

## HSBC Global Investment Funds

# MANAGED SOLUTIONS - ASIA FOCUSED INCOME

Monthly report 31 March 2024 | Share class AC



### Investment objective

The Fund aims to provide income and some capital growth by investing in a diversified portfolio of assets related to Asia (including Asia-Pacific excluding Japan).



### Investment strategy

The Fund is actively managed and is not constrained by a benchmark. In normal market conditions, at least 70% of the Fund's exposure is to bonds and shares related to companies based in Asia-Pacific excluding Japan. The Fund may invest in non-Asian based assets. The Fund may invest in bonds that are investment grade, non-investment grade and unrated issued by governments, government-related entities, supranational entities and companies based in developed markets and emerging markets. The Fund may invest up to 25% in China A and China B-shares. For China A-shares, up to 25% through the Stock Connect exchanges, up to 25% in CAAPs and up to 10% in CAAPs issued by any single issuer. The Fund may invest up to 20% in onshore Chinese bonds and up to 10% in bonds which are non-investment grade or unrated. The Fund may invest up to 10% in convertible bonds and up to 10% in contingent convertible securities. The Fund may invest up to 50% in other funds and up to 10% in REITs. The Fund's primary currency exposure is to currencies of Asia-Pacific (excluding Japan) countries. 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 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 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.

### Share Class Details

#### Key metrics

NAV per Share	<b>USD 12.08</b>
Performance 1 month	<b>1.40%</b>
Sharpe ratio 3 years	<b>-0.73</b>

#### Fund facts

UCITS V compliant	<b>Yes</b>
Subscription mode	<b>Cash</b>
Dividend treatment	<b>Accumulating</b>
Dealing frequency	<b>Daily</b>
Valuation Time	<b>17:00 Luxembourg</b>
Share Class Base Currency	<b>USD</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>12 November 2012</b>
Fund Size	<b>USD 277,433,598</b>
Managers	<b>Gloria Jing Danni Zhang</b>

#### Fees and expenses

Minimum initial investment (SG) <sup>1</sup>	<b>USD 1,000</b>
Maximum initial charge (SG)	<b>3.000%</b>
Management fee	<b>1.250%</b>

#### Codes

ISIN	<b>LU0762540952</b>
Bloomberg ticker	<b>HSMSAFI LX</b>

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

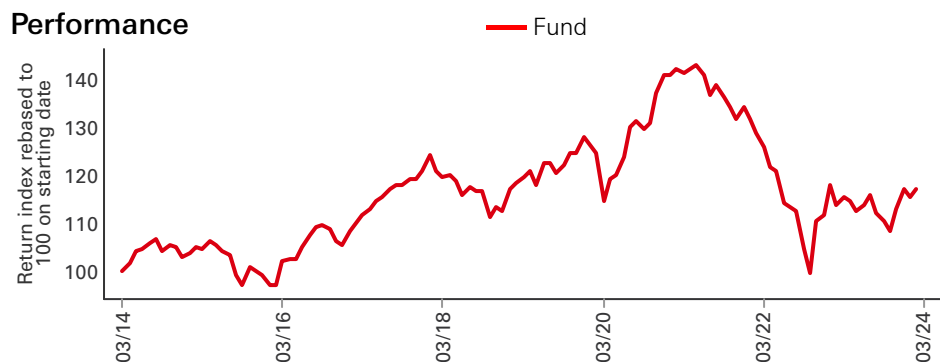
**Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis. For comparison with benchmark.**

**\*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 31 March 2024**

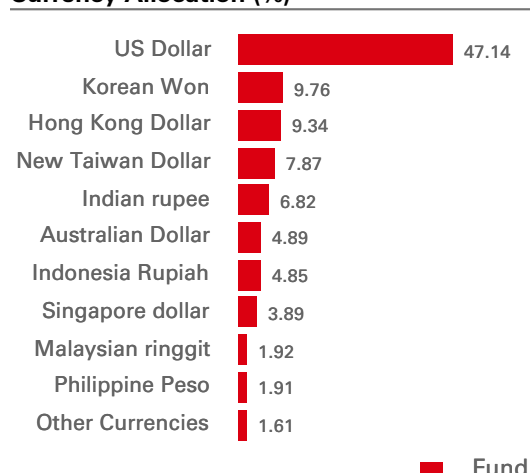
## Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
<b>AC</b>	<b>1.53</b>	<b>1.40</b>	<b>1.53</b>	<b>7.67</b>	<b>3.13</b>	<b>-5.56</b>	<b>-0.13</b>
AC (Net)*	-1.43	-1.55	-1.43	4.53	0.13	-6.49	-0.72

Calendar year performance (%)	2019	2020	2021	2022	2023
<b>AC</b>	<b>13.60</b>	<b>10.03</b>	<b>-4.71</b>	<b>-16.56</b>	<b>4.65</b>
AC (Net)*	10.29	6.83	-7.48	-18.99	1.61

## Currency Allocation (%)



## Asset allocation (%)

Asset allocation (%)	Fund
Japan Equity	0.85
<b>Cash</b>	<b>-3.46</b>
Asia ex Japan Equity	32.58
Asian High Yield Bond	13.41
Asian Investment Grade Bond	33.79
Asian Local Currency Bond	9.88
GEM Hard Currency Bond	2.52
GEM Local Currency Bond	2.24
Government Bond	1.27
India Fixed Income	2.16
Indian Equity	1.30
Indonesian Equity	0.90
Korean Equity	0.76
Philippines Equity	0.99
Taiwan Equity	1.78
Thailand Equity	-0.98

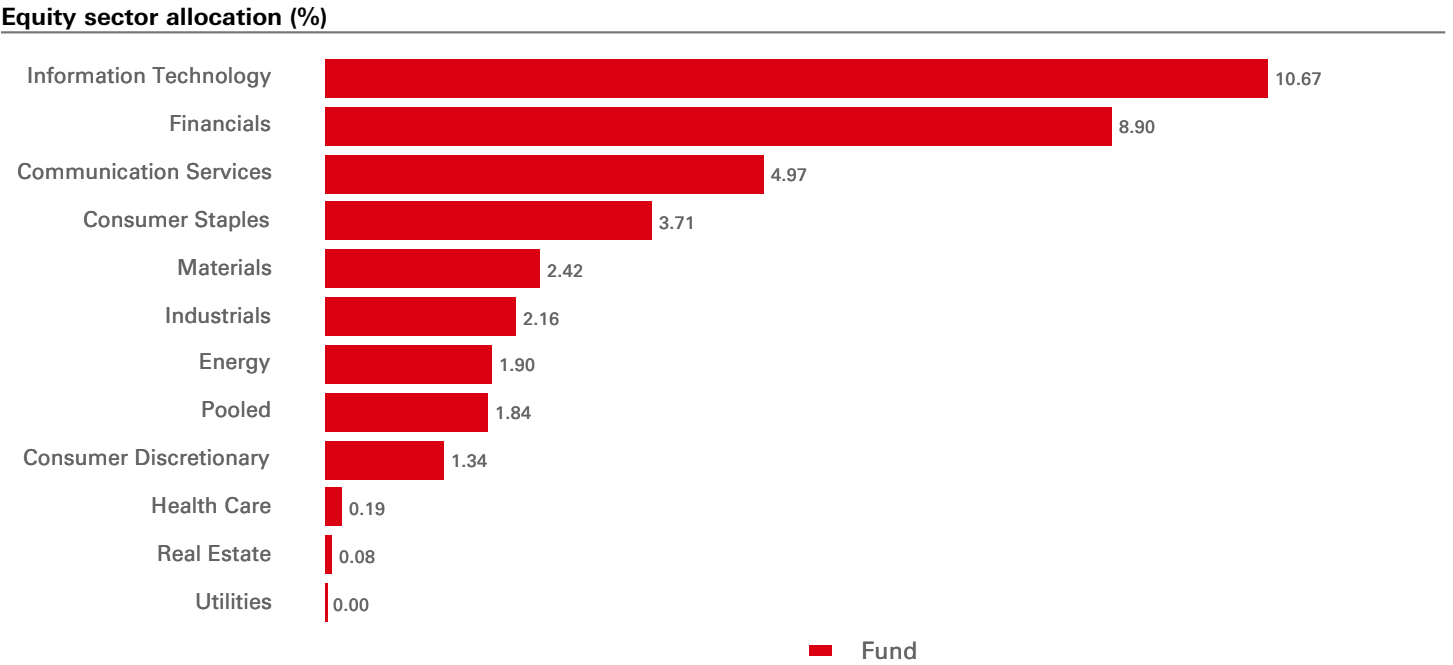
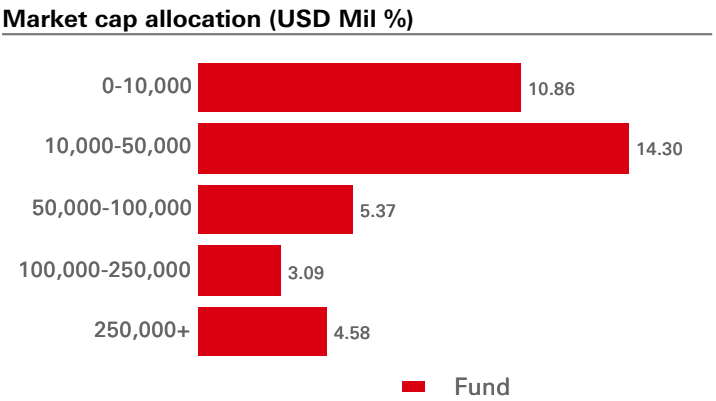
## Top 10 Holdings

	Weight (%)
TAIWAN SEMICONDUCTOR CO LTD	3.19
SAMSUNG ELECTRONICS CO LTD	2.53
HSBC GIF Global EM Bd ZQ1	2.52
HSBC GIF GEM ESG Local Debt ZD	2.24
HSBC GIF India Fixed Income ZD	2.16
BAIDU INC-CLASS A	1.57
SANTOS LTD	1.36
HSBC GIF Indian Equity ZD	1.30
LCCTF	1.30
PING AN INSURANCE GROUP CO-H	1.25

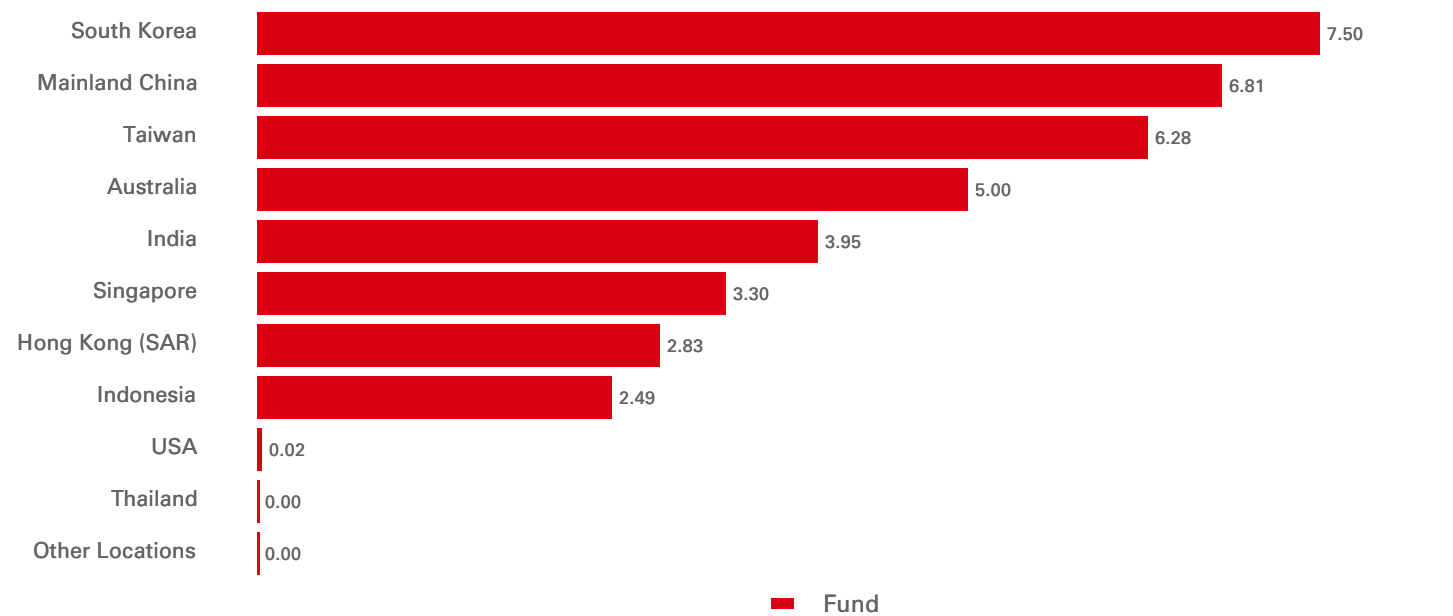
Top 10 holdings exclude holdings in cash and cash equivalents and money market funds.

Equity top 10 holdings	Location	Sector	Weight (%)
Taiwan Semiconductor Co Ltd	Taiwan	Information Technology	3.19
Samsung Electronics Co Ltd	South Korea	Information Technology	2.80
Baidu Inc	Mainland China	Communication Services	1.57
Santos Ltd	Australia	Energy	1.36
PING AN	Mainland China	Financials	1.25
TINGYI	Mainland China	Consumer Staples	1.21
South32 Ltd	Australia	Materials	1.12
Infosys Ltd	India	Information Technology	1.10
BHP Group Ltd	Australia	Materials	1.01
KB Financial Group Inc	South Korea	Financials	1.00

Equity characteristics	Fund	Reference benchmark
Average Market Cap (USD Mil)	102,162	--
Price/earning ratio	11.54	--
Portfolio yield	3.50%	--



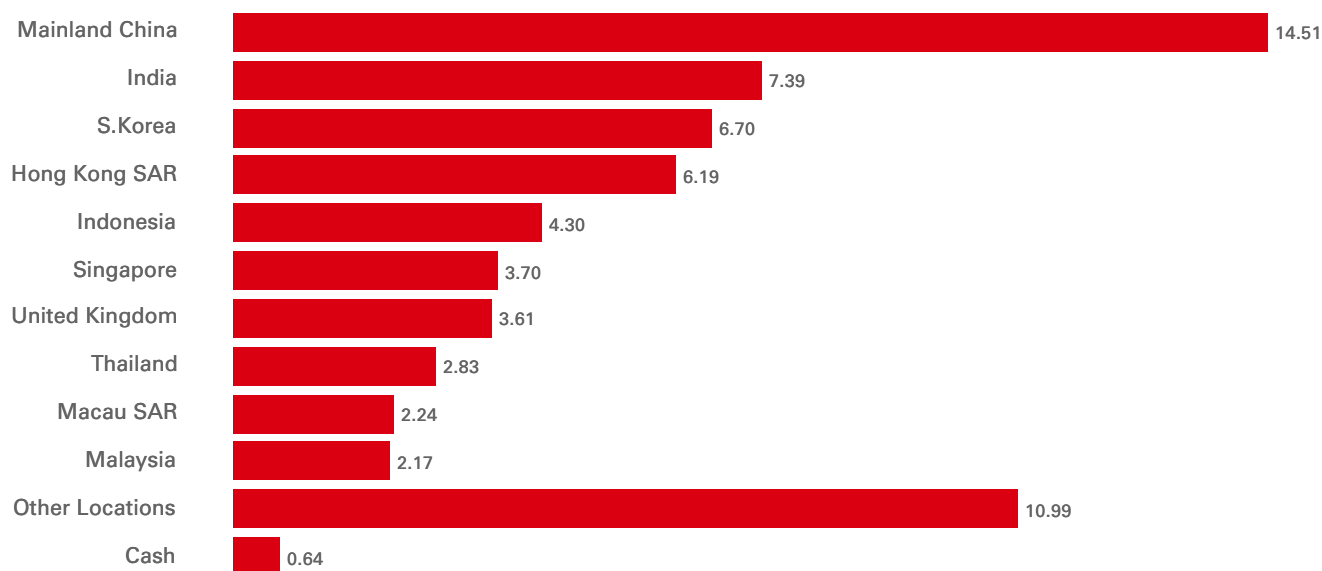
Equity geographical allocation (%)



Fixed Income Characteristics	Fund	Reference benchmark	Relative	Credit rating (%)	Fund	Reference benchmark	Relative
Yield to worst	6.85%	--	--	AAA	2.18	--	--
Yield to maturity	6.93%	--	--	AA	5.63	--	--
Rating average	BBB+/BBB	--	--	A	16.88	--	--
				BBB	25.32	--	--
				BB	8.61	--	--
				B	2.96	--	--
				CCC	0.53	--	--
				CC	0.19	--	--
				C	0.01	--	--
				D	0.13	--	--
				NR	2.19	--	--
				Cash	0.63	--	--

Fixed income top 10 holdings	Location	Instrument type	Weight (%)
TENCENT HOLDINGS LTD 3.975 11/04/2029 USD	Mainland China	Corporate Bond	0.77
IND & COMM BK OF CHINA CCB 4.875 21/09/2025 REGS	Mainland China	Convertible bond	0.71
AIA GROUP LTD 3.200 16/09/2040 USD	Hong Kong (SAR)	Corporate Bond	0.59
STANDARD CHARTERED PLC 6.301 09/01/2029 USD	United Kingdom	Corporate Bond	0.54
IND & COMM BK OF CHINA CCB 3.200 24/03/2173 PERP	Mainland China	Convertible bond	0.53
DBS GROUP HOLDINGS LTD CCB 3.300 27/08/2172 PERP GMTN	SINGAPORE	Convertible bond	0.53
SHINHAN BANK CCB 3.875 24/03/2026 REGS	South Korea	Convertible bond	0.52
ALIBABA GROUP HOLDING 3.400 06/12/2027 USD	Mainland China	Corporate Bond	0.52
TENCENT HOLDINGS LTD 3.595 19/01/2028 USD	Mainland China	Corporate Bond	0.52
CNOOC PETROLEUM NORTH 7.500 30/07/2039 USD	Mainland China	Corporate Bond	0.49

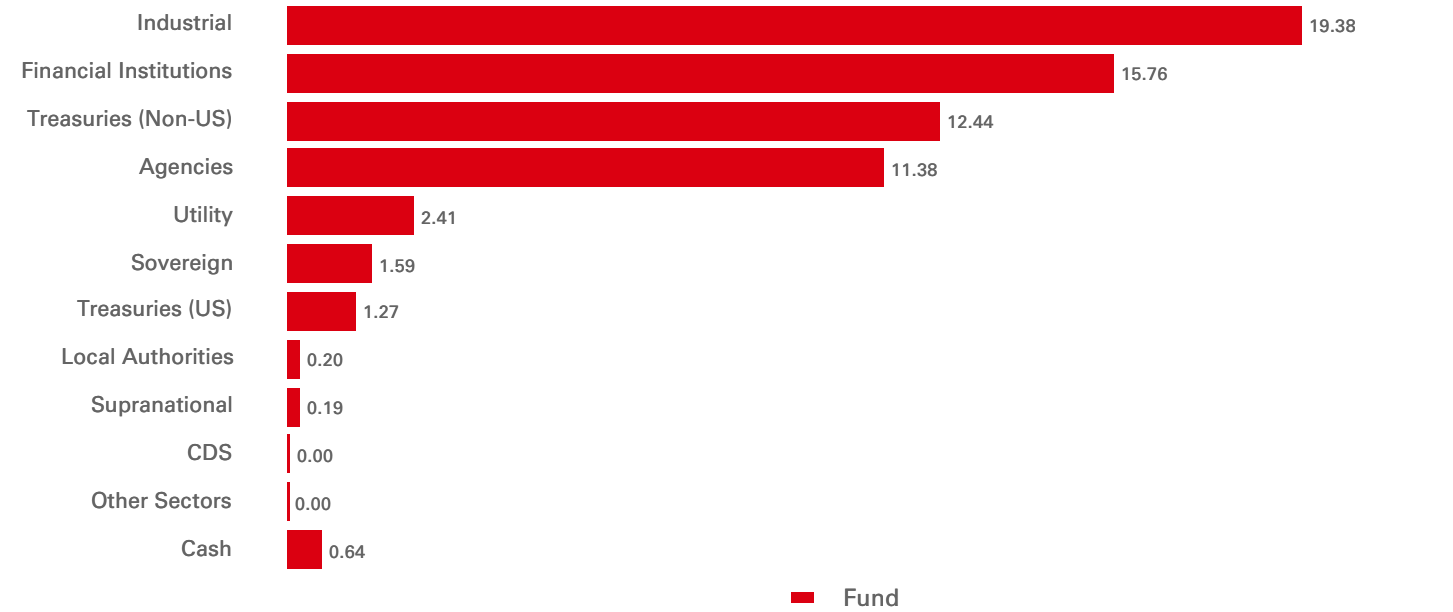
#### Fixed income geographical allocation (%)



■ Fund

Geographical Allocation (OAD)	Fund	Reference benchmark	Relative
Mainland China	0.94	--	--
India	0.45	--	--
United States	0.42	--	--
S.Korea	0.40	--	--
Indonesia	0.38	--	--
Hong Kong SAR	0.36	--	--
Thailand	0.29	--	--
Singapore	0.29	--	--
United Kingdom	0.23	--	--
Malaysia	0.21	--	--
Other Locations	0.79	--	--
Cash	0.00	--	--

Fixed income sector allocation (%)



## Monthly performance commentary

### Portfolio 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.

The fund posted gain over the month on the back on mixed market performance. Asian equities contributed positively to the performance with Taiwan, South Korea and Mainland China leading in gains in the Asia region. On the fixed income front, both Asia high yield bond and Asia investment grade bond posted positive return driven by improving macroeconomic backdrop and resilient credit fundamentals. On the other hand, Asia local currency bonds registered returns in negative territories, as most Asian currencies weakened against USD during the month.

The likelihood of Western economies avoiding a recession this year is increasing, although markets remain 'priced for perfection', and disappointment remains a key risk. We are cognisant that geopolitical uncertainty, upcoming elections, and fiscal constraints might negatively impact markets later in the year. Economic performance within emerging economies is divergent. India will be the fastest growing economy in 2024, while the China outlook remains challenged by several growth headwinds. We expect the first interest rate cut from the Fed during the second half of 2024, and the ECB and Bank of England are likely to follow. Lower government spending looks set to be a slight drag on growth in 2024 in Western economies, but we do not expect a return to 2010s-style austerity measures. We anticipate that Emerging market central banks will continue monetary easing, with cuts in Latin America and Emerging Europe. Asia central banks are likely to start cutting interest rates during second half of 2024. Government support in China remains measured and targeted.

Risk Disclosure

- 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.
- Different investment styles typically go in and out of favour depending on market conditions and investor sentiment.
- 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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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	1.53	1.40	1.53	7.67	3.13	-5.56	-0.13
AC USD (Net)*	-1.43	-1.55	-1.43	4.53	0.13	-6.49	-0.72
ACOSGD SGD	1.04	1.25	1.04	6.61	1.22	-6.43	-0.96
ACOSGD SGD (Net)*	-1.91	-1.70	-1.91	3.50	-1.72	-7.35	-1.55
AM2 USD	1.53	1.41	1.53	7.67	3.13	-5.57	-0.13
AM2 USD (Net)*	-1.42	-1.55	-1.42	4.54	0.12	-6.49	-0.72
AM3OAU AUD	1.14	1.27	1.14	6.79	1.39	-6.75	-1.38
AM3OAU AUD (Net)*	-1.80	-1.68	-1.80	3.68	-1.56	-7.67	-1.96
AM3OEUR EUR	1.11	1.26	1.11	6.67	1.08	-7.43	-2.15
AM3OEUR EUR (Net)*	-1.84	-1.69	-1.84	3.57	-1.86	-8.33	-2.73
AM3OSGD SGD	1.03	1.25	1.03	6.61	1.22	-6.43	-0.96
AM3OSGD SGD (Net)*	-1.91	-1.70	-1.91	3.51	-1.73	-7.35	-1.54

Calendar year performance (%)	2019	2020	2021	2022	2023
AC USD	13.60	10.03	-4.71	-16.56	4.65
AC USD (Net)*	10.29	6.83	-7.48	-18.99	1.61
ACOSGD SGD	12.65	9.24	-4.91	-16.97	2.91
ACOSGD SGD (Net)*	9.37	6.05	-7.68	-19.39	-0.09
AM2 USD	13.59	10.04	-4.70	-16.57	4.65
AM2 USD (Net)*	10.29	6.83	-7.48	-19.00	1.61
AM3OAU AUD	12.22	8.58	-5.27	-17.55	2.77
AM3OAU AUD (Net)*	8.95	5.42	-8.03	-19.95	-0.22
AM3OEUR EUR	10.15	8.17	-5.68	-18.62	2.27
AM3OEUR EUR (Net)*	6.95	5.02	-8.43	-20.99	-0.71
AM3OSGD SGD	12.66	9.25	-4.89	-16.97	2.91
AM3OSGD SGD (Net)*	9.37	6.06	-7.66	-19.39	-0.09

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

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Last Paid Dividend	Annualised Yield based on ex-dividend date
AC	USD	--	--	--	--
ACOSGD	SGD	--	--	--	--
AM2	USD	Monthly	27 March 2024	0.036920	5.66%
AM3OAU	AUD	Monthly	27 March 2024	0.024774	4.35%
AM3OEUR	EUR	Monthly	27 March 2024	0.022891	3.99%
AM3OSGD	SGD	Monthly	27 March 2024	0.021499	3.63%

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	12 November 2012	LU0762540952	USD	USD 5,000	12.08	1.250%	Accumulating
ACOSGD	12 November 2012	LU0831092464	SGD	USD 5,000	11.41	1.250%	Accumulating
AM2	25 May 2012	LU0762541174	USD	USD 5,000	8.04	1.250%	Distributing
AM3OAU	4 March 2013	LU0800731944	AUD	USD 5,000	6.97	1.250%	Distributing
AM3OEUR	8 February 2013	LU0800732082	EUR	USD 5,000	7.02	1.250%	Distributing
AM3OSGD	2 November 2012	LU0831093199	SGD	USD 5,000	7.23	1.250%	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