

HSBC Global Investment Funds

GLOBAL SHORT DURATION BOND

Monthly report 30 April 2023 | Share class AC

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. The Fund qualifies under Article 8 of SFDR.

Investment strategy

The Fund is actively managed. In normal market conditions, the Fund will invest up to 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 which have 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 and mortgage-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	USD 11.01
Performance 1 month	0.40%
Yield to maturity	4.94%

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	USD
Domicile	Luxembourg
Inception date	27 February 2015
Fund Size	USD 973,217,993
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	USD 1,000
Maximum initial charge (SG)	3.000%
Management fee	0.500%

Codes

ISIN	LU1163226092
Bloomberg ticker	HSGSDBA LX

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

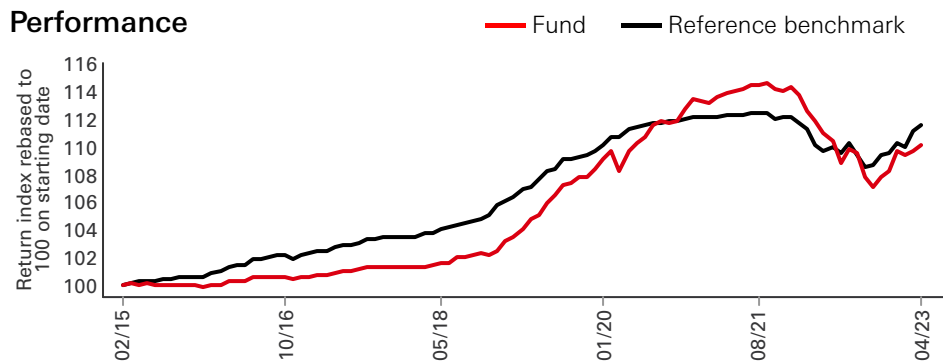
Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis. For comparison with benchmark

*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.

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
AC	1.79	0.40	0.36	2.86	-0.77	0.14	1.67
AC (Net)*	-1.17	-2.52	-2.56	-0.14	-3.66	-0.85	1.07
Reference benchmark	1.82	0.38	1.10	2.59	1.66	0.09	1.46

Calendar year performance (%)	2018	2019	2020	2021	2022
AC	1.15	5.81	4.63	0.83	-5.38
AC (Net)*	-1.80	2.73	1.58	-2.11	-8.13
Reference benchmark	2.18	3.72	2.32	-0.07	-2.27

Carbon footprint	Fund	Reference benchmark	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	139.25	277.29	Fund	6.6	6.1	6.4	6.3
			Reference benchmark	6.0	5.2	6.6	6.0

Carbon intensity measures the quantity of carbon emission of a company (tonnes CO₂e/USD million)
Source of analytics: Trucost

3-Year Risk Measures	AC	Reference benchmark	5-Year Risk Measures	AC	Reference benchmark
Volatility	2.19%	1.40%	Volatility	2.05%	1.25%
Sharpe ratio	-0.38	-0.63	Sharpe ratio	0.09	-0.03
Tracking error	1.52%	--	Tracking error	1.43%	--
Information ratio	0.03	--	Information ratio	0.15	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	272	7,524	--
Average coupon rate	3.65	2.11	1.53
Yield to worst	4.91%	3.56%	1.35%
Option Adjusted Duration	1.97	1.83	0.14
Modified Duration to Worst	2.29	1.83	0.47
Option Adjusted Spread Duration	2.66	1.86	0.79
Average maturity	2.88	1.91	0.97
Rating average	AA-/A+	AA/AA-	--

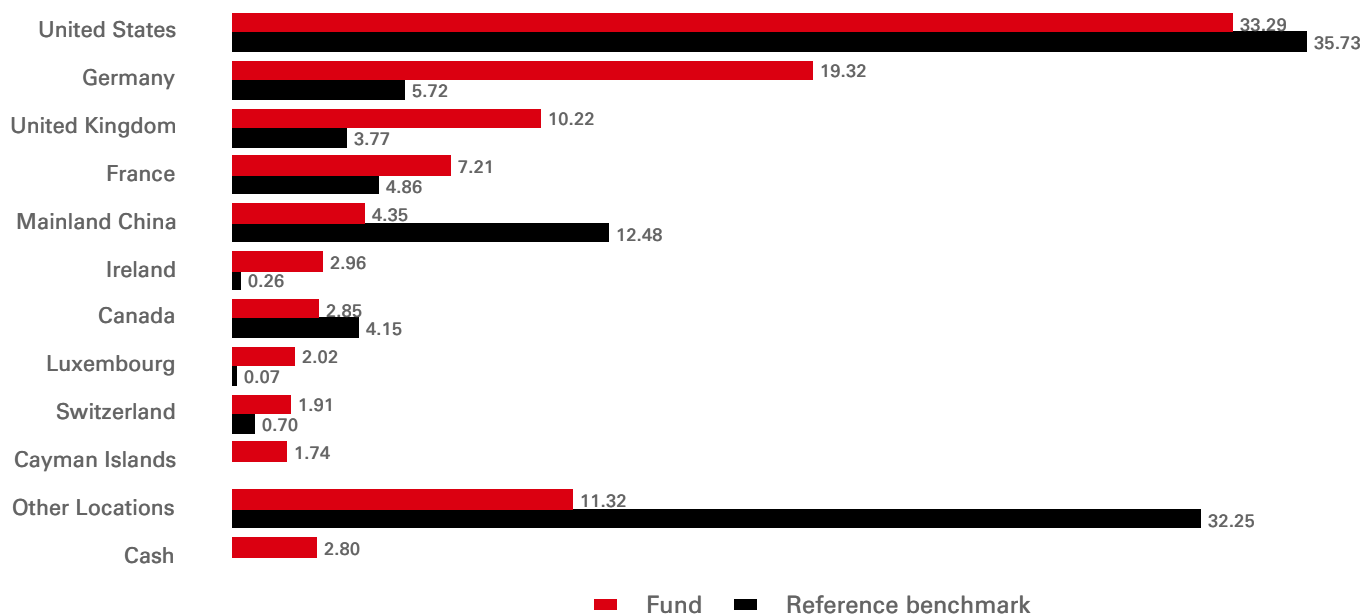
Credit rating (%)	Fund	Reference benchmark	Relative	Maturity Breakdown (Option Adjusted Duration)	Fund	Reference benchmark	Relative
AAA	38.72	39.21	-0.49	0-1 year	0.02	0.01	0.01
AA	3.83	13.20	-9.38	1-3 years	1.42	1.82	-0.40
A	20.24	33.50	-13.26	3-5 years	0.41	--	0.41
BBB	26.58	14.08	12.49	5+ years	0.12	--	0.12
BB	6.46	--	6.46	Total	1.97	1.83	0.14
B	0.30	--	0.30				
NR	1.06	--	1.06				

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 30 April 2023

Currency Bloc Allocation (Option Adjusted Duration)	Fund	Reference benchmark	Relative
Dollar	1.07	0.86	0.21
Euro	0.50	0.45	0.05
EM Local Currency	0.14	0.27	-0.12
Japan	0.13	0.19	-0.06
UK	0.13	0.06	0.06
Total	1.97	1.83	0.14

Currency Allocation (%)	Fund	Reference benchmark	Relative
USD	95.63	100.00	-4.37
CNY	4.01	--	4.01
HKD	1.43	--	1.43
EUR	1.18	--	1.18
JPY	0.96	--	0.96
INR	0.90	--	0.90
BRL	0.43	--	0.43
IDR	0.41	--	0.41
ZAR	0.41	--	0.41
CAD	0.03	--	0.03
Other Currencies	-5.39	--	-5.39

Geographical Allocation (%)



Sector Allocation (%)	Fund	Reference benchmark	Relative
Treasuries	41.35	57.23	-15.88
Corp Fin	24.00	9.70	14.30
Corp Non-fin	13.92	9.15	4.77
Collateralised	13.33	4.34	8.98
Supra/agencies	7.40	19.03	-11.63
US Agency Mbs	--	0.56	-0.56

Top 10 Holdings	Weight (%)
US TREASURY N/B 2.750 15/05/25	7.50
BUNDESSCHATZANW 2.500 13/03/25	6.91
US TREASURY N/B 4.625 28/02/25	6.75
BUNDESSCHATZANW 2.200 12/12/24	6.19
US TREASURY N/B 4.375 31/10/24	2.92
BUNDESOBL-180 0.000 18/10/24	1.76
US TREASURY N/B 4.250 30/09/24	1.52
NEW ZEALAND GVT 4.500 15/04/27	1.34
RCI BANQUE 4.125 01/12/25	1.30
ROYAL BK CANADA 4.950 25/04/25	1.30

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

Monthly performance commentary

Performance review

For the month, relative performance was positive. Cash bonds rallied in IG which aided performance and a rally in US rates also acted as a positive contributor. Index credit derivative hedges were marked wider versus cash bonds over the month, which acted as a positive contributor to fund performance given the credit hedges in place in both European and US high yield markets. Securitised credit was robust over the month, adding to gains through the securitised sleeve. Asia high yield, on the other hand, underperformed over the month

FX performance was slightly negative mainly due to the long JPY versus USD as the JPY underperformed sharply versus G10 currencies on the back of a dovish BoJ.

Strategy

We added a marginal amount of duration during the month, with a bias towards US and UK. In Credit, given the inflows into the fund, we topped up exposure in our preferred issuers to maintain exposures in these names. We also added selectively in the new issue market in higher quality paper. Our overall risk position increased over the month but remains significantly below the year-to-date highs. We rebalanced our allocation to the Securitised Sleeve given the significant inflows into the fund. The fund AUM now stands at 1 billion USD.

In FX, we maintained a long position in the EUR vs USD due to a more hawkish ECB. We also maintained a long INR vs USD on the back of a cheap valuation while the Indian economy should be relatively isolated from the US banking turmoil. The RBI should also remain hawkish on sticky core inflation after hiking to 6.5%

Ten lowest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO ₂ e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO ₂ e/USD million)
PHOENIX GRP HLD PLC	0.42	CNPFP V4 PERP	0.08
HISCOX LTD	0.72	FRLBP 1 10/16/24 EMTN	0.08
SYNCHRONY BANK	0.91	FRPTT 1.125 06/04/25 EMTN	0.08
BANCO DE SABADELL SA	1.15	LBPSFH 0.375 01/24/25 EMTN	0.08
QBE INSURANCE GROUP LTD	1.31	JUSTLN V7 04/15/31	0.11
JACKSON NATL LIFE GLOBAL	1.73	SBAB 0.5 01/29/25 EMTN	0.14
ROYAL BANK OF CANADA	2.28	SBAB 0.5 05/13/25 EMTN	0.14
HEATHROW FUNDING LTD	2.37	SRENVX V2.6 PERP	0.22
ATHENE GLOBAL FUNDING	2.43	SRENVX V4.25 PERP	0.22
MASSMUTUAL GLOBAL FUNDIN	2.50	SRENVX V4.5 09/11/44	0.22


Ten highest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO ₂ e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO ₂ e/USD million)
VEOLIA ENVIRONNEMENT SA	909.97	NTPCIN 4.25 02/26/26 EMTN	17,855.11
OCCIDENTAL PETROLEUM COR	895.80	HNINTL 2.25 02/20/25	12,303.07
SSE PLC	857.01	GDHJIN 1.875 06/23/25	9,756.83
PETROBRAS GLOBAL FINANCE	760.19	GDYUDE 3 06/12/24	9,756.83
ENERGEAN ISRAEL FINANCE	611.31	VST 3.55 07/15/24 144A	8,260.15
ENERGIAS DE PORTUGAL SA	599.20	CPXCN 4.284 09/18/24 MTN	7,475.37
ANGLO AMERICAN CAPITAL	520.28	HXCEME 2.25 11/19/25 emtn	6,086.36
DIGITAL DUTCH FINCO BV	469.34	JERA 0.2 04/25/25 7	6,060.14
DIGITAL EURO FINCO	469.34	TAQAUH 3.875 05/06/24 REGS	5,007.89
CELANESE US HOLDINGS LLC	396.48	EVRG 2.45 09/15/24	4,751.02

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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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 30 April 2023

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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	1.79	0.40	0.36	2.86	-0.77	0.14	1.67
AC USD (Net)*	-1.17	-2.52	-2.56	-0.14	-3.66	-0.85	1.07
ACHSGD SGD	1.38	0.28	0.04	2.37	-1.40	-0.19	1.16
ACHSGD SGD (Net)*	-1.57	-2.64	-2.88	-0.61	-4.27	-1.17	0.56
ACSGD SGD	0.93	0.75	1.88	-3.03	-4.13	-1.64	1.82
ACSGD SGD (Net)*	-2.01	-2.19	-1.09	-5.85	-6.92	-2.61	1.22

Calendar year performance (%)	2018	2019	2020	2021	2022
AC USD	1.15	5.81	4.63	0.83	-5.38
AC USD (Net)*	-1.80	2.73	1.58	-2.11	-8.13
ACHSGD SGD	0.34	5.01	4.13	0.74	-5.62
ACHSGD SGD (Net)*	-2.58	1.95	1.10	-2.20	-8.37
ACSGD SGD	3.15	4.37	2.85	3.16	-5.85
ACSGD SGD (Net)*	0.14	1.33	-0.15	0.15	-8.59

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	11.01	0.500%	Accumulating
ACHSGD	16 June 2016	LU1272399756	SGD	USD 5,000	10.58	0.500%	Accumulating
ACSGD	16 June 2016	LU1301846850	SGD	USD 5,000	10.80	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: $((1 + (\text{dividend amount} / \text{ex-dividend NAV}))^n) - 1$, 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