

HSBC Global Investment Funds

MANAGED SOLUTIONS - ASIA FOCUSED CONSERVATIVE

Monthly report 31 October 2023 | Share class ACOAUD



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 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 20% in onshore Chinese bonds and up to 10% in non-investment grade or unrated bonds. The Fund may invest up to 15% in China A and China B-shares. For China A-shares, up to 15% through the Stock Connect exchanges, up to 15% in CAAPs and up to 10% in CAAPs issued by any single issuer. The Fund may invest up to 10% in convertible bonds, up to 10% in contingent convertible securities and up to 10% in non-investment grade bonds issued by a single government issuer. The Fund may invest up to 50% in other funds and up to 10% in REITs. The Fund's primary currency exposure is to 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	AUD 11.75
Performance 1 month	-1.30%
Sharpe ratio 3 years	-0.86

Fund facts

UCITS V compliant	Yes
Subscription mode	Cash
Dividend treatment	Accumulating
Dealing frequency	Daily
Valuation Time	17:00 Luxembourg
Share Class Base Currency	AUD
Domicile	Luxembourg
Inception date	15 March 2013
Fund Size	USD 36,152,026
Managers	Gloria Jing Mathew Ng

Fees and expenses

Minimum initial investment (SG) ¹	USD 5,000
Maximum initial charge (SG)	3.100%
Management fee	0.700%

Codes

ISIN	LU0854295408
Bloomberg ticker	HSBASHA LX

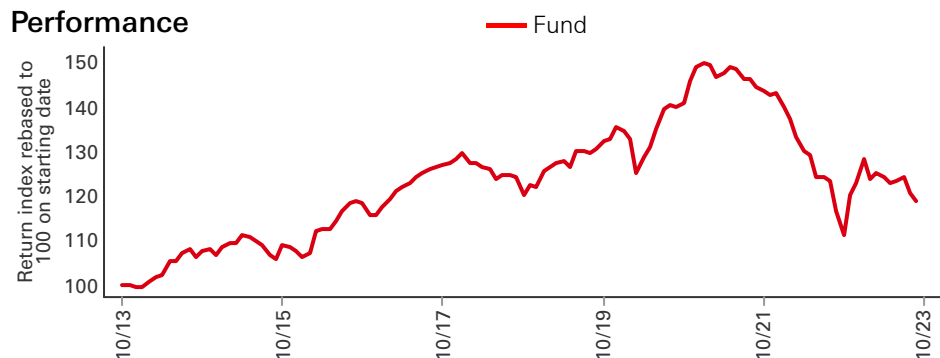
¹Please note that initial minimum subscription may vary across different distributors

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. Performance numbers shown are before netting off sales / realisation charges. This is a marketing communication. Please refer to the prospectus and to the KIID before making any final investment decisions.

Source: HSBC Asset Management, data as at 31 October 2023

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Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
ACOAUD	-4.74	-1.30	-5.73	-5.86	5.42	-5.94	-0.54
ACOAUD (Net)*	-7.52	-4.18	-8.47	-8.61	2.35	-6.86	-1.13

Calendar year performance (%)	2018	2019	2020	2021	2022
ACOAUD	-4.61	10.71	10.22	-3.91	-14.15
ACOAUD (Net)*	-7.39	7.48	7.01	-6.71	-16.65

Asset allocation (%)	Actual	Target	Strategic	Overweight/Underweight between Target & Strategic Asset Allocation
Asia ex Japan Equity	12.19	11.20	15.00	-3.80
India Equity	--	0.70	0.00	0.70
Indonesia Equity	--	0.50	0.00	0.50
Japanese Equity	1.52	1.60	0.00	1.60
Korea Equity	--	1.00	0.00	1.00
Asian High Yield Bond	12.17	12.50	12.50	0.00
Asian Investment Grade Bond	49.06	47.00	30.00	17.00
Asian Local Currency Bonds	10.64	10.50	12.50	-2.00
GEM USD Bond	--	1.00	0.00	1.00
Government Bond	8.77	9.50	30.00	-20.50
India Bond	--	1.50	0.00	1.50
GEM Local Currency	--	2.00	0.00	2.00
Global Emerging Market Debt Local Currency	3.27	0.00	0.00	0.00
Global Equities	0.70	0.00	0.00	0.00
Indian Fixed Income	1.59	0.00	0.00	0.00
Liquidity	0.09	1.00	0.00	1.00

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 HI YL BD-ZQ1 U	12.17
HSBC GIF Asian Currencies Bond	10.64
HSBC GIF Asia ex Japan Equity	10.61
Hong Kong Government 0.800 27/08/2027	8.77
HSBC GIF GEM ESG Local Debt ZD	2.22
TENCENT HOLDINGS LTD 3.975 11/04/2029	2.10
HSBC GIF India Fixed Income	1.59
HSBC Japan Index	1.52
STANDARD CHARTERED PLC 7.018 08/02/2030	1.10

STANDARD CHARTERED PLC 6.301 09/01/2029 1.10

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.

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Source: HSBC Asset Management, data as at 31 October 2023

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Monthly performance commentary

Portfolio Review

Global Equities fell in October, as rising bond yields and geopolitical uncertainty weighed on investor sentiment. Developed market equities outperformed emerging markets over the period. Across developed markets, US equities outperformed, driven by another wave of strong economic data. Eurozone and UK saw the biggest falls, as the macroeconomic outlook weakened, as credit conditions tightened, and business and consumer confidence declined. Within emerging markets, weak economic data from China continued to drag performance. Global Government bonds fell over the month as US economic data showed persistent resilience and worries of 'higher for longer' interest rates continue. Japanese bond markets also sold off as the Bank of Japan further loosened Yield Curve Control. The Eurozone was an outlier, with bonds posting small positive returns, on soft economic data and a softer-than-expected inflation print. The US Dollar continued its gains in October, on the back of US Treasury yields raising further, resilient US data, and softening global risk sentiment. The Euro was flat over the month on the back of softer inflation and GDP numbers. Sterling fell against the US Dollar given stronger US momentum. In commodity markets, Brent Oil suffered a volatile month, with supply increases by OPEC at beginning of the month sending the prices lower whilst the conflict in the Middle East initially led to a price surge before Oil continued its fall towards end of month given weaker economic data in key developed markets outside the US. Gold gained over the month, driven by geopolitical uncertainties.

The fund posted negative return over the month with both equities and fixed income contributing negatively to the performance. Asian equities detracted from performance due to the drag from China equity market. Continued weakness in the China real estate sector and reports of new US restrictions on AI chip exports to China further dampened market sentiment. On the fixed income front, overall bond market performance was negative. The treasury curve has steepened significantly as data continued to show resilience of the US economy and US yields saw new cycle highs.

Disinflation continues in the West, but some components of core inflation remain sticky, raising the probability of higher-for-longer rates. Eastern economies face a more benign growth and inflation picture, with pockets of strength across Latin America and Asia, despite China's slower economic recovery. Growth in the US continues, as economic activity and labour markets have proven resilient. However, we anticipate a slowdown in 2024 as consumer savings dwindle and higher interest rates continue to impact the real economy. The Fed is now likely at peak hawkishness, we expect policy cuts from Q2 2024. Sluggish Eurozone economic data and softer-than-expected inflation prints limit the risk of further ECB policy tightening. Given our view that a Eurozone recession is likely, we see rates falling faster in 2024, compared to the US. In the East, inflation is less of a concern, and areas of supportive policy can help maintain growth. China's economy continues to face a challenging property market and weaker consumer confidence, but further monetary easing is possible, with more fiscal support required to sustain a recovery. In Japan we expect a gradual normalisation of the yield curve.

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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HSBC Asset Management

Glossary



Important Information

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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This document and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore ("SFA") and has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. You should consider carefully whether the investment is suitable for you. The offer or invitation of the Units, which is the subject of this document, does not relate to a collective investment scheme which is authorised by the MAS under Section 286 of the SFA or recognised by the MAS under Section 287 of the SFA and the Units are not allowed to be offered to the retail public.

No document or material in connection with the offer or sale of the Units may be circulated or distributed, nor may the Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 304 of the SFA, in accordance with the conditions specified in that section, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Units are subscribed or purchased under Section 305 of the SFA by a relevant person which is (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable within 6 months after that corporation or that trust has acquired the Units pursuant to an offer made under Section 305 of the SFA except (1) to an institutional investor or to a relevant person as defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) where the transfer is by operation of law; or (4) as specified in Section 305A(5) of the SFA; (5) The sub-fund uses financial derivative instruments significantly and a significant portion of the sub-fund's payout income are generated from financial derivative strategies, investors should take note of expected risks associated with such strategies and higher volatility in payout income profile.

HSBC Global Asset Management (Singapore) Limited

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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	-3.37	-1.16	-5.33	-5.05	7.28	-4.90	0.56
AC USD (Net)*	-6.19	-4.04	-8.09	-7.82	4.16	-5.83	-0.03
ACOAUD AUD	-4.74	-1.30	-5.73	-5.86	5.42	-5.94	-0.54
ACOAUD AUD (Net)*	-7.52	-4.18	-8.47	-8.61	2.35	-6.86	-1.13
ACOEUR EUR	-5.20	-1.31	-5.79	-6.07	4.61	-6.66	-1.56
ACOEUR EUR (Net)*	-7.96	-4.18	-8.53	-8.81	1.56	-7.57	-2.14
ACOSGD SGD	-4.63	-1.32	-5.81	-5.91	5.75	-5.52	-0.15
ACOSGD SGD (Net)*	-7.41	-4.19	-8.55	-8.65	2.67	-6.45	-0.74

Calendar year performance (%)	2018	2019	2020	2021	2022
AC USD	-4.11	12.00	11.44	-3.38	-13.18
AC USD (Net)*	-6.91	8.74	8.20	-6.19	-15.71
ACOAUD AUD	-4.61	10.71	10.22	-3.91	-14.15
ACOAUD AUD (Net)*	-7.39	7.48	7.01	-6.71	-16.65
ACOEUR EUR	-6.92	8.60	9.66	-4.38	-15.25
ACOEUR EUR (Net)*	-9.63	5.44	6.47	-7.16	-17.72
ACOSGD SGD	-5.02	11.09	10.71	-3.56	-13.55
ACOSGD SGD (Net)*	-7.78	7.86	7.49	-6.36	-16.07

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	LU0854292488	USD	USD 5,000	11.58	0.700%	Accumulating
ACOAUD	15 March 2013	LU0854295408	AUD	USD 5,000	11.75	0.700%	Accumulating
ACOEUR	15 March 2013	LU0854295077	EUR	USD 5,000	9.67	0.700%	Accumulating
ACOSGD	15 March 2013	LU0854294427	SGD	USD 5,000	8.10	0.700%	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 October 2023

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