

HSBC Global Investment Funds

GLOBAL BOND

Monthly report 31 January 2024 | Share class AC



Investment objective

The Fund aims to provide capital growth and income by investing in a diversified portfolio of investment grade rated bonds and other similar securities from around the world, 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 invest primarily in securities issued in developed markets and denominated in developed market currencies. The Fund may invest up to 20% of its assets in non-investment grade bonds and up to 20% in bonds issued in emerging markets. The Fund may invest up to 10% in bonds issued by any single government issuer with a non-investment grade rating. 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, invest up to 30% in asset backed securities and mortgage-backed securities, up to 10% in contingent convertible securities and up to 10% in other funds. 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 16.44
Performance 1 month	-1.68%
Yield to maturity	3.71%

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	19 May 2006
Fund Size	USD 36,347,073
Reference benchmark	100% Bloomberg Global Aggregate
Managers	Ernst Josef Osiander

Fees and expenses

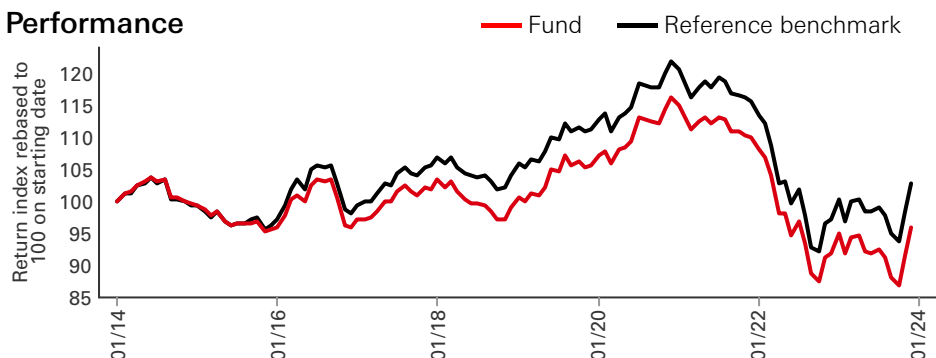
Minimum initial investment (SG) ¹	USD 5,000
Maximum initial charge (SG)	3.100%
Management fee	0.750%

Codes

ISIN	LU0165191387
Bloomberg ticker	HSBIMAC 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	-1.68	-1.68	8.84	2.06	-0.59	-6.35	-1.28
Reference benchmark	-1.67	-1.67	7.90	2.08	0.94	-5.67	-0.89

Calendar year performance (%)	2019	2020	2021	2022	2023
AC	6.87	9.93	-5.46	-16.28	4.46
Reference benchmark	6.94	9.40	-4.96	-16.02	5.97

3-Year Risk Measures	AC	Reference benchmark	5-Year Risk Measures	AC	Reference benchmark
Volatility	8.64%	8.70%	Volatility	7.51%	7.47%
Sharpe ratio	-1.00	-0.91	Sharpe ratio	-0.43	-0.38
Tracking error	1.10%	--	Tracking error	0.98%	--
Information ratio	-0.63	--	Information ratio	-0.40	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	181	29,477	--
Average coupon rate	3.57	2.71	0.86
Yield to worst	3.69%	3.59%	0.10%
OAD	7.06	6.62	0.43
Modified Duration to Worst	7.31	6.45	0.87
Option Adjusted Spread Duration	3.14	3.40	-0.26
Average maturity	8.63	8.41	0.23
Rating average	AA-/A+	AA-/A+	--

Credit rating (%)	Fund	Reference benchmark	Relative	Maturity Breakdown (OAD)	Fund	Reference benchmark	Relative
AAA	16.21	12.06	4.16	0-2 years	0.08	0.18	-0.10
AA	39.79	42.12	-2.34	2-5 years	1.01	0.99	0.03
A	19.08	31.62	-12.54	5-10 years	3.21	2.22	0.99
BBB	22.95	14.20	8.75	10+ years	2.75	3.24	-0.48
BB	1.97	--	1.97	Total	7.06	6.62	0.43

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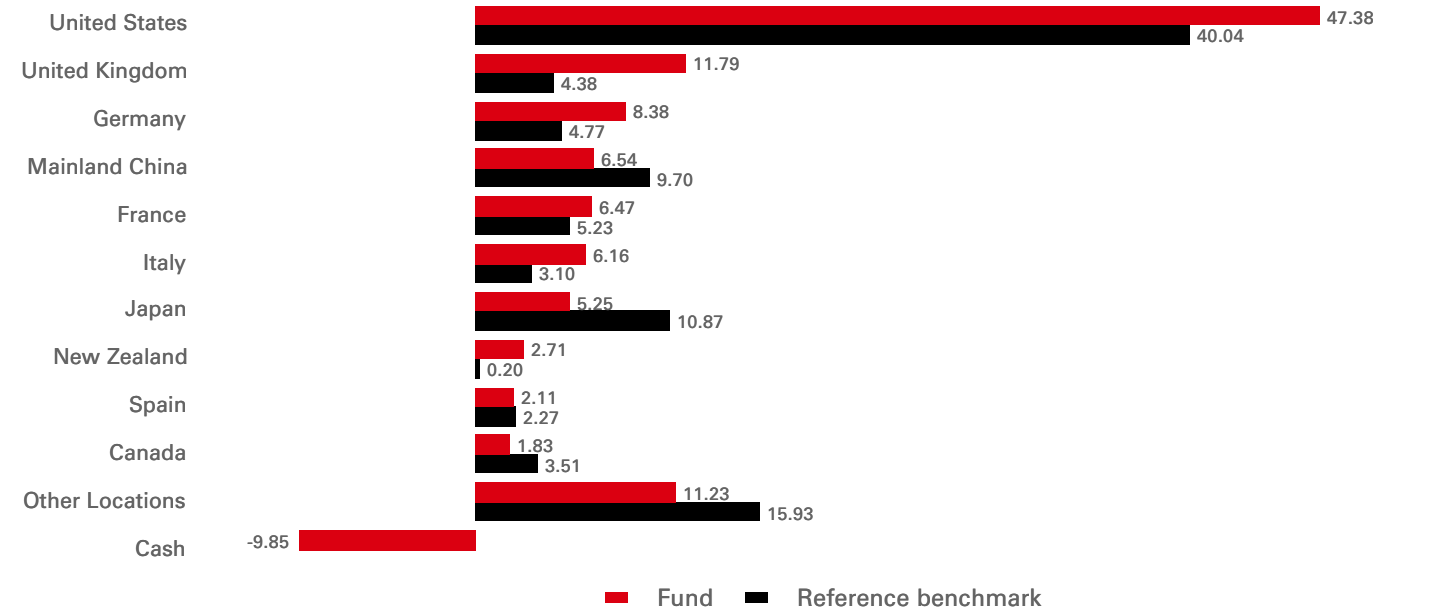
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Source: HSBC Asset Management, data as at 31 January 2024

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Currency Bloc Allocation (OAD)	Fund	Reference benchmark	Relative	Currency Allocation (%)	Fund	Reference benchmark	Relative
Dollar	3.71	3.04	0.67	USD	41.53	45.02	-3.49
Euro	1.69	1.51	0.18	EUR	22.13	22.13	-0.01
Japan	0.75	0.97	-0.22	JPY	12.42	10.44	1.98
EM Local Currency	0.56	0.78	-0.22	CNY	6.58	9.23	-2.65
UK	0.35	0.33	0.02	GBP	3.97	4.05	-0.08
Total	7.06	6.62	0.43	CAD	2.66	2.74	-0.07
				CNH	2.62	--	2.62
				AUD	2.28	1.37	0.91
				KRW	1.11	1.16	-0.05
				INR	0.93	--	0.93
				Other Currencies	3.78	3.86	-0.08

Geographical Allocation (%)



Sector Allocation (%)	Fund	Reference benchmark	Relative
Treasuries	54.84	52.77	2.08
Corp Non-fin	12.56	11.19	1.37
US Agency Mbs	11.61	10.91	0.70
Corp Fin	9.29	7.18	2.11
Supra/agencies	5.92	14.84	-8.92
Collateralised	5.78	3.10	2.68

Top 10 Holdings	Weight (%)
US TREASURY N/B 4.500 15/11/33	6.23
US TREASURY N/B 4.000 31/01/31	5.75
US TREASURY N/B 4.375 30/11/28	5.53
US TREASURY N/B 4.000 15/01/27	4.81
CHINA GOVT BOND 3.270 19/11/30	3.60
NEW ZEALAND GVT 3.500 14/04/33	2.71
US TREASURY N/B 1.375 15/08/50	2.11
CHINA GOVT BOND 1.990 09/04/25	1.91
US TREASURY N/B 1.375 15/11/40	1.74
BTPS 0.900 01/04/31	1.70

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

Monthly performance commentary

Performance review

The fund's absolute performance was negative but relative performance was positive in January. Rates positioning was slightly negative as the negative contribution from the overall duration overweight mainly in the US, Australia and New-Zealand. This was 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 also deteriorated from performance slightly. Asset allocation and security selection contributed positively to performance as a result of the overweight in ABS and overall corporate spreads tightening, especially in Europe where the fund has an overweight versus the US.

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 ITL vs Germany 10yr. 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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 **HSBC Asset Management**

Glossary



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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. The deviation of the Fund's performance relative to the benchmark is monitored, but not constrained, to a defined range.

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

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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	-1.68	-1.68	8.84	2.06	-0.59	-6.35	-1.28
AD EUR	0.53	0.53	5.91	3.60	-0.61	-2.79	-0.19
AD SGD	-0.20	-0.20	6.17	2.72	1.08	-6.14	-1.40
AD USD	-1.67	-1.67	8.84	2.07	-0.59	-6.35	-1.28
AM2HKD HKD	-1.64	-1.64	8.74	2.30	-0.87	-6.10	-1.35
IC USD	-1.63	-1.63	8.98	2.31	-0.11	-5.91	-0.81
PD USD	-1.66	-1.66	8.91	2.20	-0.34	-6.12	-1.03

Calendar year performance (%)	2019	2020	2021	2022	2023
AC USD	6.87	9.93	-5.46	-16.28	4.46
AD EUR	9.08	0.13	2.64	-11.07	0.33
AD SGD	5.49	7.84	-3.34	-16.68	2.20
AD USD	6.87	9.93	-5.45	-16.28	4.46
AM2HKD HKD	6.29	9.43	-4.87	-16.34	4.72
IC USD	7.39	10.45	-5.01	-15.88	4.96
PD USD	7.15	10.19	-5.22	-16.07	4.73

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.

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

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Supplemental information sheet

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Last Paid Dividend	Annualised Yield based on ex-dividend date
AC	USD	--	--	--	--
AD	USD	Annually	31 May 2023	0.158774	1.34%
AM2HKD	HKD	Monthly	31 January 2024	0.028032	4.12%
IC	USD	--	--	--	--
PD	USD	Annually	8 July 2020	0.107406	1.15%

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	19 May 2006	LU0165191387	USD	USD 5,000	16.44	0.750%	Accumulating
AD	31 July 1989	LU0039216972	USD	USD 5,000	12.10	0.750%	Distributing
AM2HKD	9 November 2016	LU1481106893	HKD	USD 5,000	8.32	0.750%	Distributing
IC	9 March 2007	LU0165191460	USD	USD 1,000,000	17.81	0.375%	Accumulating
PD	23 April 2007	LU0283739703	USD	USD 50,000	7.46	0.500%	Distributing

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.

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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