: a measure of how long it takes in years for an investor in a bond to recoup the price they paid for the bond from its interest payments. It provides an indication of how much bond prices are likely to change if and when interest rates change

Emerging Markets (EM): countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body

Futures: a financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price

Growth: the increase in the value of investments

Government Bond or Gilt: a loan to a national government in return for regular payments (known as the coupon) and a promise that the original investment (principal) is paid back at a specified date. Gilts are loans to the UK government

Hedge Funds: an investment fund that pools money from investors and invests in a variety of assets, often with complex investment strategies and risk management techniques

Hedge or Hedging: using derivative type investments as a way to reduce risk

High yield bond: a bond paying a higher level of interest but which has a lower credit rating than investment grade

Income: money generated by a fund, such as interest from a bond or a dividend from a share, which can be paid out to its investors or paid back into the fund and reinvested

Income Share: the type of Share where the income earned by the Fund is paid out to you

Information Ratio: a measure of the risk-adjusted return of a fund against its benchmark

Investment Grade: a credit rating that indicates the issuer of a bond has a relatively low risk of being unable to make interest payments and repay the money to it

Maturity: the period of time left for a bond or gilt to remain outstanding before the original loan and any final interest is repaid to the lender

Net Asset Value (NAV): the value of the scheme property of a fund less the liabilities of the fund

Ongoing Charges Figure: a measure of what it costs to invest in a fund. It includes the fee paid to the ACD and other operating costs

Option adjusted duration (OAD): a duration value based on the probability of early redemption call by the bond issuer

Option adjusted spread duration (OASD): estimates the price sensitivity of a bond to a 100 basis-point movement (either widening or narrowing) in its spread relative to treasuries, taking into account the likelihood of early redemption

Property-related securities: shares of property companies that own, manage or develop property and Real Estate Investment Trusts (REITs), which are investment companies that own buildings and land

Return(s): the money made or lost on an investment

Share(s): an equally valued holding in a fund of a company, representing part ownership of that fund, (including larger denomination shares and smaller denomination shares)

Sharpe ratio: a measure for calculating risk-adjusted return, and this ratio has become the industry standard for such calculations

Volatility: a measure of the size and frequency of changes in the value of an investment over a short space of time

Yield: the income from an investment, usually stated as a percentage of the value of the investment

Yield to Maturity: the total return anticipated on a bond if the bond is held until the end of its lifetime, excluding strategic currency hedges for Portfolio/Benchmark calculations. Number is shown in percentage

Yield to Worst: the lowest potential yield that can be received on a bond without the issuer actually defaulting, excluding strategic currency hedges for Portfolio/Benchmark calculations. Number is shown in percentage