HSBC Asset Management

HSBC Global Investment Funds

GLOBAL HIGH INCOME BOND

Monthly report 29 February 2024 | Share class AM3HEUR

Investment objective

The Fund aims to provide income by investing in a portfolio of higher yielding bonds, 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 may invest in investment grade rated and high yield bonds, Asian and Emerging Market debt instruments and may invest in bonds issued by governments, government agencies in developed and emerging markets. The Fund's asset allocation is managed with regard to the following neutral positions: 25% USD Emerging Market bonds, 17.5% US based investment grade corporate bonds, 17.5% US based high yield bonds, 15% Euro denominated investment grade corporate bonds hedged to USD, 15% Euro denominated high yield bonds hedged to USD, 10% Global Securitised.The Fund includes the identification and analysis of a company's ESG Credentials as an integral part of the investment decision making process. The Fund will not invest in bonds issued by companies with involvement in specific excluded activities, such as, tobacco and controversial weapons. The Fund may invest up to 10% in onshore Chinese bonds, up to 10% in convertible bonds, up to 10% in contingent convertible securities and up to 20% in asset backed securities and mortgage-backed securities.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.

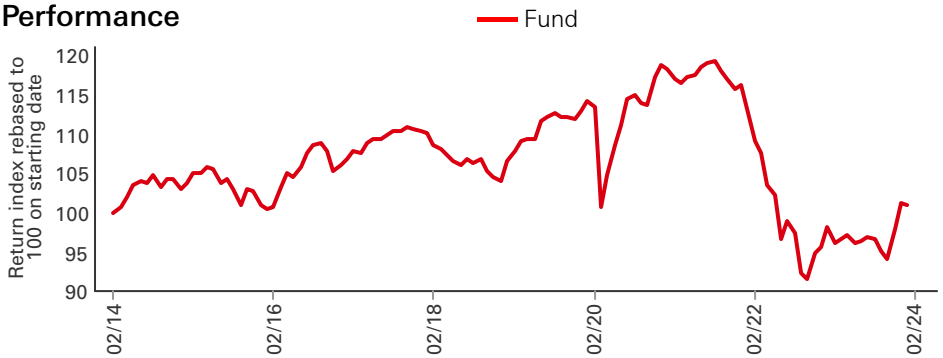
Share Class Details

Key metrics	
NAV per Share	**EUR 7.20**
Performance 1 month	**-0.47%**
Yield to maturity	**6.62%**
Fund facts	
UCITS V compliant	**Yes**
Subscription mode	**Cash**
Dividend treatment	**Distributing**
Distribution Frequency	**Monthly**
Dividend ex-date	**29 February 2024**
Dividend annualised yield	**5.78%**
Last Paid Dividend	**0.033793**
Dealing frequency	**Daily**
Valuation Time	**17:00 Luxembourg**
Share Class Base Currency	**EUR**
Domicile	**Luxembourg**
Inception date	**13 September 2012**
Fund Size	**USD 860,676,464**
Managers	**Jerry Samet** **Ricky Liu** **Andrew John Jackson** **Jaymeson Paul Kumm** **Jean Olivier Neyrat**
Fees and expenses	
Minimum initial investment (SG)[1]	**EUR 1,000**
Maximum initial charge (SG)	**3.000%**
Management fee	**1.250%**
Codes	
ISIN	**LU0798789284**
Bloomberg ticker	**HGHAMHE 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.
Reference Performance Benchmark: Bloomberg Barclays Global Aggregate Corporate USD Hedged since 1 Sep 2019. Prior to that, was 35% Bloomberg Barclays USD Emerging Markets 20% Bloomberg Barclays US Aggregate Corporate Baa 15% Bloomberg Barclays US High Yield Ba 15% Bloomberg Barclays Euro Aggregate Corporate Baa Hedged USD 15% Bloomberg Barclays Euro High Yield BB Hedged USD.
Source: HSBC Asset Management, data as at 29 February 2024

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
AM3HEUR	**-0.68**	**-0.47**	**2.79**	**4.12**	**4.64**	**-4.93**	**-1.38**
AM3HEUR (Net)*	-3.57	-3.37	-0.21	1.09	1.59	-5.86	-1.96

Calendar year performance (%)	2019	2020	2021	2022	2023
AM3HEUR	**8.71**	**5.05**	**-2.10**	**-17.74**	**5.90**
AM3HEUR (Net)*	5.54	1.99	-4.95	-20.14	2.82

3-Year Risk Measures	AM3HEUR	Reference benchmark
Volatility	7.40%	--
Sharpe ratio	-0.82	--

5-Year Risk Measures	AM3HEUR	Reference benchmark
Volatility	8.49%	--
Sharpe ratio	-0.22	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	651	16,033	--
Average coupon rate	5.16	3.68	1.48
Yield to worst	6.45%	5.02%	1.44%
OAD	4.70	5.89	-1.19
Modified Duration to Worst	4.84	5.89	-1.05
Option Adjusted Spread Duration	4.53	5.96	-1.43
Average maturity	6.85	8.46	-1.62
Rating average	BBB/BBB-	A-/BBB+	--
Number of issuers	375	2111	--

Credit rating (%)	Fund	Reference benchmark	Relative
AAA	1.25	0.90	0.34
AA	6.82	7.77	-0.95
A	10.31	43.48	-33.17
BBB	43.65	47.84	-4.19
BB	23.92	--	23.92
B	7.83	--	7.83
CCC	1.86	--	1.86
C	0.06	--	0.06
D	0.34	--	0.34
NR	0.24	--	0.24
Cash	3.71	--	3.71

Asset allocation (%)	Fund	Reference benchmark	Relative
USD Corporates	32.12	64.10	-31.98
EUR Corporates	25.99	23.23	2.76
EMD	23.81	3.68	20.13
ABS	9.05	0.02	9.03
US Treasuries	3.68	--	3.68
Others	1.63	8.97	-7.34
Cash	3.71	--	3.71

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The benchmark data is that of the reference benchmark of the fund, as this data is calculated at fund level rather than share class level. The reference benchmark of the fund is 100% Bloomberg Global Aggregate Corporate Bond Index USD Hedged
Source: HSBC Asset Management, data as at 29 February 2024

Maturity Breakdown (OAD)	Fund	Reference benchmark	Relative
0-2 years	0.15	0.18	-0.03
2-5 years	1.39	1.06	0.33
5-10 years	1.71	1.73	-0.02
10+ years	1.46	2.93	-1.47
Total	**4.70**	**5.89**	**-1.19**

Currency Allocation (%)	Fund	Reference benchmark	Relative
USD	99.40	100.00	-0.60
EUR	0.50	--	0.50
IDR	0.06	--	0.06
GBP	0.03	--	0.03
AUD	0.01	--	0.01
CLP	0.00	--	0.00
SGD	0.00	--	0.00
BRL	0.00	--	0.00
HKD	0.00	--	0.00
ZAR	0.00	--	0.00
Other Currencies	0.00	--	0.00

Geographical Allocation (%)



Sector Allocation (%)	Fund	Reference benchmark	Relative
Financial	26.76	39.44	-12.68
Government	17.17	0.01	17.17
Energy	10.48	5.98	4.50
Consumer Non cyclical	7.80	15.76	-7.96
Communications	5.38	7.96	-2.58
Utilities	4.86	8.81	-3.96
Asset Backed Securities	4.59	--	4.59
Consumer Cyclical	4.45	7.57	-3.12
Mortgage Securities	4.39	--	4.39
Industrial	4.39	6.89	-2.50
Other Sectors	6.04	7.58	-1.54
Cash	3.71	--	3.71

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Top 10 Holdings	Weight (%)
FRANCE O.A.T. 1.750 25/11/24	1.25
CCO HOLDINGS LLC 7.375 01/03/31	0.84
CHESAPEAKE ENRGY 6.750 15/04/29	0.66
IQVIA INC 5.700 15/05/28	0.65
AVIS BUDGET CAR 8.000 15/02/31	0.63
VENTURE GLOBAL L 8.375 01/06/31	0.60
CRED SUIS NY 3.625 09/09/24	0.59
LABL INC 9.500 01/11/28	0.57
US TREASURY N/B 4.250 31/12/25	0.55
INTESA SANPAOLO 3.875 14/07/27	0.54

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

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Monthly performance commentary

February saw risk assets and rates move higher as US growth and inflation data came in higher than expected and Q4 corporate earnings were largely in line. Rates stabilized somewhat later in the month as retail sales were weaker than markets had expected. Global Credit total returns were mixed over the month with more rate sensitive IG bonds in negative territory while High Yield remained positive. Monthly supply in IG issuance was $218.6 billion, for a YTD total of $489.9 billion. HY saw $27.8 billion issued over the month for a YTD total of $56.2 billion. US Treasury yields rose in January with the curve reinverting somewhat lead by a larger move in shorter dated maturities. The 2, 5, 10 and 30 year moved higher by 41, 41, 34 and 21 basis points to finish the month at 4.62%, 4.24%, 4.25% and 4.38% respectively.
In this context the strategy delivered negative performance on an absolute basis gross of fees.
February saw positive total returns from EMD and Securitized Credit while US and Euro Credit saw negative returns. EMD was the best performing segment followed by Securitized Credit while US Credit was the weakest performer followed by Euro Credit. All segments apart from US Credit saw positive outperformance vs their respective investment universes.

The fund is invested predominantly in corporate BBB and BB credit and with an allocation to sovereigns at 17% and structured credit at 10%. From a credit perspective the fund has an average credit rating of BBB/BBB- with 66% investment grade which includes 4% cash and 34% below investment grade. Regionally, the strategy has exposure to US Credit 26%, EUR Credit 27%, EM 27% and Structured Credit 10%. The 3 top industry sector exposures are to financials, sovereigns and energy. High quality financials offer attractive valuations vs industrials while higher quality energy also looks attractive from a valuation perspective while the elevated exposure to sovereigns is as a result of a more defensive positioning in credit. The current portfolio duration is at 4.70 years on an option adjusted basis.

Outlook

Although markets have repriced for a more hawkish central bank stance with rate cuts having been pushed back, the overall soft-landing narrative remains dominant in the mind of investors. While the continued strength of the economy has allowed the Fed to be more patient there seems to be little doubt that their next move is still to cut, even if the timing has become less certain. The recent rally in risk assets has brought spreads back to their tights but the constructive economic outlook should remain supportive in the short term. Our expectation is still that the global economy will slow and as a result, over the longer term we still expect that spreads are more likely to move wider. In the short term however, we don't see any specific catalyst that would send spreads meaningfully wider, and we expect they could continue to grind tighter. As a result, we are currently positioned with a more neutral bias, remaining tactical with our positioning, taking advantage of short-term opportunities as they arise.

In global cross-over portfolios, while we continue to expect an economic slowdown, in the near term we expect markets can still grind tighter. As a result, while we remain cautious longer term, we are positioned with a more neutral stance. We continue to maintain attractive carry by taking advantage of the flat yield curve. Regionally allocations have remained largely unchanged over the month, and we maintain an overweight to duration vs the investment universe. We continue to take advantage of new issuance in the primary market, when possible, predominantly in higher quality paper.

The stocks mentioned are for illustrative purposes only and are not investment advice, investments have risks.
Source: HSBC Asset Management, data as at 29 February 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.

Source: HSBC Asset Management, data as at 29 February 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 SGD	1.55	0.30	4.05	4.66	6.69	-2.73	0.53
AC SGD (Net)*	-1.41	-2.62	1.02	1.61	3.59	-3.68	-0.07
AC USD	-0.38	-0.32	3.27	5.12	6.82	-3.09	0.62
AC USD (Net)*	-3.28	-3.22	0.26	2.05	3.71	-4.04	0.03
ACHSGD SGD	-0.71	-0.49	2.77	4.11	4.96	-3.86	-0.13
ACHSGD SGD (Net)*	-3.60	-3.39	-0.23	1.08	1.90	-4.80	-0.71
AM2 SGD	1.54	0.30	4.04	4.66	6.69	-2.73	0.52
AM2 SGD (Net)*	-1.41	-2.62	1.01	1.61	3.58	-3.68	-0.07
AM2 USD	-0.38	-0.32	3.27	5.12	6.81	-3.09	0.62
AM2 USD (Net)*	-3.28	-3.22	0.26	2.05	3.70	-4.04	0.03
AM3HAUD AUD	-0.63	-0.44	2.88	4.28	5.16	-4.12	-0.44
AM3HAUD AUD (Net)*	-3.53	-3.34	-0.11	1.25	2.09	-5.06	-1.03
AM3HEUR EUR	-0.68	-0.47	2.79	4.12	4.64	-4.93	-1.38
AM3HEUR EUR (Net)*	-3.57	-3.37	-0.21	1.09	1.59	-5.86	-1.96
AM3HSGD SGD	-0.73	-0.49	2.74	4.08	4.93	-3.86	-0.12
AM3HSGD SGD (Net)*	-3.62	-3.39	-0.25	1.05	1.87	-4.81	-0.71

Calendar year performance (%)	2019	2020	2021	2022	2023
AC SGD	10.56	4.96	0.83	-16.19	6.50
AC SGD (Net)*	7.34	1.91	-2.10	-18.64	3.40
AC USD	12.07	6.79	-1.15	-15.76	8.28
AC USD (Net)*	8.81	3.68	-4.03	-18.21	5.13
ACHSGD SGD	11.21	6.09	-1.28	-16.09	6.55
ACHSGD SGD (Net)*	7.97	3.00	-4.16	-18.53	3.45
AM2 SGD	10.56	4.96	0.84	-16.20	6.50
AM2 SGD (Net)*	7.34	1.91	-2.10	-18.64	3.40
AM2 USD	12.07	6.79	-1.15	-15.76	8.28
AM2 USD (Net)*	8.81	3.68	-4.03	-18.22	5.13
AM3HAUD AUD	10.86	5.67	-1.52	-16.67	6.57
AM3HAUD AUD (Net)*	7.63	2.59	-4.39	-19.09	3.46
AM3HEUR EUR	8.71	5.05	-2.10	-17.74	5.90
AM3HEUR EUR (Net)*	5.54	1.99	-4.95	-20.14	2.82
AM3HSGD SGD	11.21	6.13	-1.28	-16.08	6.55
AM3HSGD SGD (Net)*	7.97	3.03	-4.16	-18.53	3.44

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Source: HSBC Asset Management, data as at 29 February 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	--	--	--	--
ACHSGD	SGD	--	--	--	--
AM2	USD	Monthly	29 February 2024	0.048355	7.49%
AM3HAUD	AUD	Monthly	29 February 2024	0.036018	6.14%
AM3HEUR	EUR	Monthly	29 February 2024	0.033793	5.78%
AM3HSGD	SGD	Monthly	29 February 2024	0.035833	5.42%

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	28 July 2010	LU0524291613	USD	USD 5,000	15.66	1.250%	Accumulating
ACHSGD	2 November 2011	LU0669553462	SGD	USD 5,000	14.07	1.250%	Accumulating
AM2	28 July 2010	LU0524291456	USD	USD 5,000	8.01	1.250%	Distributing
AM3HAUD	5 September 2012	LU0798789102	AUD	USD 5,000	7.24	1.250%	Distributing
AM3HEUR	13 September 2012	LU0798789284	EUR	USD 5,000	7.20	1.250%	Distributing
AM3HSGD	25 October 2011	LU0669553546	SGD	USD 5,000	8.13	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 + (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 29 February 2024