

HSBC Global Investment Funds - Asia High Yield Bond

Share Class IM2USD

30 Apr 2021

Fund Objective and Strategy

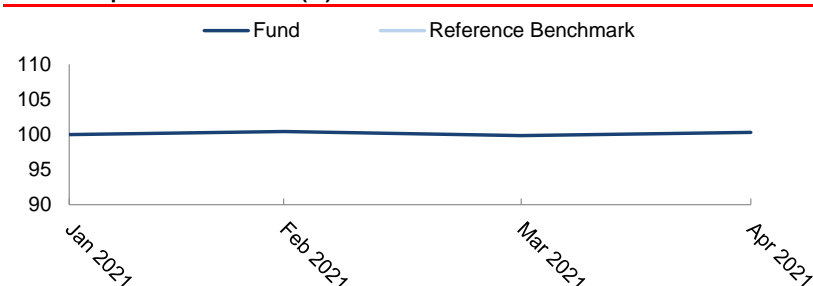
Investment Objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of Asian high yield bonds.

Investment Policy

In normal market conditions, the Fund will invest at least 70% of its assets in non-investment grade bonds and unrated bonds issued either by companies based in or carry out the larger part of their business in Asia, or by governments, government-related entities and supranational entities based in Asia. The Fund may invest up to 30% of its assets in onshore Chinese bonds which are issued within the People's Republic of China (PRC) and traded on the China Interbank Bond Market. The Fund may invest up to 10% in convertible bonds. The Fund may also invest up to 15% of its assets in contingent convertible securities. The Fund may invest up to 10% of its assets in other funds, including HSBC funds. The Fund's primary currency exposure is to US dollars (USD). See the Information Memorandum for a full description of the investment objectives and derivative usage.

Since Inception Performance (%)



Performance (%)	YTD	1M	3M	1Y	3Y ¹	5Y ¹	Since Inception
IM2USD	-	0.48	0.35	-	-	-	0.33
Reference Benchmark	-	1.02	1.28	-	-	-	1.19

Calendar Year Performance (%)	2016	2017	2018	2019	2020
IM2USD	-	-	-	-	-
Reference Benchmark	-	-	-	-	-

Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, NAV-to-NAV basis or Bid-to-Bid basis, dividend reinvested.

Source: HSBC Global Asset Management, data as at 30 April 2021

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

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.
- 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 Prospectus and Product Highlights Sheet, or Information Memorandum, as applicable.

Share Class Details

UCITS V Compliant	Yes
Subscription Mode	Cash
Distribution Type	Distributing
Distribution Frequency	Monthly
Dealing Frequency	Daily
Valuation Time	17:00 Luxembourg
Min. Initial Investment	USD 1,000,000
Max. Initial Charge	3.10%
Management Fee	0.63%
Share Class Base Currency	USD
Domicile	Luxembourg
ISIN	LU2275057458
Share Class Inception Date	27 Jan 2021
NAV per Share	USD 9.88
Fund Size	USD 1,979,950,273
Bloomberg Ticker	HSYBIU LX
Reference Benchmark	JACI Non-Investment Grade Corporate Index
Manager	Alfred Mui Ming Leap

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

3-Year Risk Measures	IM2USD	Reference Benchmark	5-Year Risk Measures	IM2USD	Reference Benchmark
Volatility	-	-	Volatility	-	-
Sharpe Ratio	-	-	Sharpe Ratio	-	-
Tracking Error	-	-	Tracking Error	-	-
Information Ratio	-	-	Information Ratio	-	-

Characteristics	Fund	Reference Benchmark	Relative	Characteristics	Fund	Reference Benchmark	Relative
Number of Holdings ex Cash	318	515	-	Option Adjusted Spread	2.55	2.59	-0.04
Yield to Worst (Gross)	6.04	6.28	-0.24	Duration (OASD) ²			
Yield to Maturity (Gross)	6.34	6.71	-0.36	Rating Average ³	BB-/B+	BB-/B+	-
Modified Duration to Worst	2.21	2.47	-0.26	Maturity Average	3.28	2.93	0.36
				Number of Issuers	115	227	-

Credit Quality Rating Allocation (Market Value %)	Fund	Reference Benchmark	Relative	Sector Allocation (Market Value %)	Fund	Reference Benchmark	Relative
A	1.73	-	1.73	Real Estate	49.94	49.39	0.55
BBB	1.74	1.02	0.72	Consumer Cyclical	12.33	10.15	2.18
BB	38.76	42.45	-3.68	Energy	10.38	6.07	4.30
B	47.05	32.63	14.42	Basic Materials	6.80	5.04	1.76
CCC	2.67	2.02	0.65	Banks	4.18	8.47	-4.30
NR	4.57	21.87	-17.31	Utilities	3.32	3.38	-0.06
Cash	3.46	-	3.46	Diversified Finan serv	3.04	2.90	0.14

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

Maturity Breakdown (Option Adjusted Duration)	Fund	Reference Benchmark	Relative	Sector Allocation (Market Value %)	Fund	Reference Benchmark	Relative
0-2 years	0.46	0.47	-0.01	Consumer Non cyclical	2.14	3.59	-1.45
2-5 years	1.33	1.44	-0.11	Government	1.46	-	1.46
5-10 years	0.31	0.47	-0.16	Communications	1.04	3.37	-2.33
10+ years	0.08	0.04	0.04	Other Sectors	1.89	7.62	-5.73
Total	2.18	2.42	-0.24	Cash	3.46	-	3.46

Sorted from shortest to longest per the length of maturity.

Currency Allocation (Market Value %)	Fund	Reference Benchmark	Relative	Geographical Allocation (Market Value %)	Fund	Reference Benchmark	Relative
USD	96.95	100.00	-3.05	Mainland China	52.37	54.50	-2.12
CNH	3.20	-	3.20	India	14.28	12.85	1.43
AUD	2.82	-	2.82	Indonesia	11.87	5.05	6.83
GBP	2.80	-	2.80	Hong Kong SAR	5.60	12.79	-7.19
CAD	1.17	-	1.17	Macau SAR	5.07	3.89	1.17
EUR	0.02	-	0.02	Philippines	2.22	5.83	-3.62
JPY	0.00	-	0.00	Malaysia	1.23	0.16	1.07
HKD	0.00	-	0.00	Thailand	0.99	1.83	-0.83
SGD	-0.03	-	-0.03	Singapore	0.91	1.24	-0.33
INR	-1.90	-	-1.90	Sri Lanka	0.68	-	0.68
Other Currencies	-5.02	-	-5.02	Other Locations	1.32	1.86	-0.54
				Cash	3.46	-	3.46

Only top 10 breakdowns are displayed. Other breakdowns are included in Others.

Top 10 Holdings (%)	Weight (%)
NWD FINANCE(BVI) 5.750	1.33
MEDCO BELL 6.375 30/01/27	1.22
MEDCO OAK TREE 7.375 14/05/26	1.20
THETA CAPITAL 8.125 22/01/25	1.15
KAISA GROUP 9.375 30/06/24	1.10
MELCO RESORTS 5.750 21/07/28	1.10
FORTUNE STAR 5.950 19/10/25	1.07
INDIKA ENERGY IV 8.250 22/10/25	1.02
YES BANK IFSC 3.750 06/02/23	0.94
PETRONAS CAP LTD 3.404 28/04/61	0.93

²Spread duration excludes interest rate futures and bond futures. We can force the local government spread duration to zero for certain funds on request.

³Average 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 30 April 2021

Monthly Performance Commentary

Portfolio strategy

The fund returned positively in April, although underperformed its benchmark. Underperformance came mostly from the fund's selection in the China property and asset management sectors. An underweight in Sri Lanka sovereign bonds also took a toll on relative returns as these bonds continued to rebound after a swap facility agreement with China was approved by the Cabinet of Ministers late March. The fund's yield curve positioning strategy also did not help, particularly its overweight at the short-end which underperformed the long-end of the curve. On a more positive note, the fund's overweight in the Indonesia coal and property sectors lifted relative returns. The fund's non benchmark exposure to the CAD and AUD also contributed as these currencies strengthened against the US dollar in April.

In terms of overall portfolio allocation, the China property sector remains the largest sector allocation in the fund. However, we are also selective in this space and expect greater credit differentiation going forward against a tightened policy backdrop. We are also overweight India and Indonesia corporates, favouring mostly sectors that are more cyclical in nature. In particular, we are overweight the India commodity and Indonesia coal sectors which we expect to benefit from improved demand on the back recovering global economic growth. In India, we are also overweight the renewable energy sector as these names continue to enjoy strong policy support and good access to funding from global investors. On the other hand, we are underweight sectors where we find valuations unattractive. For instance, we are underweight Hong Kong, Philippines and Korea. We are also underweight the bank subordinated and communication sectors due to their relatively lower yields. We continue to expect accommodative monetary policy stance in the US to buffer against the near-term economic downside risks. However, given the market optimism on global growth, we look to actively manage our duration exposure and remain neutral to slight underweight in the fund's duration exposure.

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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

HSBC Global Investment Funds - Asia High Yield Bond

Supplement Information Sheet

30 Apr 2021

Performance (%)	Return Currency	YTD	1M	3M	6M	1Y	3Y ¹	5Y ¹	Since Inception
AC	USD	0.13	0.42	0.17	5.05	16.14	-	-	11.11
IC	USD	0.37	0.48	0.36	5.43	17.02	-	-	12.26
IM2USD	USD	-	0.48	0.35	-	-	-	-	0.33

Calendar Year Performance (%)	Return Currency	2016	2017	2018	2019	2020
AC	USD	-	-	-	-	10.00
IC	USD	-	-	-	-	10.80
IM2USD	USD	-	-	-	-	-

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

Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, NAV-to-NAV basis or Bid-to-Bid basis, dividend reinvested.

Share Class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Last Paid Dividend	Annualised Yield
IM2USD	USD	Monthly	28 Apr 2021	0.050065	6.27%
AC	USD	-	-	-	-
IC	USD	-	-	-	-

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 Global Asset Management (Singapore) Limited website.

Share Class	Share Class Inception Date	ISIN	Share Class Base Currency	Min. Initial Investment	NAV per Share	Annual Management Fee	Distribution Type
IM2USD	27 Jan 2021	LU2275057458	USD	USD 1,000,000	9.88	0.63%	Distributing
AC	27 Nov 2019	LU2004780537	USD	USD 5,000	11.11	1.25%	Accumulating
IC	27 Nov 2019	LU2065168440	USD	USD 1,000,000	11.23	0.63%	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.

Source: HSBC Global Asset Management, data as at 30 April 2021