

## HSBC Global Investment Funds

# MANAGED SOLUTIONS - ASIA FOCUSED GROWTH

Monthly report 31 March 2024 | Share class AC

### Investment objective

The Fund aims to provide long-term capital growth and income 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, supranational entities and companies based in developed markets and emerging markets. The Fund may invest up to 50% in China A and China B-shares. For China A-shares, up to 50% through the Stock Connect exchanges, up to 30% in CAAPs and up to 10% in CAAPs issued by any single issuer. The Fund may invest up to 15% in onshore Chinese bonds and up to 10% in non-investment grade or unrated bonds. 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 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>USD 11.53</b>
Performance 1 month	<b>1.75%</b>
Sharpe ratio 3 years	<b>-0.71</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>15 March 2013</b>
Fund Size	<b>USD 18,353,768</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>1.500%</b>

#### Codes

ISIN	<b>LU0819121731</b>
Bloomberg ticker	<b>HSAFGAC LX</b>

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

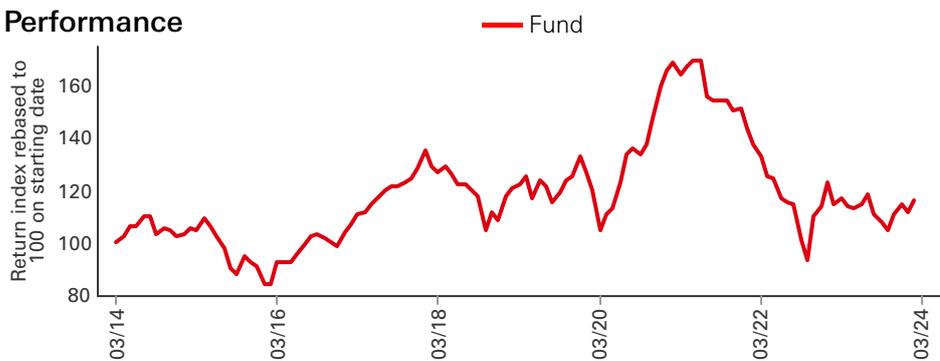
Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis. For comparison with benchmark.

\*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>3.37</b>	<b>1.75</b>	<b>3.37</b>	<b>9.98</b>	<b>1.19</b>	<b>-10.29</b>	<b>-0.63</b>
AC (Net)*	0.36	-1.22	0.36	6.78	-1.75	-11.17	-1.22

Calendar year performance (%)	2019	2020	2021	2022	2023
<b>AC</b>	<b>22.36</b>	<b>19.98</b>	<b>-5.29</b>	<b>-24.83</b>	<b>0.89</b>
AC (Net)*	18.80	16.49	-8.05	-27.02	-2.05

Asset allocation (%)	Actual	Target	Strategic	Overweight/Underweight between Target & Strategic Asset Allocation
Asia ex Japan Equity	63.72	64.40	70.00	-5.60
Indonesia Equity	1.00	1.10	0.00	1.10
Japanese Equity	0.99	1.00	0.00	1.00
Korea Equity	0.94	0.70	0.00	0.70
Philippines Equity	1.12	0.00	0.00	0.00
Taiwan Equity	1.89	1.90	0.00	1.90
Thailand Equity	-1.07	0.00	0.00	0.00
India Equity	1.43	1.50	0.00	1.50
Asian High Yield Bond	15.53	16.00	15.00	1.00
Asian Local Currency Bonds	9.97	10.50	15.00	-4.50
Government Bond	1.30	1.30	0.00	1.30
Global Emerging Market Debt Local Currency	1.00	1.00	0.00	1.00
Global Emerging Market Debt USD	2.54	2.50	0.00	2.50
Indian Fixed Income	1.58	1.60	0.00	1.60
Liquidity	-1.93	-3.50	0.00	-3.50

The strategic allocation is the portfolio's reference or neutral allocation set by HSBC Asset Management. The management team also adjusts target exposure higher (overweight) or lower (underweight) to an asset type - relative to the strategic asset allocation - depending on the team's current market outlook. Positive values (overweights) in the chart reflect asset types the portfolio management team have a positive outlook on. Negative values (underweights) reflect asset types the portfolio management team have a negative outlook on. The actual exposure is a screen shot of the portfolio at the end of the month based on market value in each asset type.

Top 10 Holdings	Weight (%)
HSBC GIF Asia High Yield Bond ZQ1	15.53
HSBC GIF Asian Currencies Bond ZD	9.97
TAIWAN SEMICONDUCTOR CO LTD	7.25
SAMSUNG ELECTRONICS CO LTD	4.93
TENCENT HOLDINGS LTD	4.18
HSBC GIF Global EM Bd ZQ1	2.54
RELIANCE INDUSTRIES LTD	2.50
SK HYNIX INC	2.19
HYUNDAI MOTOR CO	1.82
BANK RAKYAT INDONESIA PERSER	1.80

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.**

**\*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**

## 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

- 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.

This document does not constitute an offering document and should not be construed as a recommendation, an offer to sell or the solicitation of an offer to purchase or subscribe to any investment.

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Investment involves risk. Past performance of the managers and the funds, and any forecasts on the economy, stock or bond market, or economic trends that are targeted by the funds, are not indicative of future performance. The value of the units of the funds and income accruing to them, if any, may fall or rise and investor may not get back the original sum invested. Changes in rates of currency exchange may affect significantly the value of the investment. AMSG has based this document on information obtained from sources it reasonably believes to be reliable. However, AMSG does not warrant, guarantee or represent, expressly or by implication, the accuracy, validity or completeness of such information.

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Should there be any discrepancy, the English version shall prevail. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.

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

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### Glossary



## Supplemental information sheet

Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
AC USD	3.37	1.75	3.37	9.98	1.19	-10.29	-0.63
AC USD (Net)*	0.36	-1.22	0.36	6.78	-1.75	-11.17	-1.22
ACOAUD AUD	2.93	1.61	2.93	9.06	-0.60	-11.81	-2.35
ACOAUD AUD (Net)*	-0.07	-1.35	-0.07	5.89	-3.49	-12.67	-2.93
ACOEUR EUR	2.94	1.62	2.94	8.97	-0.82	-12.26	-2.82
ACOEUR EUR (Net)*	-0.06	-1.34	-0.06	5.80	-3.71	-13.12	-3.39
ACOSGD SGD	2.85	1.60	2.85	8.87	-0.73	-11.28	-1.66
ACOSGD SGD (Net)*	-0.14	-1.36	-0.14	5.70	-3.62	-12.15	-2.24

Calendar year performance (%)	2019	2020	2021	2022	2023
AC USD	22.36	19.98	-5.29	-24.83	0.89
AC USD (Net)*	18.80	16.49	-8.05	-27.02	-2.05
ACOAUD AUD	20.68	17.38	-6.15	-26.43	-1.04
ACOAUD AUD (Net)*	17.17	13.96	-8.88	-28.58	-3.93
ACOEUR EUR	18.63	17.73	-6.37	-27.09	-1.46
ACOEUR EUR (Net)*	15.17	14.30	-9.10	-29.22	-4.33
ACOSGD SGD	21.21	18.74	-5.62	-25.48	-0.86
ACOSGD SGD (Net)*	17.68	15.29	-8.37	-27.65	-3.75

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Last Paid Dividend	Annualised Yield based on ex-dividend date
AC	USD	--	--	--	--
ACOAUD	AUD	--	--	--	--
ACOEUR	EUR	--	--	--	--
ACOSGD	SGD	--	--	--	--

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	15 March 2013	LU0819121731	USD	USD 5,000	11.53	1.500%	Accumulating
ACOAUD	15 March 2013	LU0856985162	AUD	USD 5,000	11.02	1.500%	Accumulating
ACOEUR	15 March 2013	LU0856985089	EUR	USD 5,000	9.41	1.500%	Accumulating
ACOSGD	15 March 2013	LU0856984785	SGD	USD 5,000	10.75	1.500%	Accumulating

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 31 March 2024