

## HSBC Global Investment Funds

# MANAGED SOLUTIONS - ASIA FOCUSED GROWTH

Monthly report 31 March 2023 | 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 11.39</b>
Performance 1 month	<b>1.85%</b>
Sharpe ratio 3 years	<b>0.15</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 27,686,618</b>
Managers	<b>Emin Yigit Onat Mathew Ng</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

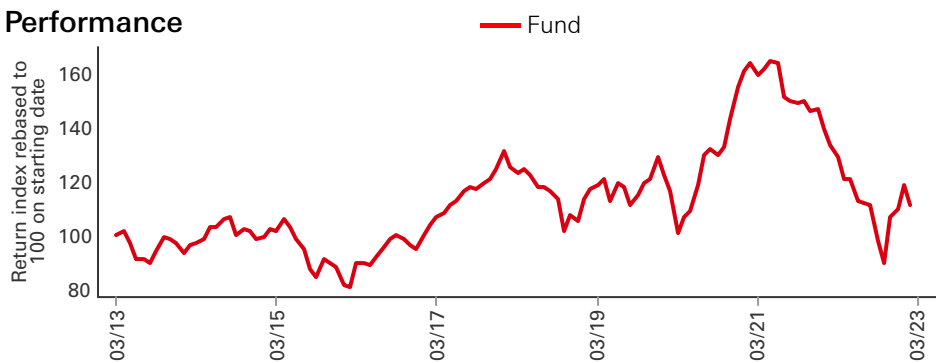
Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis. For comparison with benchmark

\*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 KIID before making any final investment decisions.

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

## Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
<b>AC</b>	<b>3.06</b>	<b>1.85</b>	<b>3.06</b>	<b>15.77</b>	<b>-12.08</b>	<b>3.92</b>	<b>-1.61</b>
AC (Net)*	0.06	-1.12	0.06	12.40	-14.64	2.90	-2.19

Calendar year performance (%)	2018	2019	2020	2021	2022
<b>AC</b>	<b>-15.45</b>	<b>22.36</b>	<b>19.98</b>	<b>-5.29</b>	<b>-24.83</b>
AC (Net)*	-17.92	18.80	16.49	-8.05	-27.02

Asset allocation (%)	Actual	Target	Strategic	Overweight/Underweight between Target & Strategic Asset Allocation
Asia ex Japan Equity	62.75	70.00	70.00	0.00
Asian High Yield Bond	14.73	15.00	15.00	0.00
Asian Local Currency Bonds	14.87	15.00	15.00	0.00
Liquidity	7.64	0.00	0.00	0.00

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 Asian Currencies Bond	14.87
HSBC GIF-ASIA HI YL BD-ZQ1 U	14.73
Taiwan Semiconductor Co Ltd	6.55
Samsung Electronics Co Ltd	4.40
Tencent Holdings Ltd	3.94
ALIBABA GROUP HOLDING LTD	3.63
HSBC US Dollar Liquidity Y	3.43
AIA Group Ltd	2.99
MEDIATEK INC	2.51
RELIANCE INDUSTRIES LTD	2.24

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

## Monthly performance commentary

### Portfolio Review

At the global level major asset classes managed to deliver positive returns over the month as concerns around the banking sector were assuaged by regulators and markets priced in fewer central bank rate hikes from here. It was notable that central banks separated their role of maintaining financial stability from continuing to fight inflation. Despite the turmoil in the banking sector, the US federal Reserve hiked rates by 25bps, with the ECB and Bank of England hiking by 50bps and 25bps respectively. However, markets moderated their expectations of further hikes from here and now price in US rate cuts later this year. Against that background, risk assets performed poorly in the first half of the month, before rallying to close higher at the global level. Within equities, developed markets outperformed emerging markets, helped by the US where the technology sector performed especially well, benefiting from falling government yields. The fixed income complex performed well as government bond yields fell sharply, especially at the short end of curves. Corporate debt generally posted more modest gains as credit spreads widened. Looking at currencies, the US dollar strengthened during the banking turmoil, before easing to close the month lower as the stress passed and markets priced in a lower trajectory for interest rates. Performance within commodities generally reflected concerns over a slowing growth; oil prices fell while gold posted a modest gain.

The fund posted gains in March, with Asian equities being top contributors. Against the background of softer monetary tightening stances, Asian equities contributed positively. On the fixed income side, Asian high yield bonds were down during the month as negative sentiment was built on the back of a deferred bond payment from a quality property name. Asian local currency bonds posted gains with weaker USD.

Recent banking sector developments are likely to tighten lending standards among Western banks. This adds to macroeconomic headwinds stemming from higher interest rates and raises the probability of recession. However, we do not expect a severe recession. Strong private sector balance sheets, and no return to the fiscal austerity of the 2010s, point to a more average-looking recession scenario ahead. Our central scenario assumes that limited tightening continues in the near term, driven by central bankers' inflation concerns. We think Fed policy rates peak at around 5.5% Ultimately, we believe central bankers will then have to ease policy in late 2023 and 2024, as recessions bite. Asia finds itself in a 'parallel world', far removed from the recession and persistent inflation mix in the West. China's rapid re-opening will buoy growth in the region, helping to offset weaker Western demand.

## 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.
- 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.

## Important Information

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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.

This document is for information only and is not an advertisement, investment recommendation, research, or advice. Any views and opinions expressed are subject to change without notice. It does not have regard to the specific investment objectives, financial situation, or needs of any specific person. Investors and potential investors should not invest in the Fund solely based on the information provided in this document and should read the prospectus (including the risk warnings) and the product highlights sheets, which are available upon request at HSBC Global Asset Management (Singapore) Limited ("AMSG") or our authorised distributors, before investing. You should seek advice from a financial adviser.

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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**Source: HSBC Asset Management, data as at 31 March 2023**

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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	3.06	1.85	3.06	15.77	-12.08	3.92	-1.61
AC USD (Net)*	0.06	-1.12	0.06	12.40	-14.64	2.90	-2.19
ACOAUD AUD	2.47	1.70	2.47	14.32	-13.95	2.26	-3.19
ACOAUD AUD (Net)*	-0.52	-1.27	-0.52	10.99	-16.46	1.25	-3.76
ACOEUR EUR	2.28	1.63	2.28	13.69	-14.89	1.84	-4.04
ACOEUR EUR (Net)*	-0.69	-1.33	-0.69	10.38	-17.37	0.84	-4.61
ACOSGD SGD	2.71	1.75	2.71	14.97	-12.97	3.18	-2.48
ACOSGD SGD (Net)*	-0.28	-1.22	-0.28	11.62	-15.51	2.17	-3.06

Calendar year performance (%)	2018	2019	2020	2021	2022
AC USD	-15.45	22.36	19.98	-5.29	-24.83
AC USD (Net)*	-17.92	18.80	16.49	-8.05	-27.02
ACOAUD AUD	-16.32	20.68	17.38	-6.15	-26.43
ACOAUD AUD (Net)*	-18.75	17.17	13.96	-8.88	-28.58
ACOEUR EUR	-18.14	18.63	17.73	-6.37	-27.09
ACOEUR EUR (Net)*	-20.52	15.17	14.30	-9.10	-29.22
ACOSGD SGD	-16.43	21.21	18.74	-5.62	-25.48
ACOSGD SGD (Net)*	-18.87	17.68	15.29	-8.37	-27.65

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	11.39	1.500%	Accumulating
ACOAUD	15 March 2013	LU0856985162	AUD	USD 5,000	11.09	1.500%	Accumulating
ACOEUR	15 March 2013	LU0856985089	EUR	USD 5,000	9.49	1.500%	Accumulating
ACOSGD	15 March 2013	LU0856984785	SGD	USD 5,000	10.83	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.

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 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 2023