

HSBC Global Investment Funds

GLOBAL EMERGING MARKETS BOND

Monthly report 31 March 2024 | Share class AM2

Investment objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of emerging market bonds.

Investment strategy

The Fund is actively managed. In normal market conditions, the Fund will mostly invest its assets in investment grade and non-investment grade bonds issued by governments, government-related entities, supranational entities and companies based in emerging markets. The Fund may invest up to 30% of its assets in securities issued by a single government issuer with a non-investment grade credit rating. The Fund may invest up to 10% of its assets in onshore Chinese bonds which are issued within the People's Republic of China 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 10% of its assets in contingent convertible securities. The Fund may invest up to 10% of its assets in total return swaps and up to 10% in other funds. The Fund's primary currency exposure is to US dollars. See the Prospectus for a full description of the investment objectives.

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 14.57
Performance 1 month	2.23%
Yield to maturity	9.02%

Fund facts

UCITS V compliant	Yes
Subscription mode	Cash / SRS (Supplementary Retirement Scheme)
Dividend treatment	Distributing
Distribution Frequency	Monthly
Dividend ex-date	27 March 2024
Dividend annualised yield	8.42%
Last Paid Dividend	0.098423
Dealing frequency	Daily
Valuation Time	17:00 Luxembourg
Share Class Base Currency	USD
Domicile	Luxembourg
Inception date	5 January 2011
Fund Size	USD 1,023,505,006
Reference benchmark	100% JP Morgan EMBI Global Diversified
Managers	Scott Davis Jaymeson Paul Kumm

Fees and expenses

Minimum initial investment (SG) ¹	USD 1,000
Maximum initial charge (SG)	3.000%
Management fee	1.250%

Codes

ISIN	LU0571531218
Bloomberg ticker	HSGEMAM LX

¹Please 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.

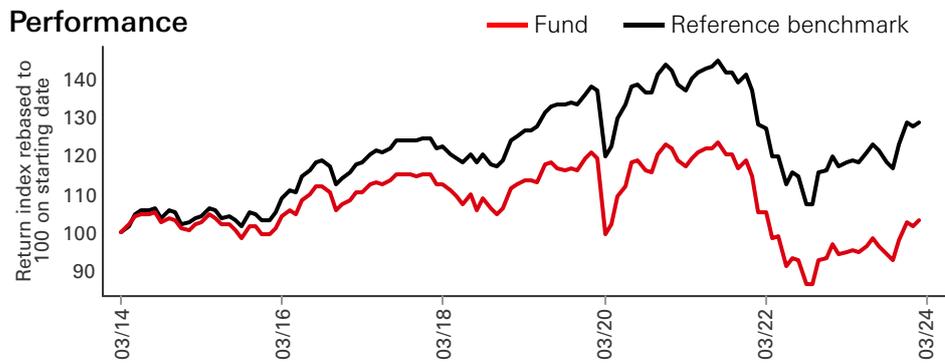
***Share class denoted with "(Net)" refers to fund return net of maximum initial charge (SG) on a single pricing (NAV) basis. No redemption charge is levied.**

This is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions.

Reference Performance Benchmark: JP Morgan EMBI Global Diversified since 8 Dec 2020. Previously JP Morgan EMBI Global from 1 Jan 2000 to 7 Dec 2020. Prior to that, the benchmark was JP Morgan EMBI.

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
AM2	2.32	2.23	2.32	11.69	10.72	-3.51	-1.52
AM2 (Net)*	-0.66	-0.74	-0.66	8.44	7.49	-4.46	-2.10
Reference benchmark	2.04	2.09	2.04	11.39	11.28	-1.40	0.76

Calendar year performance (%)	2019	2020	2021	2022	2023
AM2	12.26	3.21	-3.56	-21.36	10.12
AM2 (Net)*	8.99	0.21	-6.37	-23.65	6.91
Reference benchmark	14.42	5.71	-1.80	-17.78	11.09

3-Year Risk Measures	AM2	Reference benchmark	5-Year Risk Measures	AM2	Reference benchmark
Volatility	11.47%	10.69%	Volatility	12.94%	11.02%
Sharpe ratio	-0.53	-0.37	Sharpe ratio	-0.27	-0.11
Tracking error	1.64%	--	Tracking error	2.79%	--
Information ratio	-1.29	--	Information ratio	-0.82	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	256	966	--
Average coupon rate	6.21	5.42	0.79
Yield to worst	9.01%	7.81%	1.20%
OAD	6.74	6.49	0.25
Modified Duration to Worst	7.03	6.69	0.34
Option Adjusted Spread Duration	5.91	6.63	-0.71
Average maturity	11.65	11.10	0.56
Rating average	BB+/BB	BBB-/BB+	--

Credit rating (%)	Fund	Reference benchmark	Relative	Maturity Breakdown (%)	Fund	Reference benchmark	Relative
AAA	24.11	--	24.11	0-2 years	13.01	10.85	2.16
AA	3.34	6.21	-2.87	2-5 years	32.46	25.07	7.40
A	9.81	15.47	-5.66	5-10 years	18.84	29.63	-10.79
BBB	24.63	27.52	-2.89	10+ years	35.68	34.45	1.23
BB	24.34	22.72	1.62				
B	16.83	18.52	-1.68				
CCC	8.46	6.03	2.43				
CC	0.92	1.00	-0.09				
C	0.28	0.04	0.24				
D	2.96	2.37	0.59				
NR	-1.78	0.12	-1.90				
Cash	2.92	--	2.92				

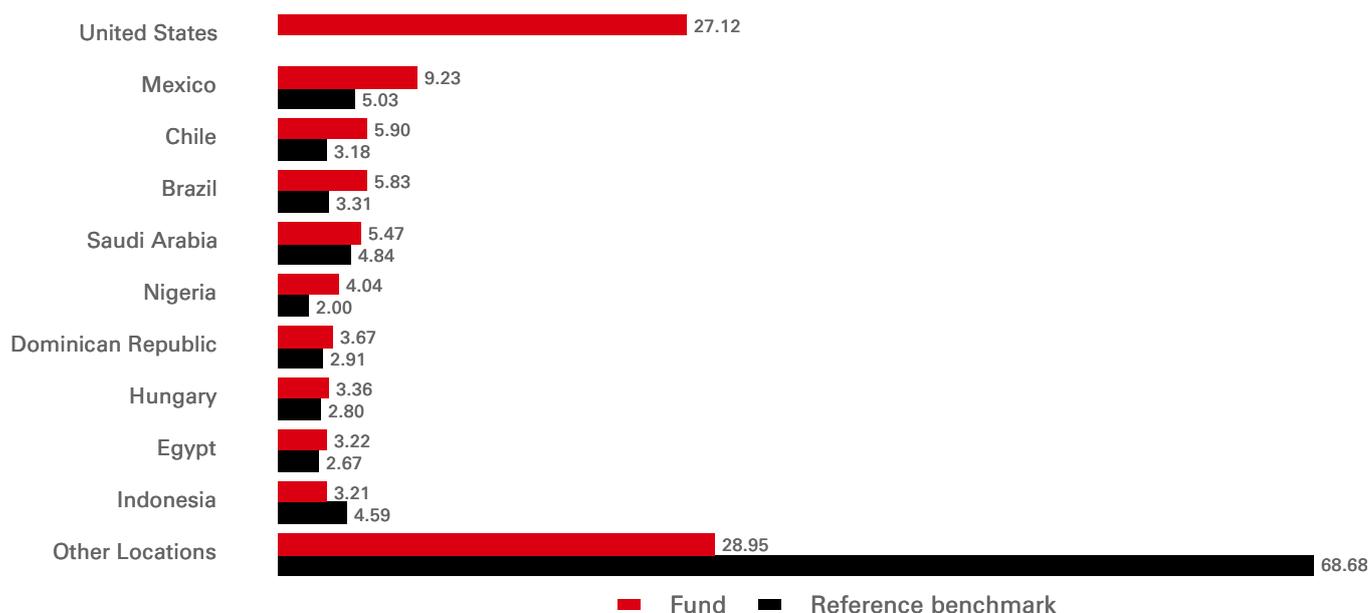
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Source: HSBC Asset Management, data as at 31 March 2024

Currency Allocation (%)	Fund	Reference benchmark	Relative
USD	97.55	100.00	-2.45
BRL	1.49	--	1.49
IDR	0.63	--	0.63
MXN	0.42	--	0.42
EGP	0.25	--	0.25
EUR	0.03	--	0.03
SGD	0.01	--	0.01
CHF	0.01	--	0.01
AUD	0.00	--	0.00
ZAR	0.00	--	0.00
Other Currencies	-0.40	--	-0.40

Geographical Allocation (%)



Sector Allocation (%)	Fund	Reference benchmark	Relative
Government	83.65	83.24	0.41
Energy	14.17	7.64	6.53
Financial	7.23	3.45	3.78
Basic Materials	4.38	1.80	2.59
Utilities	3.98	2.30	1.67
Industrial	1.45	0.80	0.65
Consumer Non cyclical	0.79	0.64	0.15
Communications	0.77	--	0.77
Consumer Cyclical	--	0.13	-0.13
credit default swap index	-2.53	--	-2.53
Other Sectors	-16.82	--	-16.82
Cash	2.92	--	2.92

Top 10 Holdings	Weight (%)
PETROLEOS MEXICA 7.690 23/01/50	1.50
BRAZIL NTN-F 10.000 01/01/33	1.49
TRINIDAD&TOBAGO 5.950 14/01/31	1.36
COLOMBIA REP OF 8.750 14/11/53	1.32
COSTA RICA GOVT 6.125 19/02/31	1.20
URUGUAY 5.750 28/10/34	1.16
DOMINICAN REPUB 5.500 22/02/29	1.11
IVORY COAST-PDI 6.125 15/06/33	1.04
PETROLEOS MEXICA 6.500 13/03/27	1.04
KAZMUNAYGAS NAT 4.750 19/04/27	0.97

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

Monthly performance commentary

Market review

EMD assets showed mixed performance over the month. The main driver of hard currency returns was the further compression in spreads despite the market pricing fewer Fed cuts on the back of higher-than-expected inflation and record Q1 issuance. EM local debt returns were flat over the month as the USD and Treasuries were mainly unchanged after some monthly volatility. March performance was influenced by the FOMC and the updated DOTS plot which showed a repricing of Fed cuts. As expected, the Fed kept interest rates unchanged at the FOMC and came with a more dovish tone. EM central banks continue to be divergent, with additional countries signaling their willingness to jump ahead of the Fed. From a ratings standpoint, Panama was downgraded over the month on fiscal and growth concerns after the country closed a key copper mine last year, while countries such as Argentina, Ivory Coast and Qatar received an upgrade. On a technical standpoint, net new issuance in March was mixed with hard currency sovereign remaining robust and corporate bonds slowing down materially. Lastly, outflows in EMD grew deeper this month, with nearly two-thirds of the flows coming from local denominated funds.

Performance and Positioning

EM hard currency assets posted positive returns in March as spreads continued to grind tighter despite the repricing of Fed cuts and record new issuance. The fund outperformed the benchmark during the month. The outperformance experienced over the month was mainly driven by asset allocation, mainly in lower quality names. The overweight to Argentina benefitted relative returns as the country is committed to a fiscal adjustment and tackling high inflation. In addition, the overweight positioning in Ivory Coast against an underweight in South Africa added to relative returns as we see a deteriorating fundamental trajectory for South Africa. The overweight to distressed names, such as Ecuador, Ghana, Sri Lanka, Ukraine, and Zambia added to relative returns as these countries rallied with the risk-on market. Security selection in Chile, particularly to the national copper company, benefitted relative returns as the price of copper roses significantly over the month. In terms of detractors, the underweight to spread duration hurt relative returns as spreads continued to compress despite the market's reassessment of the Fed cuts. The underweight to select high yield countries included Angola detracted from relative returns as the country outperformed the broader index following the risk-on event. The overweight to Uruguay hurt relative returns as it underperformed the broader universe. Lastly, security selection in Saudi Arabia hurt relative performance.

We have slightly increased the underweight to spread duration and remain neutral duration looking for opportunities to add back exposure to spreads into any widening. We remain active in new issues, looking to take advantage of new issue concessions to generate incremental performance for the fund. We are potentially looking to increase off benchmark exposure to local markets to take advantage of relative value opportunities.

Outlook

Despite our general narrative that Emerging Market (EM) credit spreads can benefit from easing financial conditions as Federal Reserve rate cuts come into view, this has already re-priced EM sovereign and corporate markets into a 'euphoric' range year to date. The EMBI and CEMBI spread ranges now are below our most 'euphoric' targets for the year, even if we push ourselves to imagine an even lower possible range. At this point, it's difficult to see further spread compression -- although we remain cyclically very constructive and do not expect an imminent selloff. Within credit asset classes, the compression in EM high yield has been particularly sharp. Resolution of some longstanding sovereign defaults have contributed to this, but there have been fundamental improvements in many countries (Brazil and Turkey most notably) that contributed to underlying quality re-pricing. Although we still like high yield exposures, we prefer more idiosyncratic and less beta driven investments at the moment after the November-March rally. We have reduced our beta, as such, although not necessarily reduced our risk. Local markets remain our top trade, both in local rates where EM central banks have been ahead of the Fed and ECB in generating disinflation and policy normalization. However, we are approaching our target on these trades now in many countries. We have updated our local markets view with a refreshed target and composition of the duration basket to take account of most recent information. The enduring trade is EM FX, which has not benefited materially yet from EM growth outperformance, but we expect Fed and ECB rate cuts to accelerate the revaluation of EM currencies as we go through the year as they catch up with EM central banks. The BoJ is a wild card as Yen seems to be having some primary effect on relative currency valuations in EM of late. Latam currencies are our preferred region on balance of payments improvements and expected capital flows effects.

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



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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 March 2024

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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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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	2.33	2.24	2.33	11.70	10.73	-3.51	-1.52
AC USD (Net)*	-0.65	-0.74	-0.65	8.45	7.51	-4.45	-2.10
AD EUR	4.66	2.44	4.66	9.50	11.39	-0.74	-0.75
AD EUR (Net)*	1.61	-0.54	1.61	6.31	8.15	-1.72	-1.33
AD SGD	4.69	2.62	4.69	10.45	12.40	-3.36	-1.59
AD SGD (Net)*	1.64	-0.37	1.64	7.23	9.13	-4.31	-2.17
AD USD	2.33	2.24	2.33	11.70	10.73	-3.50	-1.52
AD USD (Net)*	-0.65	-0.74	-0.65	8.45	7.51	-4.45	-2.10
AM2 SGD	4.69	2.61	4.69	10.44	12.39	-3.37	-1.59
AM2 SGD (Net)*	1.64	-0.37	1.64	7.23	9.11	-4.32	-2.17
AM2 USD	2.32	2.23	2.32	11.69	10.72	-3.51	-1.52
AM2 USD (Net)*	-0.66	-0.74	-0.66	8.44	7.49	-4.46	-2.10
AM3HAUD AUD	1.95	2.11	1.95	10.75	8.89	-4.73	-2.76
AM3HAUD AUD (Net)	-1.02	-0.86	-1.02	7.53	5.72	-5.67	-3.33
*							
AM3HEUR EUR	1.88	2.12	1.88	10.66	8.51	-5.51	-3.59
AM3HEUR EUR (Net)*	-1.08	-0.85	-1.08	7.44	5.35	-6.44	-4.16
AM3HSGD SGD	1.82	2.09	1.82	10.60	8.67	-4.41	-2.36
AM3HSGD SGD (Net)*	-1.14	-0.88	-1.14	7.37	5.51	-5.35	-2.93
PD EUR	4.73	2.46	4.73	9.64	11.66	-0.50	-0.50
PD EUR (Net)*	1.68	-0.52	1.68	6.45	8.41	-1.47	-1.08
PD SGD	4.76	2.64	4.76	10.59	12.67	-3.12	-1.34
PD SGD (Net)*	1.70	-0.35	1.70	7.37	9.39	-4.07	-1.92
PD USD	2.39	2.26	2.39	11.84	11.00	-3.26	-1.27
PD USD (Net)*	-0.59	-0.72	-0.59	8.58	7.77	-4.21	-1.85

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.

*Share class denoted with "(Net)" refers to fund return net of maximum initial charge (SG) on a single pricing (NAV) basis. No redemption charge is levied.

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

Supplemental information sheet

Calendar year performance (%)	2019	2020	2021	2022	2023
AC USD	12.27	3.19	-3.57	-21.34	10.12
AC USD (Net)*	9.00	0.19	-6.38	-23.63	6.91
AD EUR	14.34	-5.33	3.75	-16.17	6.39
AD EUR (Net)*	11.01	-8.09	0.73	-18.62	3.29
AD SGD	10.76	1.43	-1.64	-21.74	8.31
AD SGD (Net)*	7.54	-1.53	-4.50	-24.02	5.15
AD USD	12.27	3.19	-3.57	-21.33	10.12
AD USD (Net)*	9.00	0.19	-6.38	-23.62	6.91
AM2 SGD	10.75	1.45	-1.63	-21.76	8.30
AM2 SGD (Net)*	7.53	-1.51	-4.50	-24.04	5.15
AM2 USD	12.26	3.21	-3.56	-21.36	10.12
AM2 USD (Net)*	8.99	0.21	-6.37	-23.65	6.91
AM3HAUD AUD	11.01	1.69	-4.01	-22.45	8.23
AM3HAUD AUD (Net)*	7.78	-1.27	-6.80	-24.71	5.08
AM3HEUR EUR	8.86	1.34	-4.54	-23.52	7.61
AM3HEUR EUR (Net)*	5.69	-1.62	-7.32	-25.75	4.48
AM3HSGD SGD	11.35	2.38	-3.72	-21.80	8.29
AM3HSGD SGD (Net)*	8.11	-0.60	-6.52	-24.08	5.14
PD EUR	14.62	-5.09	4.01	-15.96	6.66
PD EUR (Net)*	11.28	-7.86	0.99	-18.41	3.55
PD SGD	11.03	1.68	-1.39	-21.54	8.57
PD SGD (Net)*	7.80	-1.28	-4.26	-23.82	5.41
PD USD	12.55	3.45	-3.33	-21.13	10.39
PD USD (Net)*	9.27	0.44	-6.14	-23.43	7.18

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 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	--	--	--	--
AD	USD	Annually	31 May 2023	0.860113	4.30%
AM2	USD	Monthly	27 March 2024	0.098423	8.42%
AM3HAUD	AUD	Monthly	27 March 2024	0.029137	7.08%
AM3HEUR	EUR	Monthly	27 March 2024	0.027035	6.71%
AM3HSGD	SGD	Monthly	27 March 2024	0.026282	6.34%
PD	USD	Annually	31 May 2023	0.595802	4.57%

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

Supplemental information sheet

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	6 January 2011	LU0566116140	USD	USD 5,000	34.66	1.250%	Accumulating
AD	11 January 2011	LU0566116223	USD	USD 5,000	22.18	1.250%	Distributing
AM2	5 January 2011	LU0571531218	USD	USD 5,000	14.57	1.250%	Distributing
AM3HAUD	4 September 2012	LU0798789524	AUD	USD 5,000	5.10	1.250%	Distributing
AM3HEUR	12 September 2012	LU0798789797	EUR	USD 5,000	4.99	1.250%	Distributing
AM3HSGD	18 September 2012	LU0818609710	SGD	USD 5,000	5.12	1.250%	Distributing
PD	9 July 1999	LU0099919721	USD	USD 50,000	14.49	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.