

HSBC Global Investment Funds

GLOBAL BOND

Monthly report 30 June 2022 | Share class IC

Investment objective

The Fund aims to provide capital growth and income by investing in a portfolio of developed market bonds.

Investment strategy

The Fund is actively managed. In normal market conditions, the Fund will mostly invest its assets in investment grade issued in developed markets. The Fund will invest primarily in bonds denominated in developed market currencies. The Fund may invest up to 20% of its assets in non-investment grade bonds and up to 20% in bonds issued in emerging markets. The Fund may invest up to 10% of its assets in bonds issued by any single government issuer with a non-investment grade rating. The Fund may invest up to 10% of its assets in onshore Chinese bonds traded on the China Interbank Bond Market. The Fund may invest up to 30% in asset-backed securities and mortgage-backed securities. The Fund may also invest up to 10% of its assets in contingent convertible securities. The may up to 10% of its assets in other funds, including HSBC Funds. 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.
- 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.

Share Class Details

Key metrics

NAV per Share	USD 17.73
Performance 1 month	-3.36%
Yield to maturity	2.96%

Fund facts

UCITS V compliant	Yes
Subscription mode	Cash
Dividend treatment	Accumulating
Dealing frequency	Daily
Valuation Time	17:00 Luxembourg
Share Class Base Currency	USD
Domicile	Luxembourg
Inception date	9 March 2007
Fund Size	USD 38,139,072
Reference benchmark	100% Bloomberg Global Aggregate
Managers	Ernst Josef Osiander

Fees and expenses

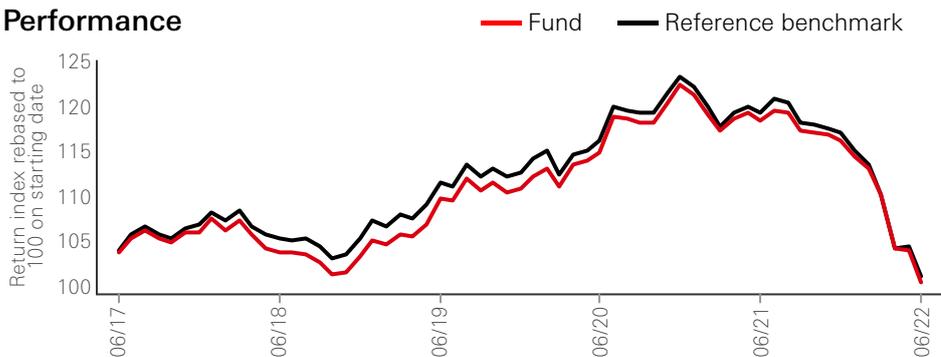
Minimum initial investment (SG) ¹	USD 1,000,000
Maximum initial charge (SG)	3.100%
Management fee	0.375%

Codes

ISIN	LU0165191460
Bloomberg ticker	HSBGICU LX

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

Performance



Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis or Bid-to-Bid 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 30 June 2022

For institutional and accredited investors use only. Not for further distribution.

Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
IC	-13.57	-3.36	-8.74	-13.57	-15.07	-2.88	-0.62
Reference benchmark	-13.72	-3.21	-8.26	-13.72	-15.25	-3.22	-0.55

Calendar year performance (%)	2017	2018	2019	2020	2021
IC	6.96	-2.56	7.39	10.45	-5.01
Reference benchmark	7.39	-1.43	6.94	9.40	-4.96

3-Year Risk Measures	IC	Reference benchmark	5-Year Risk Measures	IC	Reference benchmark
Volatility	5.79%	5.82%	Volatility	5.22%	5.19%
Sharpe ratio	-0.61	-0.67	Sharpe ratio	-0.36	-0.35
Tracking error	0.72%	--	Tracking error	0.74%	--
Information ratio	0.46	--	Information ratio	-0.08	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	158	28,203	--
Average coupon rate	2.10	2.29	-0.19
Yield to worst	2.94%	2.90%	0.04%
Option Adjusted Duration	7.06	6.94	0.12
Modified Duration to Worst	7.31	6.86	0.45
Option Adjusted Spread Duration	2.94	3.60	-0.66
Average maturity	9.95	8.69	1.26
Rating average	AA/AA-	AA/AA-	--

Credit rating (%)	Fund	Reference benchmark	Relative
AAA	47.68	39.97	7.71
AA	12.18	13.99	-1.81
A	21.48	31.53	-10.05
BBB	16.86	14.51	2.35
BB	1.81	--	1.81

Maturity Breakdown (Option Adjusted Duration)	Fund	Reference benchmark	Relative
0-2 years	-0.05	0.17	-0.22
2-5 years	0.14	0.95	-0.81
5-10 years	2.77	2.32	0.44
10+ years	4.21	3.50	0.71
Total	7.06	6.94	0.12

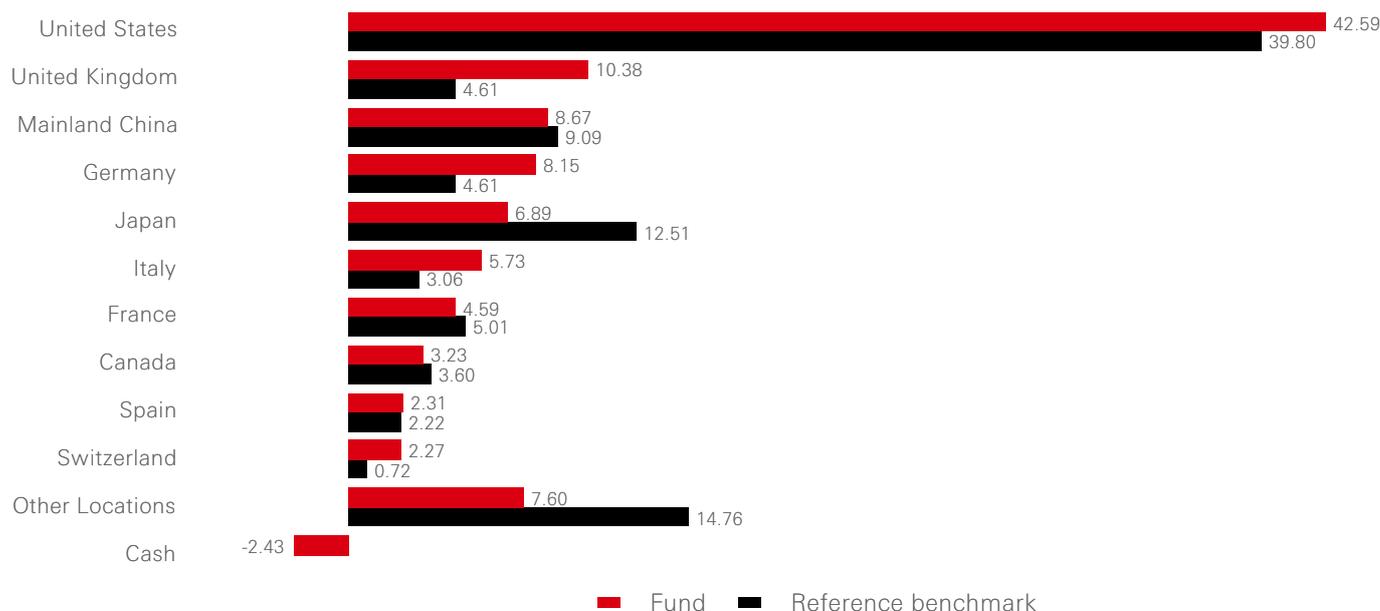
Performance is annualised when calculation period is over one year. Past performance does not predict future returns.
 Fund return: NAV-to-NAV basis or Bid-to-Bid basis. For comparison with benchmark
 Performance numbers shown are before netting off sales / realisation charges.
 Source: HSBC Asset Management, data as at 30 June 2022

For institutional and accredited investors use only. Not for further distribution.

Currency Bloc Allocation (Option Adjusted Duration)	Fund	Reference benchmark	Relative
Dollar	2.92	3.15	-0.23
Euro	1.54	1.54	0.00
Japan	1.08	1.14	-0.06
UK	0.84	0.42	0.41
EM Local Currency	0.69	0.69	0.00
Total	7.06	6.94	0.12

Currency Allocation (%)	Fund	Reference benchmark	Relative
USD	44.61	45.19	-0.58
EUR	21.23	21.17	0.06
JPY	12.67	12.08	0.60
CNY	9.78	8.40	1.38
CAD	4.47	2.86	1.61
GBP	2.75	4.31	-1.55
AUD	1.40	1.36	0.04
KRW	1.18	1.11	0.07
SGD	0.87	0.20	0.66
CHF	0.52	0.48	0.04
Other Currencies	0.52	2.86	-2.34

Geographical Allocation (%)



Sector Allocation (%)	Fund	Reference benchmark	Relative
Treasuries	67.04	52.67	14.37
Corp Fin	8.68	7.00	1.67
Corp Non-fin	7.79	10.91	-3.12
US Agency Mbs	6.94	11.45	-4.51
Collateralised	5.76	2.96	2.80
Supra/agencies	3.79	15.00	-11.21

Top 10 Holdings	Weight (%)
US TREASURY N/B 2.250 15/08/27	9.48
DEUTSCHLAND REP 0.000 15/02/31	4.25
US TREASURY N/B 0.875 15/11/30	3.91
CHINA GOVT BOND 3.270 19/11/30	3.64
US TREASURY N/B 1.375 15/08/50	3.50
US TREASURY N/B 1.625 15/05/31	3.03
BTPS 0.900 01/04/31	2.13
US TREASURY N/B 0.375 30/04/25	2.09
US TREASURY N/B 1.625 15/05/26	1.95
CHINA GOVT BOND 1.990 09/04/25	1.94

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

Monthly performance commentary

Performance review

The fund's relative performance was slightly below the benchmark in June. Rates positioning contribution was positive as the US yield curve bear flattened. We also decided to initiate an underweight in duration around the 10-yr sector in Japan as the Yield Curve Control set by the BoJ has been under increasing pressure from the market participants given its impact on the curve and the JPY. However, in June, the BoJ stuck to its ultra-accommodative monetary policy. Asset allocation and security selection contributed negatively as corporate spreads widened sharply during the month with Euro denominated bonds underperforming. However, the underweight in MBS contributed positively.

Foreign exchange driver was almost flat as the USD strengthened further to a new cyclical high on the back of higher yields. The Euro has continued to struggle despite a more hawkish ECB but due to risks on the peripheral spreads and gas supply from Russia. We exited the position at a small loss. However, this was offset by the continuing outperformance of the CAD versus GBP.

Strategy

Given the market rally and missing details about the anti-fragmentation tools together with deteriorating fundamentals, we kept our short positioning in Italy versus Germany. We have reduced credit beta but it is still slightly above 1. We decided to exit the long EUR versus USD as the EUR weakened due to risks on the peripheral spreads and gas supply from Russia.

Risk Disclosure

- 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.

Follow us on:

 **HSBC Asset Management**

Glossary



Index Disclaimer

Bloomberg® is a trademark and service mark of Bloomberg Finance L.P. (collectively with its affiliates, "Bloomberg"). Barclays® is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under license. Bloomberg or Bloomberg's licensors, including Barclays, own all proprietary rights in the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays approve or endorse this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

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 June 2022

For institutional and accredited investors use only. Not for further distribution.

Important Information

The material contained herein is for marketing purposes and is for your information only. This document is not contractually binding nor are we required to provide this to you by any legislative provision. It does not constitute legal, tax or investment advice or a recommendation to any reader of this material to buy or sell investments. You must not, therefore, rely on the content of this document when making any investment decisions.

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.

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.

HSBC Global Asset Management (Singapore) Limited
10 Marina Boulevard, Marina Bay Financial Centre, Tower 2, #48-01, Singapore 018983

Telephone: (65) 6658 2900 Facsimile: (65) 6225 4324

Website: www.assetmanagement.hsbc.com/sg

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	-13.77	-3.40	-8.84	-13.77	-15.48	-3.34	-1.09
AD EUR	-6.55	-1.02	-2.99	-6.55	-4.12	-0.55	0.65
AD SGD	-11.26	-1.94	-6.27	-11.26	-12.49	-2.43	-0.87
AD USD	-13.78	-3.40	-8.85	-13.78	-15.48	-3.35	-1.09
AM2HKD HKD	-13.26	-3.39	-8.67	-13.26	-14.59	-3.20	-0.98
IC USD	-13.57	-3.36	-8.74	-13.57	-15.07	-2.88	-0.62
PD USD	-13.67	-3.38	-8.79	-13.67	-15.27	-3.10	-0.84

Calendar year performance (%)	2017	2018	2019	2020	2021
AC USD	6.45	-3.02	6.87	9.93	-5.46
AD EUR	-6.50	1.84	9.08	0.13	2.64
AD SGD	-1.53	-0.88	5.49	7.84	-3.34
AD USD	6.45	-3.02	6.87	9.93	-5.45
AM2HKD HKD	7.59	-2.86	6.29	9.43	-4.87
IC USD	6.96	-2.56	7.39	10.45	-5.01
PD USD	6.72	-2.78	7.15	10.19	-5.22

Performance is annualised when calculation period is over one year. Past performance does not predict future returns.
 Fund return: NAV-to-NAV basis or Bid-to-Bid basis. For comparison with benchmark
 Performance numbers shown are before netting off sales / realisation charges.
 Source: HSBC Asset Management, data as at 30 June 2022

For institutional and accredited investors use only. Not for further distribution.

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	--	--	--	--
AD	USD	Annually	8 July 2021	0.040562	0.28%
AM2HKD	HKD	Monthly	30 June 2022	0.020188	2.78%
IC	USD	--	--	--	--
PD	USD	Annually	8 July 2020	0.107406	1.15%

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	19 May 2006	LU0165191387	USD	USD 5,000	16.48	0.750%	Accumulating
AD	31 July 1989	LU0039216972	USD	USD 5,000	12.34	0.750%	Distributing
AM2HKD	9 November 2016	LU1481106893	HKD	USD 5,000	8.83	0.750%	Distributing
IC	9 March 2007	LU0165191460	USD	USD 1,000,000	17.73	0.375%	Accumulating
PD	23 April 2007	LU0283739703	USD	USD 50,000	8.76	0.500%	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 June 2022

For institutional and accredited investors use only. Not for further distribution.