HSBC Asset Management

HSBC Global Investment Funds

GLOBAL SHORT DURATION BOND

Monthly report 31 March 2024 | Share class ACSGD

Investment objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of short duration bonds, while promoting environmental, social and governance (ESG) characteristics within the meaning of Article 8 of SFDR. The Fund aims to have a higher ESG rating than its reference benchmark.

Investment strategy

The Fund is actively managed. In normal market conditions, the Fund invests a minimum of 70% in investment grade bonds and non-investment grade bonds issued by governments, government-related entities, supranational entities and companies that are based in developed or emerging markets. The Fund's average duration is expected to be between six months and three years with up to 10% of assets in bonds with a maturity longer than five years. 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. The Fund may invest up to 30% in bonds issued in emerging markets, up to 20% in non-investment grade bonds; up to 10% in onshore Chinese bonds; up to 30% in asset-backed securities; 10% in contingent convertible securities and up to 10% in other funds. 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 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.

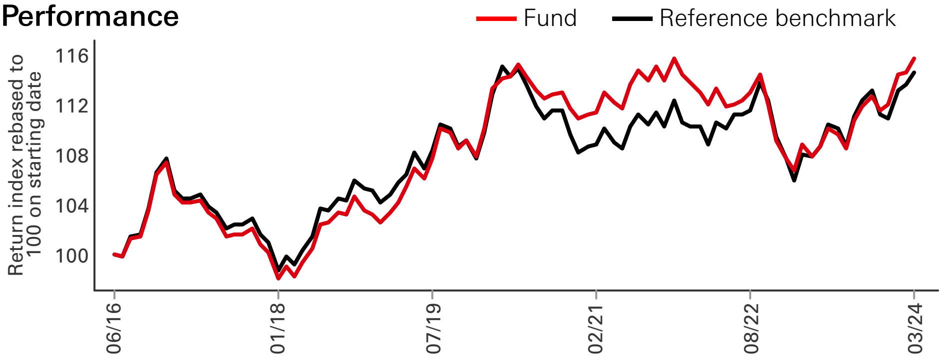
Share Class Details

Key metrics	
NAV per Share	**SGD 11.50**
Performance 1 month	**0.99%**
Yield to maturity	**5.20%**
Fund facts	
UCITS V compliant	**Yes**
Subscription mode	**Cash / SRS (Supplementary Retirement Scheme)**
Dividend treatment	**Accumulating**
Dealing frequency	**Daily**
Valuation Time	**17:00 Luxembourg**
Share Class Base Currency	**SGD**
Domicile	**Luxembourg**
Inception date	**16 June 2016**
Fund Size	**USD 2,248,054,320**
Reference benchmark	**100% Bloomberg Global Aggregate 1-3 Years Hedged USD**
Managers	**Oliver Boulind Ernst Josef Osiander**
Fees and expenses	
Minimum initial investment (SG)[1]	**SGD 1,000**
Maximum initial charge (SG)	**3.000%**
Management fee	**0.500%**
Codes	
ISIN	**LU1301846850**
Bloomberg ticker	**HGSDACS LX**

[1]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
ACSGD	**3.28**	**0.99**	**3.28**	**3.43**	**7.30**	**0.83**	**2.12**
ACSGD (Net)*	0.27	-1.95	0.27	0.41	4.18	-0.15	1.52
Reference benchmark	3.32	0.86	3.32	2.14	6.31	1.39	1.64

Calendar year performance (%)	2019	2020	2021	2022	2023
ACSGD	**4.37**	**2.85**	**3.16**	**-5.85**	**4.08**
ACSGD (Net)*	1.33	-0.15	0.15	-8.59	1.05
Reference benchmark	2.32	0.57	2.24	-2.74	3.12

Carbon footprint	Fund	Reference benchmark
Carbon intensity emissions	152.45	272.29

Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO^2e/USD million)
Source of analytics: Trucost

MSCI ESG Score	ESG score	E	S	G
Fund	6.7	7.1	5.8	6.1
Reference benchmark	6.0	6.0	6.6	6.3

3-Year Risk Measures	ACSGD	Reference benchmark
Volatility	4.13%	4.39%
Sharpe ratio	-0.40	-0.25
Tracking error	1.52%	--
Information ratio	-0.36	--

5-Year Risk Measures	ACSGD	Reference benchmark
Volatility	4.10%	4.44%
Sharpe ratio	0.05	-0.06
Tracking error	1.50%	--
Information ratio	0.32	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	402	7,986	--
Average coupon rate	4.16	2.34	1.82
Yield to worst	5.08%	3.72%	1.36%
OAD	2.51	1.78	0.73
Modified Duration to Worst	2.55	1.78	0.78
Option Adjusted Spread Duration	2.77	1.80	0.97
Average maturity	3.24	1.86	1.37
Rating average	A/A-	AA-/A+	--

Credit rating (%)	Fund	Reference benchmark	Relative
AAA	18.50	14.74	3.76
AA	10.27	38.12	-27.84
A	24.82	33.39	-8.56
BBB	34.89	13.76	21.13
BB	7.16	--	7.16
B	0.69	--	0.69
NR	0.79	--	0.79
[illegible]	[illegible]		[illegible]

Maturity Breakdown (OAD)	Fund	Reference benchmark	Relative
0-1 year	0.03	0.00	0.03
1-3 years	1.68	1.77	-0.09
3-5 years	0.86	--	0.86
5+ years	-0.07	--	-0.07
Total	**2.51**	**1.78**	**0.73**

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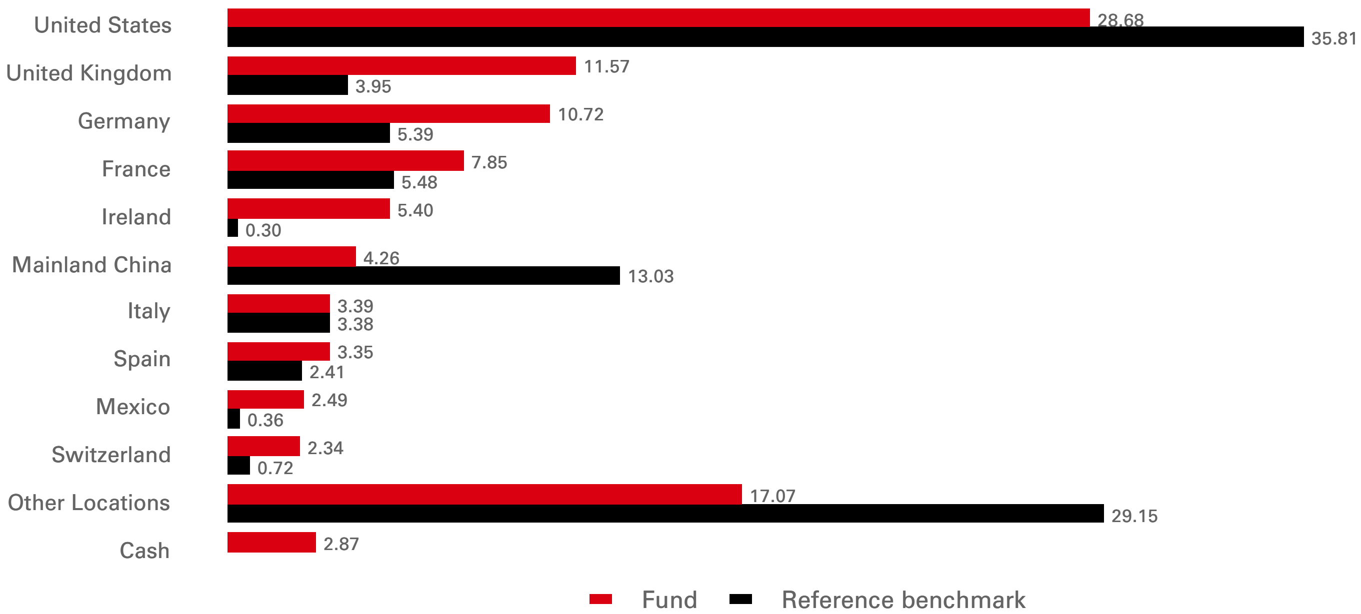
Source: HSBC Asset Management, data as at 31 March 2024

Currency Bloc Allocation (OAD)	Fund	Reference benchmark	Relative
Dollar	1.34	0.83	0.51
Euro	0.79	0.46	0.33
EM Local Currency	0.26	0.27	-0.01
UK	0.17	0.07	0.10
Japan	-0.04	0.15	-0.20
Total	**2.51**	**1.78**	**0.73**

Currency Allocation (%)	Fund	Reference benchmark	Relative
USD	94.83	100.00	-5.17
CNY	4.29	--	4.29
JPY	1.76	--	1.76
MXN	1.05	--	1.05
AUD	0.91	--	0.91
INR	0.90	--	0.90
IDR	0.43	--	0.43
EUR	0.06	--	0.06
NZD	0.04	--	0.04
GBP	0.03	--	0.03
Other Currencies	-4.30	--	-4.30

Geographical Allocation (%)



Sector Allocation (%)	Fund	Reference benchmark	Relative
Corp Fin	29.82	10.08	19.74
Treasuries	26.69	56.69	-30.00
Corp Non-fin	22.72	9.59	13.14
Collateralised	15.35	4.60	10.75
Supra/agencies	5.41	18.48	-13.07
US Agency Mbs	--	0.56	-0.56

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

Top 10 Holdings	Weight (%)
DEUTSCHLAND REP 0.250 15/02/27	4.32
US TREASURY N/B 1.500 31/01/27	3.98
BUNDESOBL-184 0.000 09/10/26	3.48
US TREASURY N/B 2.250 15/02/27	1.95
ATHENE GLOBAL FU 5.516 25/03/27	1.56
CHINA GOVT BOND 3.010 13/05/28	1.39
CHINA GOVT BOND 2.400 15/07/28	1.25
NEW ZEALAND GVT 0.250 15/05/28	1.13
MEXICAN BONOS 8.500 31/05/29	1.03
MEXICAN BONOS 7.500 03/06/27	0.99

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

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

Monthly performance commentary

Performance review

For the month, the fund outperformed its benchmark. On an absolute basis, performance was positive. Short maturity interest rates were lower in the US and Europe. Overall, the rates movements produced a positive performance contribution given the overweight on duration. Credit market spreads were tighter on the month, which added to performance given the strategy remains risk facing. Holdings in Securitised contributed positively to performance. FX performance was slightly negative as the broad USD continued to creep higher versus most DM currencies as the market continued to price out rate hikes for 2024. The long JPY position detracted to the performance as the BoJ remained relatively cautious. However, the long AUD and EMFX positions were more resilient with a marginal negative contribution.

Strategy

We continued to invest inflows into both new issues and the secondary market. The fund AUM increased around 5% to $2.27bn. We remain overweight risk in both duration and credit risk. Credit risk was increased over the month with the fund finding good opportunities in European Credit. We switched 0.1Y Duration from US5yr to EUR5yr on the expectation the ECB will cut before the Fed. We reduced US2yr duration exposure by 0.05Y, taking profits on the recent yield rally.

Ten lowest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO^2e/ USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO^2e/ USD million)
PHOENIX GRP HLD PLC	0.42	SVEGNO 0.01 11/11/26 EMTN	0.06
ASR NEDERLAND NV	0.52	SBAB 0.125 08/27/26 EMTN	0.06
SYNCHRONY BANK	0.64	SBAB 0.5 06/11/25 146	0.06
ALD SA	0.71	FRLBP 0.25 07/12/26 EMTN	0.08
HISCOX LTD	0.77	FRPTT 0.625 10/21/26 EMTN	0.08
MASSMUTUAL GLOBAL FUNDIN	0.81	LBPSFH 0.5 01/30/26 EMTN	0.08
PROLOGIS LP	0.96	CNPFP V4.25 06/05/45	0.08
QBE INSURANCE GROUP LTD	1.29	SRBANK 0.01 10/08/26 EMTN	0.09
CREDIT SUISSE AG LONDON	1.48	SRBANK 0.25 11/09/26 EMTN	0.09
HEATHROW FUNDING LTD	1.83	JUSTLN V7 04/15/31	0.11

Ten highest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO^2e/ USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO^2e/ USD million)
SOUTHERN CO	2,906.91	NTPCIN 2.75 02/01/27 EMTN	17,616.66
COLUMBIA PIPELINE HOLDCO	2,019.07	CPXCN 4.986 01/23/26 MTN	7,088.87
VEOLIA ENVIRONNEMENT SA	754.62	VST 3.7 01/30/27 144A	6,920.55
DIGITAL DUTCH FINCO BV	741.14	GDHJIN 1.875 06/23/25	6,812.49
ANGLO AMERICAN CAPITAL	638.61	CNL 3.743 05/01/26	5,516.85
OCCIDENTAL PETROLEUM COR	612.95	GZGETH 2.85 01/19/27	5,485.99
ENEL FINANCE INTL NV	392.81	HKE 2.875 05/03/26 EMTN	4,913.81
ENEL SPA	392.81	EVRG 2.55 07/01/26	4,775.06
PETROBRAS GLOBAL FINANCE	384.29	EVRG 3.65 08/15/25	4,775.06
ENERGEAN ISRAEL FINANCE	346.66	HXCEME 2.25 11/19/25 emtn	4,564.44

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

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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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
AC USD	0.75	0.62	0.75	4.60	5.72	0.69	2.20
AC USD (Net)*	-2.19	-2.31	-2.19	1.55	2.64	-0.30	1.59
ACHSGD SGD	0.27	0.48	0.27	3.63	3.88	-0.09	1.50
ACHSGD SGD (Net)*	-2.66	-2.45	-2.66	0.61	0.86	-1.07	0.91
ACSGD SGD	3.28	0.99	3.28	3.43	7.30	0.83	2.12
ACSGD SGD (Net)*	0.27	-1.95	0.27	0.41	4.18	-0.15	1.52

Calendar year performance (%)	2019	2020	2021	2022	2023
AC USD	5.81	4.63	0.83	-5.38	6.39
AC USD (Net)*	2.73	1.58	-2.11	-8.13	3.29
ACHSGD SGD	5.01	4.13	0.74	-5.62	4.74
ACHSGD SGD (Net)*	1.95	1.10	-2.20	-8.37	1.69
ACSGD SGD	4.37	2.85	3.16	-5.85	4.08
ACSGD SGD (Net)*	1.33	-0.15	0.15	-8.59	1.05

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	--	--	--	--
ACSGD	SGD	--	--	--	--

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	27 February 2015	LU1163226092	USD	USD 5,000	11.60	0.500%	Accumulating
ACHSGD	16 June 2016	LU1272399756	SGD	USD 5,000	10.96	0.500%	Accumulating
ACSGD	16 June 2016	LU1301846850	SGD	USD 5,000	11.50	0.500%	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 + (dividend amount / 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