

# HSBC Global Investment Funds

## GLOBAL BOND

Monthly report 29 February 2024 | Share class AD



### 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

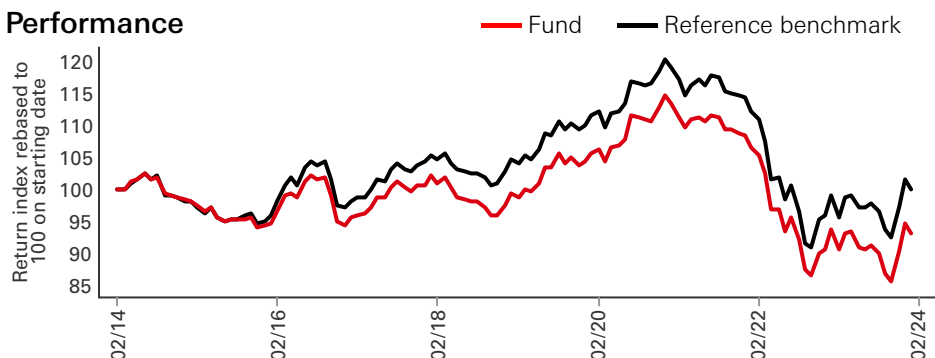
The Fund is actively managed. The Fund will invest primarily in securities issued in developed markets and denominated in developed market currencies. The Fund may invest up to 20% of its assets in non-investment grade bonds and up to 20% in bonds issued in emerging markets. The Fund may invest up to 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.

### 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.

\*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.

Source: HSBC Asset Management, data as at 29 February 2024

### Share Class Details

#### Key metrics

NAV per Share **USD 11.89**

Performance 1 month **-1.77%**

Yield to maturity **3.99%**

#### Fund facts

UCITS V compliant **Yes**

Subscription mode **Cash / SRS  
(Supplementary Retirement Scheme)**

Dividend treatment **Distributing**

Distribution Frequency **Annually**

Dividend ex-date **31 May 2023**

Dividend annualised yield **1.34%**

Last Paid Dividend **0.158774**

Dealing frequency **Daily**

Valuation Time **17:00 Luxembourg**

Share Class Base Currency **USD**

Domicile **Luxembourg**

Inception date **31 July 1989**

Fund Size **USD 36,506,061**

Reference **100% Bloomberg Global  
benchmark Aggregate**

Managers **Ernst Josef Osiander**

#### Fees and expenses

Minimum initial investment (SG)<sup>1</sup> **USD 1,000**

Maximum initial charge (SG) **3.000%**

Management fee **0.750%**

#### Codes

ISIN **LU0039216972**

Bloomberg ticker **HSBIMBI LX**

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

Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
AD	-3.41	-1.77	1.28	1.85	0.85	-6.33	-1.50
AD (Net)*	-6.23	-4.63	-1.67	-1.12	-2.09	-7.25	-2.08
Reference benchmark	-2.90	-1.26	1.43	2.19	3.10	-5.52	-1.03

Calendar year performance (%)	2019	2020	2021	2022	2023
AD	6.87	9.93	-5.45	-16.28	4.46
AD (Net)*	3.76	6.73	-8.20	-18.72	1.42
Reference benchmark	6.94	9.40	-4.96	-16.02	5.97

3-Year Risk Measures	AD	Reference benchmark	5-Year Risk Measures	AD	Reference benchmark
Volatility	8.64%	8.68%	Volatility	7.54%	7.48%
Sharpe ratio	-1.01	-0.91	Sharpe ratio	-0.46	-0.40
Tracking error	1.12%	--	Tracking error	1.00%	--
Information ratio	-0.73	--	Information ratio	-0.48	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	193	29,816	--
Average coupon rate	3.76	2.73	1.02
Yield to worst	3.96%	3.80%	0.16%
OAD	7.22	6.58	0.64
Modified Duration to Worst	7.54	6.42	1.12
Option Adjusted Spread Duration	3.23	3.40	-0.18
Average maturity	9.02	8.40	0.62
Rating average	AA-/A+	AA-/A+	--

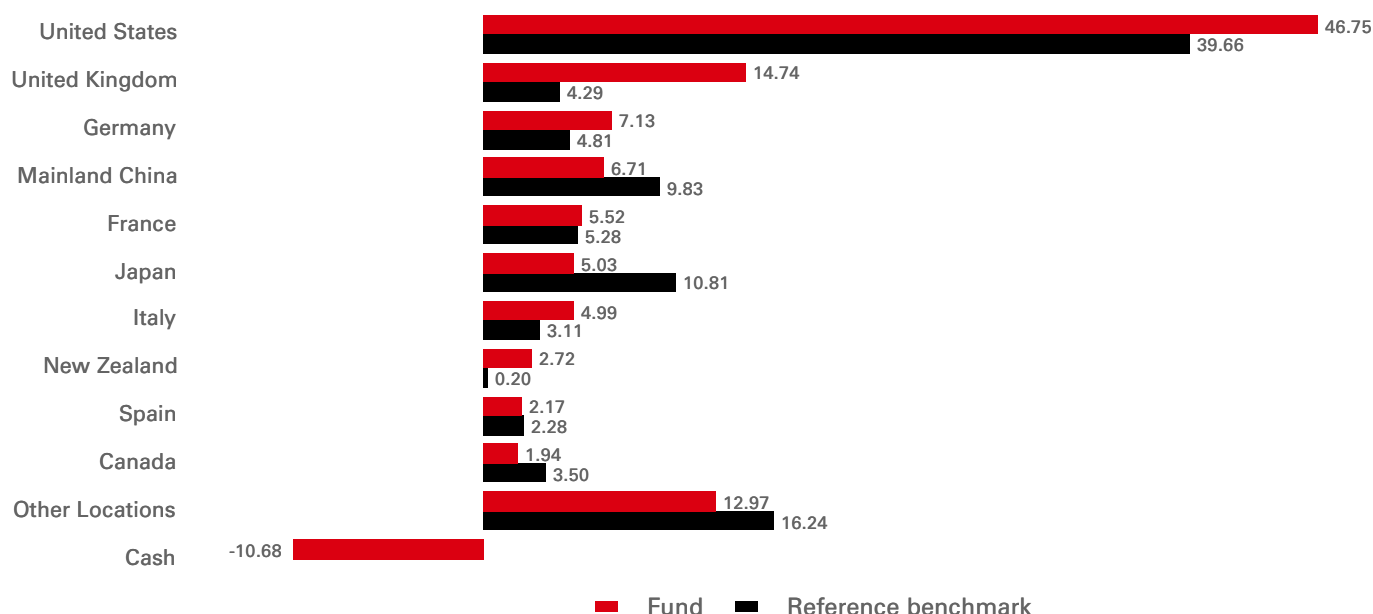
Credit rating (%)	Fund	Reference benchmark	Relative	Maturity Breakdown (OAD)	Fund	Reference benchmark	Relative
AAA	14.11	12.09	2.02	0-2 years	0.08	0.18	-0.10
AA	40.35	41.81	-1.46	2-5 years	1.05	0.99	0.07
A	19.53	31.77	-12.23	5-10 years	3.33	2.21	1.12
BBB	23.10	14.33	8.77	10+ years	2.77	3.21	-0.44
BB	2.38	--	2.38	<b>Total</b>	<b>7.22</b>	<b>6.58</b>	<b>0.64</b>
NR	0.52	--	0.52				

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Source: HSBC Asset Management, data as at 29 February 2024

Currency Bloc Allocation (OAD)	Fund	Reference benchmark	Relative
Dollar	3.71	2.99	0.73
Euro	1.71	1.51	0.19
Japan	0.72	0.96	-0.24
EM Local Currency	0.56	0.79	-0.23
UK	0.52	0.33	0.19
<b>Total</b>	<b>7.22</b>	<b>6.58</b>	<b>0.64</b>

Currency Allocation (%)	Fund	Reference benchmark	Relative
USD	41.10	44.73	-3.63
EUR	22.34	22.36	-0.03
JPY	12.30	10.38	1.92
CNY	6.75	9.37	-2.62
GBP	4.00	4.00	0.00
CAD	2.66	2.72	-0.06
CNH	2.55	--	2.55
AUD	2.39	1.38	1.02
KRW	1.13	1.17	-0.04
INR	0.95	--	0.95
Other Currencies	3.82	3.90	-0.08

#### Geographical Allocation (%)



Sector Allocation (%)	Fund	Reference benchmark	Relative
Treasuries	50.65	52.85	-2.19
Corp Non-fin	15.32	11.12	4.19
US Agency Mbs	11.93	10.74	1.19
Corp Fin	9.01	7.23	1.79
Supra/agencies	7.06	14.96	-7.90
Collateralised	6.03	3.11	2.91

Top 10 Holdings	Weight (%)
US TREASURY N/B 4.000 31/01/29	5.72
US TREASURY N/B 4.500 15/11/33	5.67
US TREASURY N/B 4.000 31/01/31	5.32
CHINA GOVT BOND 3.270 19/11/30	3.69
US TREASURY N/B 4.000 15/01/27	3.22
NEW ZEALAND GVT 3.500 14/04/33	2.72
UK TSY GILT 3.250 31/01/33	2.61
DEUTSCHLAND REP 0.250 15/02/27	2.25
CHINA GOVT BOND 1.990 09/04/25	1.95
US TREASURY N/B 1.375 15/11/40	1.64

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

## Monthly performance commentary

### Performance review

The fund's absolute performance and relative performance were both negative in February. Rates positioning was negative due to the negative contribution from the overall duration overweight especially in the US. Moreover, the US curve bear flattened which also detracted the performance as the fund is positioned for a steepening of the curve. The relative spread between Canada and the US also widened and detracted to the performance. EM local rates were more resilient and outperformed DM rates. Asset allocation and security selection were again very positive thanks to the overweight in ABS but also in corporate spreads as spreads continued to tighten especially in Europe.

FX performance was negative as the broad USD continued to appreciate versus all DM currencies as the market continued to price out rate cuts for 2024. In that context, the long JPY position once again underperformed followed by the AUD and other high beta currencies. Our defensive exposure in EMFX via long IDR and INR versus USD proved very resilient over the month.

### Strategy

We added a long position to the UK 10 year. We maintained our credit and FX allocations.

## 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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## 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 29 February 2024**

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### Glossary



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Company Registration No. 198602036R

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## Supplemental information sheet

Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
AD EUR	-0.88	-1.40	2.12	2.15	-1.17	-2.68	-0.49
AD EUR (Net)*	-3.77	-4.27	-0.86	-0.82	-4.05	-3.63	-1.08
AD SGD	-1.36	-1.16	2.04	1.41	0.73	-5.98	-1.60
AD SGD (Net)*	-4.23	-4.04	-0.93	-1.55	-2.20	-6.91	-2.18
AD USD	-3.41	-1.77	1.28	1.85	0.85	-6.33	-1.50
AD USD (Net)*	-6.23	-4.63	-1.67	-1.12	-2.09	-7.25	-2.08
PD USD	-3.38	-1.75	1.34	1.98	1.10	-6.10	-1.26
PD USD (Net)*	-6.19	-4.62	-1.61	-0.99	-1.84	-7.02	-1.84

Calendar year performance (%)	2019	2020	2021	2022	2023
AD EUR	9.08	0.13	2.64	-11.07	0.33
AD EUR (Net)*	5.90	-2.79	-0.35	-13.66	-2.59
AD SGD	5.49	7.84	-3.34	-16.68	2.20
AD SGD (Net)*	2.42	4.70	-6.16	-19.11	-0.78
AD USD	6.87	9.93	-5.45	-16.28	4.46
AD USD (Net)*	3.76	6.73	-8.20	-18.72	1.42
PD USD	7.15	10.19	-5.22	-16.07	4.73
PD USD (Net)*	4.03	6.98	-7.98	-18.52	1.68

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Last Paid Dividend	Annualised Yield based on ex-dividend date
AD	USD	Annually	31 May 2023	0.158774	1.34%
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
AD	31 July 1989	LU0039216972	USD	USD 5,000	11.89	0.750%	Distributing
PD	23 April 2007	LU0283739703	USD	USD 50,000	7.63	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.

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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 29 February 2024