

## HSBC Portfolios

# World Selection 1

Monthly report 31 March 2024 | Share class AMHSGD

### Investment objective

The Fund aims to provide long-term capital growth and income by investing in a portfolio of bonds and shares. The Fund seeks to apply a low risk investment strategy.

### Investment strategy

The Fund is actively managed and is not constrained by a benchmark. In normal market conditions, at least 90% of the Fund's exposure is to bonds, shares and alternative investment strategies. The Fund gains exposure to bonds that are investment grade, non-investment grade and unrated issued by the government, government-related entities, supranational entities and companies based in developed markets and emerging markets. The bonds can be denominated either in US dollar (USD), other developed markets currencies hedged into USD, or in emerging markets currencies. The Fund gains exposure to shares issued by companies of any size. The Fund may invest up to 100% in other funds although this investment will normally be between 25% and 75%. The Fund can have an exposure to bonds (or other similar securities) of up to 100% of its assets. The exposure to shares (or securities similar to shares) can be up to 25% of assets. The Fund may invest up to 20% in non-investment grade and unrated bonds, and up to 25% in alternative investment strategies. 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 generally 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 value of investible securities can change over time due to a wide variety of factors, including but not limited to: political and economic news, government policy, changes in demographics, cultures and populations, natural or human-caused disasters etc.
- 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>SGD 8.69</b>
Performance 1 month	<b>1.30%</b>
Sharpe ratio 3 years	<b>-0.85</b>

#### Fund facts

UCITS V compliant	<b>Yes</b>
Subscription mode	<b>Cash</b>
Dividend treatment	<b>Distributing</b>
Distribution Frequency	<b>Monthly</b>
Dividend ex-date	<b>27 March 2024</b>
Dividend annualised yield	<b>2.45%</b>
Last Paid Dividend	<b>0.017538</b>
Dealing frequency	<b>Daily</b>
Valuation Time	<b>10:00 Luxembourg</b>
Share Class Base Currency	<b>SGD</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>1 July 2014</b>
Fund Size	<b>USD 261,681,362</b>
Managers	<b>Nicholas McLoughlin</b>

#### Fees and expenses

Minimum initial investment (SG) <sup>1</sup>	<b>SGD 1,000</b>
Maximum initial charge (SG)	<b>4.170%</b>
Management fee	<b>1.000%</b>

#### Codes

ISIN	<b>LU1066047975</b>
Bloomberg ticker	<b>HWS1AMS LX</b>

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

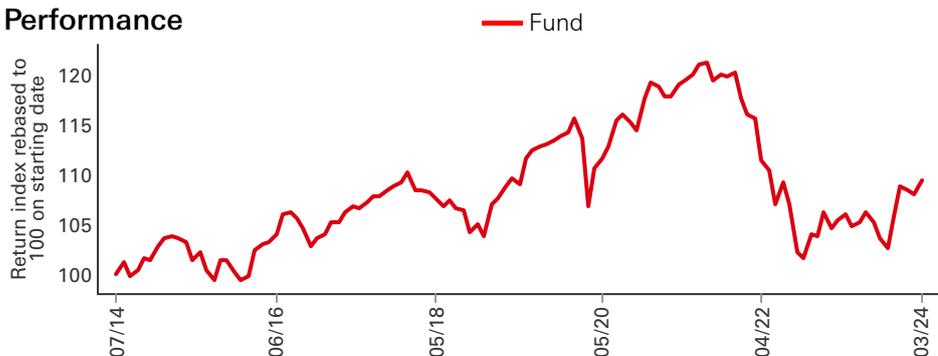
**Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis. For comparison with benchmark.**

**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.**

**Source: HSBC Asset Management, data as at 31 March 2024**

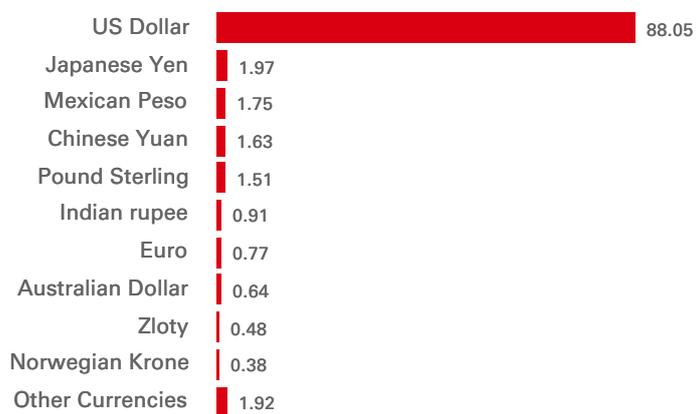
## Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
<b>AMHSGD</b>	<b>0.58</b>	<b>1.30</b>	<b>0.58</b>	<b>5.58</b>	<b>3.66</b>	<b>-2.44</b>	<b>0.09</b>
AMHSGD (Net)*	-3.45	-2.76	-3.45	1.35	-0.49	-3.76	-0.72

Calendar year performance (%)	2019	2020	2021	2022	2023
<b>AMHSGD</b>	<b>10.07</b>	<b>4.32</b>	<b>0.84</b>	<b>-13.64</b>	<b>4.73</b>
AMHSGD (Net)*	5.66	0.15	-3.20	-17.10	0.54

## Currency Allocation (%)



## Asset allocation (%)

	Fund
<b>Global Equity</b>	<b>14.20</b>
Global Government Bond	42.39
Global Corporate Bond	18.97
Global High Yield Bonds	0.82
Global Asset Backed Bonds	3.60
Emerging Market Debt - Hard Currency	1.29
Emerging Market Debt - Local Currency	3.30
Global Inflation Linked Bonds	3.69
<b>Property</b>	<b>0.46</b>
<b>Style Factors</b>	<b>3.04</b>
<b>Trend Following</b>	<b>2.54</b>
<b>Commodities</b>	<b>1.76</b>
Cash/Liquidity	3.12
Listed Infrastructure	0.82

## Top 10 Holdings

	Weight (%)
HSBC GIF Global Govt Bd ZQ1	11.29
HSBC GIF Global Infl LnkD Bd ZQ1	3.69
HSBC GIF Global IG Sec Credit Bd ZC	3.60
HSBC FTSE All-World Index Instl Acc	3.15
HSBC GIF Multi-Asset Style Factors ZC	3.04
US TREASURY N/B 4.625 15/10/2026 USD	2.92
HSBC American Index Institutional Acc	2.69
Struct GS Cross Asset Trend E USD Acc	2.54
iShares Edge MSCI USA Qual Fac ETF \$Dist	1.97
HSBC ICAV CH GOV LO BND ETF	1.49

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

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.

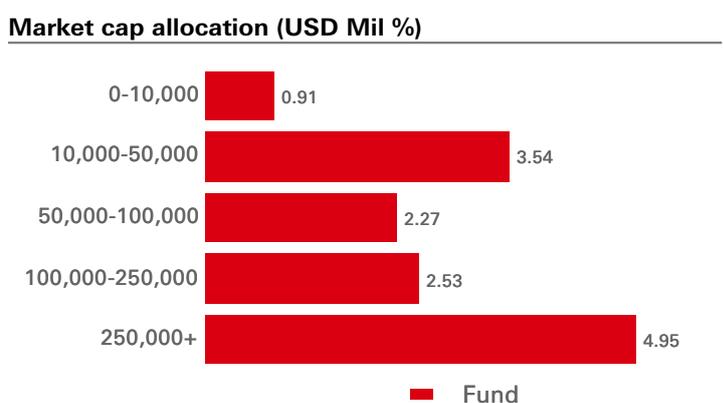
Performance numbers shown are before netting off sales / realisation charges.

The data displayed in above sections is shown on a look-through basis. This means that the fund may not directly hold these securities and the investment in these securities may be via other funds.

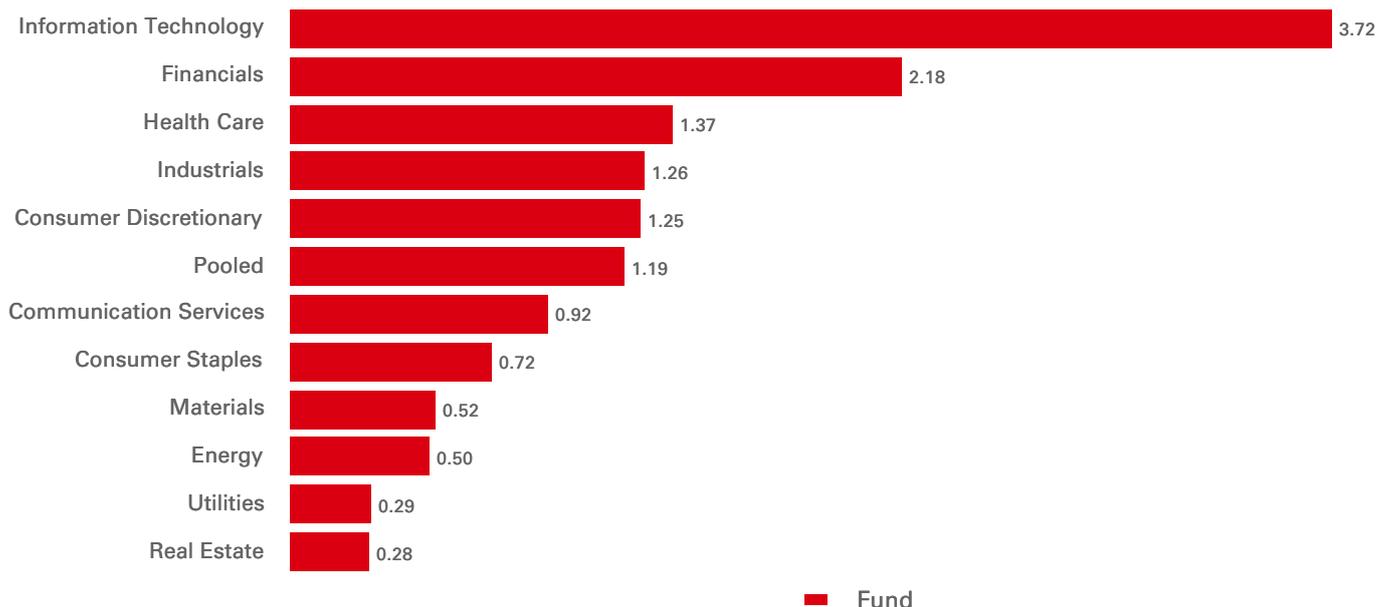
Source: HSBC Asset Management, data as at 31 March 2024

Equity top 10 holdings	Location	Sector	Weight (%)
Microsoft Corp	United States	Information Technology	0.65
NVIDIA Corp	United States	Information Technology	0.55
Apple Inc	United States	Information Technology	0.52
Alphabet Inc	United States	Communication Services	0.31
Meta Platforms Inc	United States	Communication Services	0.25
Amazon.com Inc	United States	Consumer Discretionary	0.22
Broadcom Inc	United States	Information Technology	0.19
Eli Lilly & Co	United States	Health Care	0.18
Visa Inc	United States	Financials	0.14
UnitedHealth Group Inc	United States	Health Care	0.09

Equity characteristics	Fund	Reference benchmark
Average Market Cap (USD Mil)	555,169	--
Price/earning ratio	17.97	--
Portfolio yield	1.87%	--

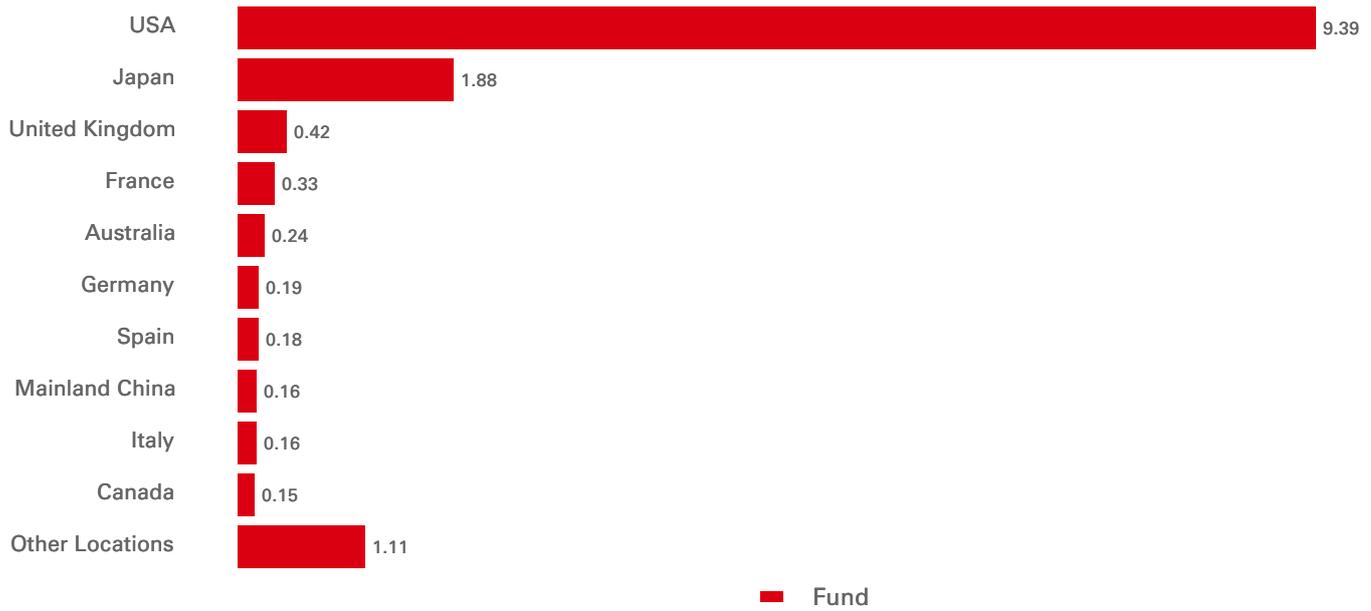


**Equity sector allocation (%)**



**Equity geographical allocation (%)**

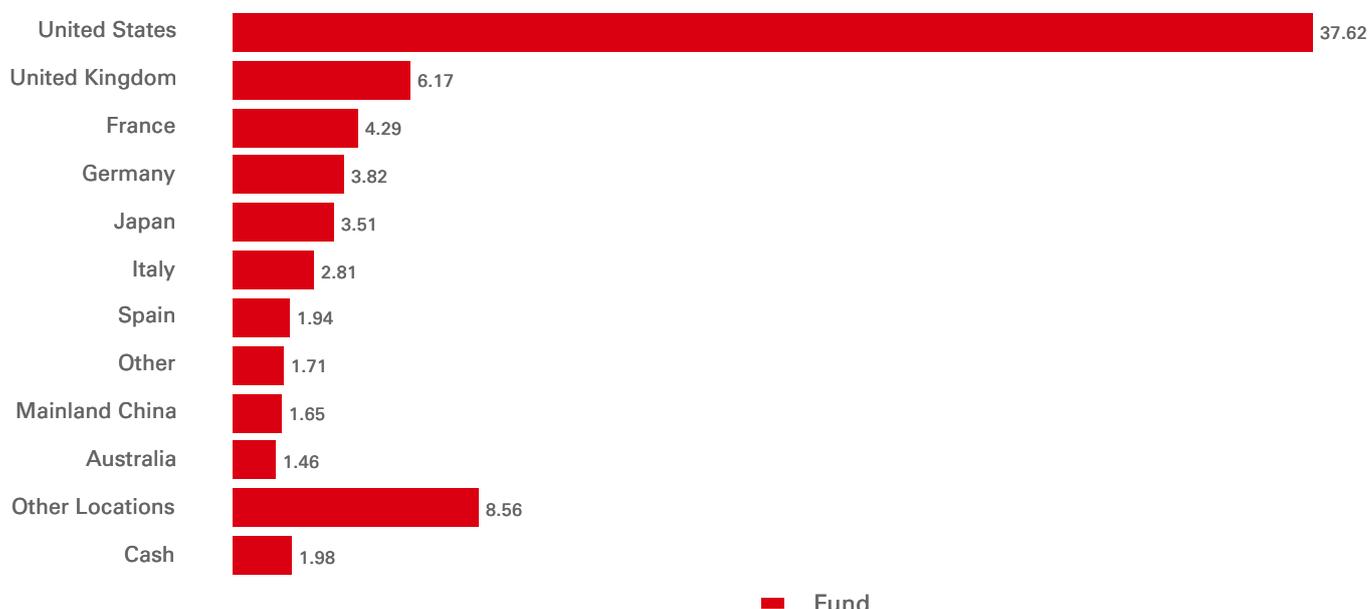
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Fixed Income Characteristics	Reference		Credit rating (%)	Reference	
	Fund benchmark	Relative		Fund benchmark	Relative
Yield to worst	5.01%	--	AAA	20.20	--
Yield to maturity	5.06%	--	AA	22.97	--
OAD	4.85	--	A	11.15	--
Rating average	A+/A	--	BBB	16.27	--
			BB	2.17	--
			B	0.56	--
			CCC	0.14	--
			CC	0.01	--
			C	0.00	--
			D	0.04	--
			NR	0.05	--
			Cash	1.98	--

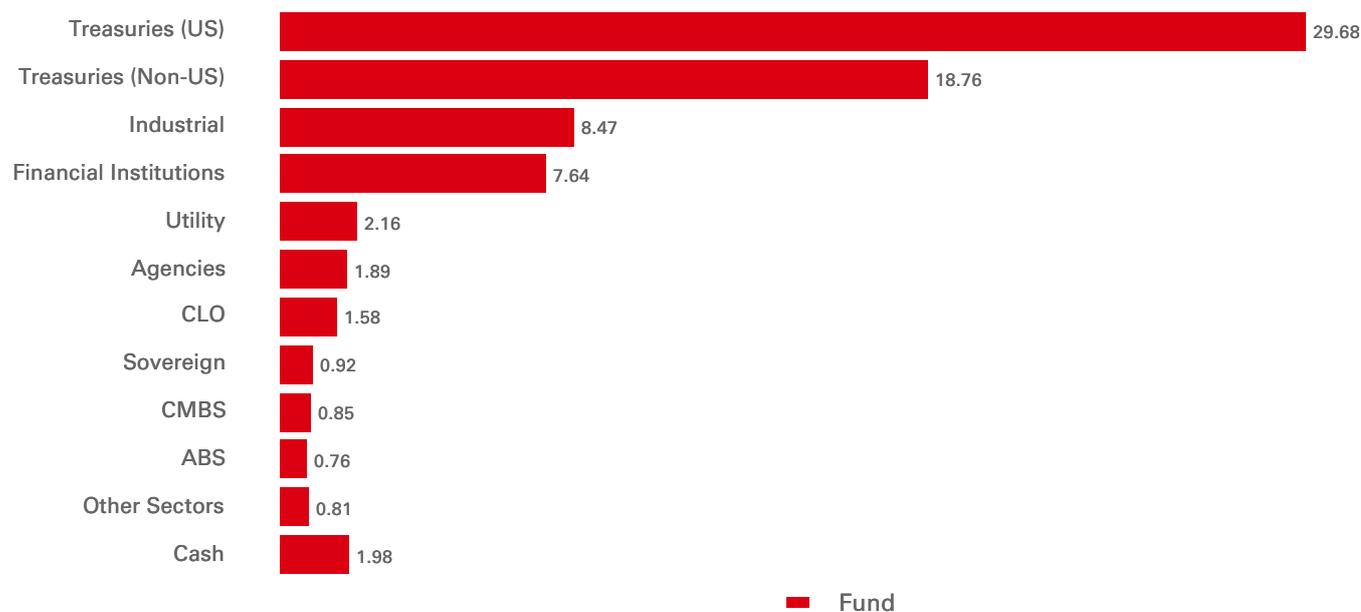
Fixed income top 10 holdings	Location	Instrument type	Weight (%)
US TREASURY N/B 4.625 15/10/2026 USD	United States	Treasury Note	2.92
US TREASURY N/B 1.000 15/12/2024 USD	United States	Treasury Note	1.48
US TREASURY N/B 1.750 15/03/2025 USD	United States	Treasury Note	1.47
US TREASURY N/B 2.875 15/06/2025 USD	United States	Treasury Note	1.20
US TREASURY N/B 4.250 30/09/2024 USD	United States	Treasury Note	1.16
US TREASURY N/B 5.000 31/08/2025 USD	United States	Treasury Note	1.15
JAPAN (5 YEAR ISSUE) 0.100 20/09/2025 JPY	Japan	Government Bond	1.13
UNITED KINGDOM GILT 3.500 22/10/2025 GBP	United Kingdom	Government Bond	1.06
US TREASURY N/B 0.750 31/08/2026 USD	United States	Treasury Note	1.04
US TREASURY N/B 1.375 31/01/2025 USD	United States	Treasury Note	0.92

#### Fixed income geographical allocation (%)



Geographical Allocation (OAD)	Fund	Reference benchmark	Relative
United States	2.46	--	--
United Kingdom	0.55	--	--
France	0.26	--	--
Japan	0.21	--	--
Germany	0.17	--	--
Mainland China	0.15	--	--
Italy	0.15	--	--
Australia	0.15	--	--
Spain	0.12	--	--
New Zealand	0.10	--	--
Other Locations	0.57	--	--
Cash	0.00	--	--

**Fixed income sector allocation (%)**



## Monthly performance commentary

### Market Review

Global equities delivered another month of strong returns in March; supported by encouraging economic data, sustained enthusiasm for Artificial Intelligence, and the prospect of interest rate cuts. Fixed income markets also experienced a positive month, with government bonds, corporate bonds and high yield bonds all rising in value. Within equities, developed markets outperformed emerging markets. The UK was the standout performer over the month, driven by positive GDP growth in January and the latest business sector survey in expansionary territory. European stocks also delivered strong returns, as inflation continued to fall and business confidence data remained firm. Japanese equities gained over the month as the Bank of Japan ended their negative interest rate policy after eight years. China's subdued performance acted as a drag on emerging markets returns, despite better than expected economic data, which investors took as a sign that any significant government stimulus may be delayed. In the bond markets, US Treasuries rose modestly, supported by dovish comments from Chairman Powell. In the UK, Gilts also experienced a modest rally following a softer than expected inflation print. Conversely, Japanese bond markets slipped marginally lower in March as the Bank of Japan removed their negative interest rate and yield curve control policies. The US dollar rallied over the month, driven by upward revisions in the US growth rate and some increase in support for interest rate cuts from other central banks. The Euro fell against the dollar given the relative strength of the US economic data and the persistent weakness in manufacturing data in the Eurozone. Sterling was flat against the dollar over the month. In the commodity markets, Gold rallied to all-time highs, driven by the prospect for rate cuts while Oil pushed higher, on elevated geopolitical tensions.

### Portfolio performance

All major asset classes experienced positive returns during March, which resulted in positive absolute returns across all of the World Selection portfolios, with higher risk profiles outperforming lower risk profiles. The World Selection portfolios are actively positioned against a long-term asset allocation. During March, our active positioning added value. The biggest positive contribution came from our allocation to alternative asset classes, including Trend Following Hedge Funds and Gold. In addition, our tilt towards Spanish equity and the banking sector in Europe also added value. Conversely, our tilt away from Global High Yield and our preference for Brazil and India equity lost some value, while our tilt towards US Quality sector also detracted slightly.

### Investment Team Views and Portfolio Positioning

There are three key themes in markets that we are positioned to capture within the World Selection portfolios:

**Recession concerns easing** - We are increasingly confident that Western economies can avoid a recession and are now neutrally positioned in equity. The US economy looks particularly strong, providing further support for equity markets. We are conscious that some downside risks still remain; as such, we maintain a preference for higher quality companies that are likely to remain resilient in case of persistent inflation or risks to the growth outlook. We are tilted away from High Yield bonds and Property, as we believe the full impact of higher borrowing costs has yet to be priced in for these asset classes. In March, we introduced a tilt towards the Energy sector versus the Utilities sector within the US. Energy companies will benefit if geopolitical tensions rise, while earnings will be supported by OPEC+ oil supply cuts and an increase in Shale output. We maintain our preference for Technology companies within the US, on the expectation that increased demand for Artificial Intelligence will support revenues for these companies. We prefer Spanish equity markets within Europe, as the market looks cheap, while the economy is strong. Spain's large pool of renewable energy also insulates its industry from elevated oil and gas prices. We are tilted towards the banking sector in Europe as it looks cheap, has strong profitability - benefiting from higher interest rates - and credit loss provisions are likely to be revised down on improving economic outlook.

**The rate cuts are coming** - We expect major central banks to start cutting interest rates in the second half of 2024 as inflation continues to ease. This encourages us back into government bonds, which are (for the first time in almost a decade) delivering an appealing stream of income for investors. We are focusing our bond exposure on the regions where we believe rate cuts are most likely, for example the US and in March we introduced an exposure to German bonds. Conversely, we have reduced our holdings in Japanese bonds where we expect monetary policy to remain tight. We are holding Gold, which has historically benefited as interest rates fall, and is a useful hedge against geopolitical risk. We are holding increased exposure to the Norwegian Krona and Polish Zloty as inflation remains elevated in these markets, and we expect to continue receiving high interest payments on these currencies as their respective central banks delay cutting interest rates.

**Outperformance in Eastern and Emerging Markets** - The economic backdrop in markets such as India, Japan and Brazil is very strong, monetary policy settings are accommodative and there is room for fiscal support. We maintain several positions to gain access to the specific opportunities we see in these markets:

Japan versus developed market equity, given appealing valuations, strong flows from foreign investors, improved corporate governance, and weakening Yen supporting exports; Indian equity and government bonds: India remains one of the fastest growing economies globally, is making steady productivity improvements, has high foreign direct investments, and favourable demographics; Brazil versus emerging market equity given the country's positive momentum, strong macroeconomic backdrop, and attractive fundamentals. We trimmed this position in February; Mexican peso currency positioning, given the currency is benefitting from the strong growth story in Mexico and is attractively valued against developed markets currencies; Japanese Yen against Swiss Franc, given Japan's stronger inflationary pressure and potential for interest rate policy shift

In March, we entered a position in Chinese government bonds. We expect the central bank to continue the interest cutting cycle to boost growth, which should benefit bond prices.

## 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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### 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.

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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 EUR	3.96	1.64	3.96	4.55	6.24	1.27	1.75
AC EUR (Net)*	-0.20	-2.42	-0.20	0.37	1.99	-0.10	0.92
AC GBP	2.20	1.58	2.20	3.04	3.37	1.39	1.59
AC GBP (Net)*	-1.89	-2.49	-1.89	-1.08	-0.77	0.02	0.76
AC SGD	3.64	1.82	3.64	5.45	7.20	-1.40	0.88
AC SGD (Net)*	-0.51	-2.26	-0.51	1.23	2.91	-2.73	0.06
AC USD	1.10	1.44	1.10	6.65	5.61	-1.54	0.96
AC USD (Net)*	-2.95	-2.62	-2.95	2.38	1.38	-2.87	0.14
ACHSGD SGD	0.59	1.30	0.59	5.59	3.66	-2.40	0.14
ACHSGD SGD (Net)*	-3.44	-2.76	-3.44	1.36	-0.48	-3.72	-0.67
AM USD	1.10	1.44	1.10	6.64	5.60	-1.55	0.95
AM USD (Net)*	-2.95	-2.62	-2.95	2.37	1.37	-2.88	0.13
AMHAUD AUD	0.75	1.34	0.75	5.83	3.96	-2.74	-0.39
AMHAUD AUD (Net)*	-3.28	-2.71	-3.28	1.59	-0.20	-4.05	-1.20
AMHEUR EUR	0.65	1.31	0.65	5.61	3.43	-3.56	-1.30
AMHEUR EUR (Net)*	-3.38	-2.74	-3.38	1.39	-0.71	-4.87	-2.10
AMHKD HKD	1.26	1.41	1.26	6.56	5.28	-1.33	0.89
AMHKD HKD (Net)*	-2.79	-2.65	-2.79	2.30	1.06	-2.67	0.07
AMHSGD SGD	0.58	1.30	0.58	5.58	3.66	-2.44	0.09
AMHSGD SGD (Net)*	-3.45	-2.76	-3.45	1.35	-0.49	-3.76	-0.72

Calendar year performance (%)	2019	2020	2021	2022	2023
AC EUR	13.38	-4.20	9.74	-7.86	2.24
AC EUR (Net)*	8.84	-8.04	5.34	-11.55	-1.85
AC GBP	7.45	1.35	1.93	-2.88	0.48
AC GBP (Net)*	3.15	-2.71	-2.15	-6.77	-3.54
AC SGD	9.66	3.18	3.34	-13.68	4.15
AC SGD (Net)*	5.27	-0.95	-0.80	-17.13	-0.02
AC USD	11.09	5.18	1.09	-13.26	6.45
AC USD (Net)*	6.64	0.97	-2.96	-16.73	2.19
ACHSGD SGD	10.12	4.40	0.92	-13.59	4.73
ACHSGD SGD (Net)*	5.71	0.22	-3.12	-17.05	0.53
AM USD	11.07	5.18	1.09	-13.26	6.45
AM USD (Net)*	6.63	0.97	-2.96	-16.73	2.18
AMHAUD AUD	9.46	3.45	0.35	-14.21	4.66
AMHAUD AUD (Net)*	5.08	-0.69	-3.67	-17.65	0.47
AMHEUR EUR	7.34	2.89	-0.19	-15.39	3.97
AMHEUR EUR (Net)*	3.05	-1.22	-4.18	-18.78	-0.19
AMHKD HKD	10.47	4.70	1.71	-13.34	6.71
AMHKD HKD (Net)*	6.04	0.51	-2.36	-16.81	2.44
AMHSGD SGD	10.07	4.32	0.84	-13.64	4.73
AMHSGD SGD (Net)*	5.66	0.15	-3.20	-17.10	0.54

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 Performance numbers shown are before netting off sales / realisation charges.  
 Source: HSBC Asset Management, data as at 31 March 2024

## 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	--	--	--	--
ACHSGD	SGD	--	--	--	--
AM	USD	Monthly	27 March 2024	0.032978	4.45%
AMHAUD	AUD	Monthly	27 March 2024	0.022604	3.16%
AMHEUR	EUR	Monthly	27 March 2024	0.020000	2.81%
AMHKD	HKD	Monthly	27 March 2024	0.033276	4.45%
AMHSGD	SGD	Monthly	27 March 2024	0.017538	2.45%

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	20 October 2009	LU0447610337	USD	USD 5,000	14.63	1.000%	Accumulating
ACHSGD	2 November 2018	LU1048550328	SGD	USD 5,000	11.06	1.000%	Accumulating
AM	1 July 2014	LU1066047207	USD	USD 5,000	9.08	1.000%	Distributing
AMHAUD	1 July 2014	LU1066047462	AUD	USD 5,000	8.71	1.000%	Distributing
AMHEUR	1 July 2014	LU1066047629	EUR	USD 5,000	8.68	1.000%	Distributing
AMHKD	1 July 2014	LU1066047389	HKD	USD 5,000	9.17	1.000%	Distributing
AMHSGD	1 July 2014	LU1066047975	SGD	USD 5,000	8.69	1.000%	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 March 2024