

HSBC Global Investment Funds

GLOBAL HIGH INCOME BOND

Monthly report 30 April 2023 | Share class ACHSGD

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	SGD 13.58
Performance 1 month	0.53%
Yield to maturity	7.10%

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	2 November 2011
Fund Size	USD 774,189,337
Managers	Jerry Samet Ricky Liu Andrew John Jackson Jaymeson Paul Kumm Jean Olivier Neyrat

Fees and expenses

Minimum initial investment (SG) ¹	SGD 1,000
Maximum initial charge (SG)	3.000%
Management fee	1.250%

Codes

ISIN	LU0669553462
Bloomberg ticker	HGHBSA 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

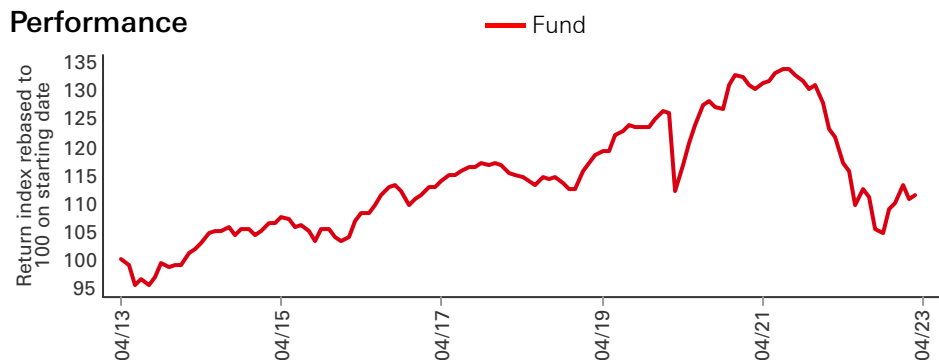
***Share class denoted with "(Net)" refers to fund return net of maximum initial charge (SG) on a single pricing (NAV) basis. No redemption charge is levied.**

This is a marketing communication. Please refer to the prospectus and to the KIID 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 30 April 2023

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
ACHSGD	2.08	0.53	-0.79	7.13	-4.18	-1.32	-0.42
ACHSGD (Net)*	-0.89	-2.39	-3.68	4.01	-6.97	-2.29	-1.00

Calendar year performance (%)	2018	2019	2020	2021	2022
ACHSGD	-4.00	11.21	6.09	-1.28	-16.09
ACHSGD (Net)*	-6.80	7.97	3.00	-4.16	-18.53

3-Year Risk Measures	ACHSGD	Reference benchmark	5-Year Risk Measures	ACHSGD	Reference benchmark
Volatility	7.64%	--	Volatility	8.23%	--
Sharpe ratio	-0.35	--	Sharpe ratio	-0.23	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	579	15,554	--
Average coupon rate	4.47	3.36	1.12
Yield to worst	6.98%	4.89%	2.09%
Option Adjusted Duration	4.89	6.16	-1.26
Modified Duration to Worst	5.23	6.16	-0.93
Option Adjusted Spread Duration	5.09	6.30	-1.21
Average maturity	7.35	8.77	-1.42
Rating average	BBB+/BBB	A-/BBB+	--
Number of issuers	349	2111	--

Credit rating (%)	Fund	Reference benchmark	Relative	Asset allocation (%)	Fund	Reference benchmark	Relative
AAA	11.72	0.94	10.78	USD Corporates	30.37	64.22	-33.85
AA	1.74	7.54	-5.80	EUR Corporates	23.45	23.27	0.17
A	11.25	42.18	-30.93	EMD	22.30	3.59	18.72
BBB	38.01	49.33	-11.33	ABS	8.78	0.01	8.77
BB	23.40	--	23.40	US Treasuries	8.04	--	8.04
B	8.05	--	8.05	Others	3.25	8.90	-5.65
CCC	1.01	--	1.01	Cash	3.81	--	3.81
CC	0.22	--	0.22				
C	0.15	--	0.15				
D	0.01	--	0.01				
NR	0.62	--	0.62				
Cash	3.81	--	3.81				

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.

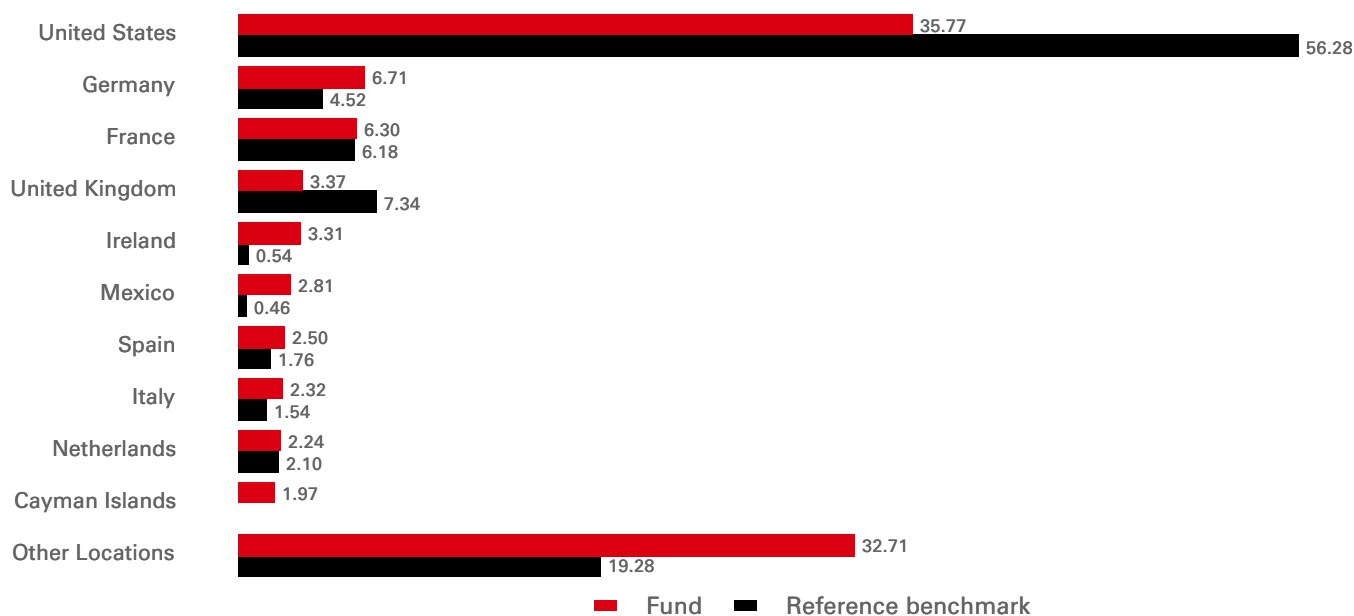
The benchmark data is that of the reference benchmark of the fund, as this data is calculated at fund level rather than share class level. The reference benchmark of the fund is 100% Bloomberg Global Aggregate Corporate Bond Index USD Hedged

Source: HSBC Asset Management, data as at 30 April 2023

Maturity Breakdown (Option Adjusted Duration)	Fund	Reference benchmark	Relative
0-2 years	0.22	0.17	0.05
2-5 years	0.98	1.08	-0.11
5-10 years	1.85	1.76	0.09
10+ years	1.85	3.15	-1.29
Total	4.89	6.16	-1.26

Currency Allocation (%)	Fund	Reference benchmark	Relative
USD	99.18	100.00	-0.82
EUR	0.87	--	0.87
GBP	0.03	--	0.03
AUD	0.01	--	0.01
SGD	0.00	--	0.00
HKD	0.00	--	0.00
ZAR	0.00	--	0.00
CAD	0.00	--	0.00
Other Currencies	-0.09	--	-0.09

Geographical Allocation (%)



Sector Allocation (%)	Fund	Reference benchmark	Relative
Financial	25.17	39.44	-14.26
Government	21.10	0.01	21.10
Energy	9.57	5.89	3.68
Communications	6.83	8.25	-1.43
Consumer Cyclical	5.92	6.60	-0.68
Consumer Non cyclical	5.63	16.20	-10.56
Utilities	4.43	8.62	-4.19
Mortgage Securities	4.31	--	4.31
Asset Backed Securities	4.21	--	4.21
Basic Materials	4.18	2.78	1.40
Other Sectors	4.83	12.22	-7.39
Cash	3.81	--	3.81

Top 10 Holdings	Weight (%)
BUNDESSCHATZANW 2.500 13/03/25	2.85
US TREASURY N/B 2.750 15/08/32	1.77
US TREASURY N/B 4.375 31/10/24	1.05
GLB AIR LEASE CO 6.500 15/09/24	0.85
US TREASURY N/B 4.125 31/01/25	0.85
AMERICAN AIRLINE 5.500 20/04/26	0.76
UNTD AIR 20-1 A 5.875 15/10/27	0.65
CCO HOLDINGS LLC 7.375 01/03/31	0.64
CRED SUIS NY 3.625 09/09/24	0.62
INTESA SANPAOLO 3.875 14/07/27	0.59

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

Monthly performance commentary

April saw the return of some stability following the bank driven volatility of March. This was helped by data points for payrolls, CPI and ISM manufacturing coming in at what benign levels while earnings were relatively strong. Spreads were quite muted with Global IG seeing modest tightening while Global HY finished flat for the month. Rates were also less volatile with Treasury yields ending the month mostly lower following a mid-month spike. This saw positive total returns for both IG and HY credit markets. Issuance decreased again in April with IG coming in at \$105.9 billion for a YTD total of \$614.1 billion issued while HY supply increased with \$16.6 billion issued for a YTD total of \$55.7 billion. Treasury yields rose mid-month but fell back to end March mostly lower. The 2, 5, 10 and 30 year yields moved -2, -9, -5 and +2 basis points to finish at 4.01%, 3.48%, 3.42% and 3.67% respectively.

In this context the strategy delivered positive performance on an absolute basis gross of fees.

April saw positive total return contributions from all segments of the portfolio. Securitized Credit was the best performer followed by EUR Credit and then US Credit while EM performed the weakest. All segments also saw positive outperformance vs their respective investment universes.

From a sector perspective the fund remains predominantly invested in corporate BBB and BB credit with an allocation to sovereigns at 21% and structured credit at 9%. From a credit perspective the fund has an average credit rating of BBB+/BBB with 67% investment grade which includes 4% cash and 33% below investment grade. Regionally, the strategy has exposure to US Credit 28%, EUR Credit 25%, EM 27% and Structured Credit 9%. The 3 top industry sector exposures are to financials, sovereigns and energy. High quality financials offer attractive valuations despite recent volatility in the sector. Higher quality energy also looks attractive and remains supported by higher oil prices while the elevated exposure to sovereigns is as a result of our more defensive positioning in credit. The current portfolio duration is at 4.89 years on an option adjusted basis.

Outlook


Following a less volatile month of April markets began May with another banking related event as First Republic became the latest in a line of regional banks to be seized by regulators with most of the business being acquired by JPMorgan. Undeterred by this event the Federal Reserve raised rates by an additional 25bps in early May as it continues its battle against inflation. Given the impact of rising rates and the recent weakness in the banking sector on lending conditions, the market is now pricing more rates cuts for later this year with the potential for a more significant recession. Economic data has weakened but companies are still seeing solid demand and again reported relatively good earnings. Forward guidance however continues to be to the downside as we move towards an economic slowdown. Although valuations are less than compelling we don't see any short term catalysts to send spreads meaningfully wider, however, longer term we still expect that spreads are more likely to move wider as we move towards a more pronounced recessionary environment. We continue to be tactical with our positioning however, taking advantage of any short term opportunities.

In global cross-over portfolios we continue to see credit spread risk and maintain our lower HY exposure. Although we are slightly short on spread duration we are maintaining a bit of positive carry by taking advantage of the inverted yield curve. Regionally allocations have remained largely unchanged since last month. Cash and cash equivalent exposure remains elevated while developed market sovereign exposure is also on the higher side, reflecting our defensive credit positioning. Some shorter duration cash bonds continue to look attractive and we have been buying some 5yr and in bonds with good carry on a case-by-case basis across different regional exposures as we still expect carry to be a major component of returns this year.

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



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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 underlying investments' weightings relative to the benchmark are monitored, but not constrained, to a defined range.

Source: HSBC Asset Management, data as at 30 April 2023

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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	1.96	1.00	1.03	1.53	-6.73	-2.68	0.33
AC SGD (Net)*	-1.01	-1.94	-1.91	-1.43	-9.44	-3.64	-0.27
AC USD	2.50	0.66	-0.47	7.69	-3.46	-0.92	0.17
AC USD (Net)*	-0.48	-2.28	-3.37	4.55	-6.27	-1.90	-0.42
ACHSGD SGD	2.08	0.53	-0.79	7.13	-4.18	-1.32	-0.42
ACHSGD SGD (Net)*	-0.89	-2.39	-3.68	4.01	-6.97	-2.29	-1.00
AM2 SGD	1.97	1.00	1.04	1.52	-6.73	-2.68	0.32
AM2 SGD (Net)*	-1.00	-1.94	-1.91	-1.43	-9.45	-3.64	-0.27
AM2 USD	2.50	0.65	-0.46	7.68	-3.46	-0.92	0.17
AM2 USD (Net)*	-0.48	-2.28	-3.36	4.55	-6.27	-1.90	-0.42
AM3HAUD AUD	1.95	0.54	-0.84	6.79	-4.81	-1.68	-0.72
AM3HAUD AUD (Net)*	-1.02	-2.39	-3.73	3.68	-7.58	-2.65	-1.30
*							
AM3HEUR EUR	1.65	0.49	-1.03	6.17	-6.12	-2.53	-1.99
AM3HEUR EUR (Net)*	-1.31	-2.43	-3.92	3.08	-8.85	-3.48	-2.57
AM3HSGD SGD	2.08	0.53	-0.78	7.15	-4.17	-1.31	-0.41
AM3HSGD SGD (Net)*	-0.89	-2.40	-3.67	4.03	-6.96	-2.28	-1.00

Calendar year performance (%)	2018	2019	2020	2021	2022
AC SGD	-1.22	10.56	4.96	0.83	-16.19
AC SGD (Net)*	-4.10	7.34	1.91	-2.10	-18.64
AC USD	-3.15	12.07	6.79	-1.15	-15.76
AC USD (Net)*	-5.97	8.81	3.68	-4.03	-18.21
ACHSGD SGD	-4.00	11.21	6.09	-1.28	-16.09
ACHSGD SGD (Net)*	-6.80	7.97	3.00	-4.16	-18.53
AM2 SGD	-1.23	10.56	4.96	0.84	-16.20
AM2 SGD (Net)*	-4.11	7.34	1.91	-2.10	-18.64
AM2 USD	-3.16	12.07	6.79	-1.15	-15.76
AM2 USD (Net)*	-5.98	8.81	3.68	-4.03	-18.22
AM3HAUD AUD	-3.55	10.86	5.67	-1.52	-16.67
AM3HAUD AUD (Net)*	-6.36	7.63	2.59	-4.39	-19.09
AM3HEUR EUR	-5.92	8.71	5.05	-2.10	-17.74
AM3HEUR EUR (Net)*	-8.66	5.54	1.99	-4.95	-20.14
AM3HSGD SGD	-4.00	11.21	6.13	-1.28	-16.08
AM3HSGD SGD (Net)*	-6.80	7.97	3.03	-4.16	-18.53

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*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 30 April 2023

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	28 April 2023	0.053892	8.29%
AM3HAUD	AUD	Monthly	28 April 2023	0.039457	6.65%
AM3HEUR	EUR	Monthly	28 April 2023	0.033940	5.74%
AM3HSGD	SGD	Monthly	28 April 2023	0.045716	6.88%

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	14.88	1.250%	Accumulating
ACHSGD	2 November 2011	LU0669553462	SGD	USD 5,000	13.58	1.250%	Accumulating
AM2	28 July 2010	LU0524291456	USD	USD 5,000	8.09	1.250%	Distributing
AM3HAUD	5 September 2012	LU0798789102	AUD	USD 5,000	7.33	1.250%	Distributing
AM3HEUR	13 September 2012	LU0798789284	EUR	USD 5,000	7.28	1.250%	Distributing
AM3HSGD	25 October 2011	LU0669553546	SGD	USD 5,000	8.22	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 30 April 2023