

## HSBC Global Investment Funds

# RMB FIXED INCOME

Monthly report 30 June 2022 | Share class IC

### Investment objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of China Renminbi (RMB) bonds.

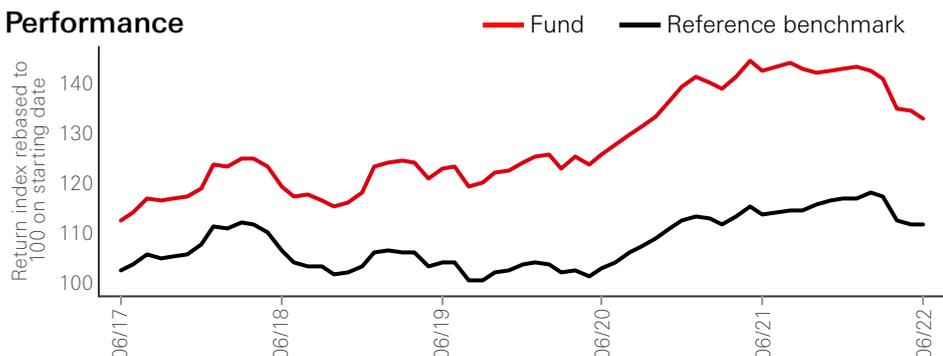
### Investment strategy

The Fund is actively managed. In normal market conditions, the Fund will primarily invest its assets in offshore (i.e. issued outside of the People's Republic of China, PRC) and onshore (i.e. issued within the PRC and traded on the China Interbank Bond Market) RMB denominated bonds. The Fund may invest in investment grade bonds, non-investment grade bonds and unrated bonds issued by government, government-related entities, supranational entities and companies. The Fund may invest up to 100% in onshore Chinese bonds and up to 10% in bonds which are rated below investment grade (BB+ or below, as assigned by a local credit rating agency in PRC), or which are unrated. The Fund may also invest up to 10% in cash and money market instruments and up to 10% in other funds. The Fund may invest up to 10% in convertible bonds and up to 10% in contingent convertible bonds. 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.

### Performance



### Share Class Details

#### Key metrics

NAV per Share	<b>USD 13.57</b>
Performance 1 month	<b>-1.20%</b>
Yield to maturity	<b>5.51%</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>25 October 2011</b>
Fund Size	<b>USD 348,059,632</b>
Reference benchmark	<b>100% Offshore Renminbi Overnight Deposit Rate</b>

Managers	<b>Ming Leap Alfred Mui</b>
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#### Fees and expenses

Minimum initial investment (SG) <sup>1</sup>	<b>USD 1,000,000</b>
Maximum initial charge (SG)	<b>3.100%</b>
Management fee	<b>0.375%</b>

#### Codes

ISIN	<b>LU0692310807</b>
Bloomberg ticker	<b>HSRFIUA 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 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

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HSBC Global Investment Funds RMB FIXED INCOME  
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Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
IC	-7.20	-1.20	-5.76	-7.20	-6.79	2.64	3.40
Reference benchmark	-4.46	-0.26	-4.95	-4.46	-2.06	2.32	1.68

Calendar year performance (%)	2017	2018	2019	2020	2021
IC	11.89	-0.63	4.97	12.28	2.70
Reference benchmark	9.04	-3.90	0.28	8.52	3.83

3-Year Risk Measures	IC	Reference benchmark	5-Year Risk Measures	IC	Reference benchmark
Volatility	5.24%	4.67%	Volatility	5.60%	5.02%
Sharpe ratio	0.38	0.35	Sharpe ratio	0.38	0.08
Tracking error	2.14%	--	Tracking error	1.98%	--
Information ratio	0.15	--	Information ratio	0.87	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	135	0	--
Yield to worst	5.45%	0.00%	5.45%
Yield to maturity	5.51%	0.00%	5.51%
Option Adjusted Duration	3.75	0.00	3.75
Modified Duration to Worst	3.57	0.00	3.57
Option Adjusted Spread Duration	3.73	0.00	3.73
Average maturity	4.21	0.00	4.21
Rating average	A/A-	AAA	--
Number of issuers	75	1	--

Credit rating (%)	Fund	Reference benchmark	Relative	Region allocation (%)	Fund	Reference benchmark	Relative
AAA	0.82	--	--	Other CNH Bonds	47.72	--	--
AA	16.25	--	--	Mainland China CNY	38.62	--	--
A	57.41	--	--	Mainland China CNH	6.34	--	--
BBB	13.04	--	--	Mainland China USD	4.98	--	--
BB	2.48	--	--	Other CNY Bonds	1.25	--	--
B	1.66	--	--	Other USD Bonds	1.13	--	--
CCC	0.10	--	--	Cash	-0.02	--	--
C	0.16	--	--				
NR	8.10	--	--				
Cash	-0.02	--	--				

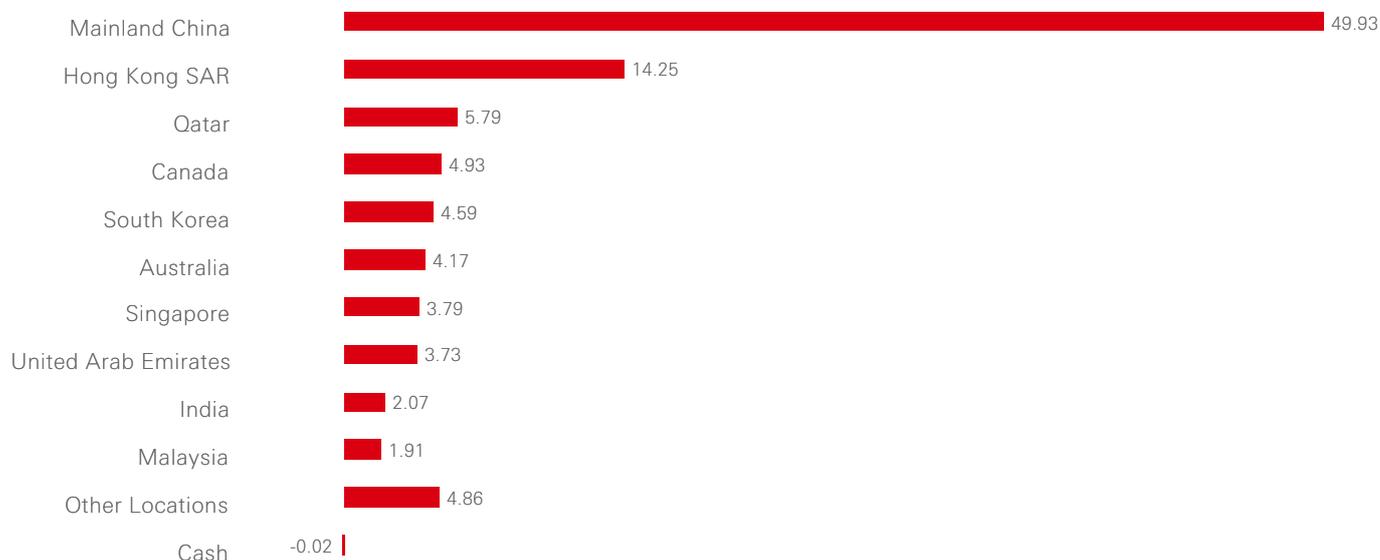
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**Maturity Breakdown  
 (Option Adjusted  
 Duration)**

	Fund	Reference benchmark	Relative
0-2 years	0.35	--	--
2-5 years	1.45	--	--
5-10 years	1.61	--	--
10+ years	0.35	--	--
<b>Total</b>	<b>3.75</b>	<b>--</b>	<b>--</b>

**Geographical Allocation (%)**



■ Fund ■ Reference benchmark

<b>Sector Allocation (%)</b>	<b>Fund</b>	<b>Reference benchmark</b>	<b>Relative</b>
Banks	46.94	--	--
Government	17.61	--	--
Real Estate	14.71	--	--
Industrial	6.24	--	--
Consumer Cyclical	4.67	--	--
Reits	2.80	--	--
Utilities	2.57	--	--
Diversified Finan serv	1.86	--	--
Energy	1.30	--	--
Investment Companies	1.10	--	--
Other Sectors	0.22	--	--
Cash	-0.02	--	--

<b>Top 10 Holdings</b>	<b>Weight (%)</b>
EXP-IMP BK CHINA 3.380 16/07/31	2.74
EXP-IMP BK CHINA 3.740 16/11/30	2.56
CHINA RAILWAY 5.000 22/08/27	2.42
EXP-IMP BK CHINA 3.230 23/03/30	2.17
UNITED OVERSEAS 4.500 06/04/32	2.16
EX-IM BK IN/LNDN 3.450 25/06/26	2.07
AGRICUL DEV BANK 3.790 26/10/30	2.07
QNB FINANCE LTD 3.150 04/02/26	1.96
CHINA GOVT BOND 3.530 18/10/51	1.87
LINK FIN CAYM 09 3.250 27/10/24	1.73

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

## Monthly performance commentary

### Portfolio strategy

The fund returned negatively in June. Credit exposure was the key detractor to performance, mainly from the China property and HY industrial sectors. FX exposure also detracted as the RMB depreciated against the USD over the month considering the negative RMB yield advantage. Meanwhile, the fund's duration exposure also did not help as the China sovereign yield curve shifted upwards slightly over the month. On the positives, these losses were partly offset by the fund's attractive yield carry.

Over the month, we trimmed the fund's China sovereign bonds considering the rapid change of nominal yield differential between US and China. In terms of sector positioning, we have preference in China quasi-sovereigns, Hong Kong developers, and China bank subordinated debt. Meanwhile, we raised exposure to high quality Canada and Australia banks to help enhance resilience of the portfolio. We retain our preference for high quality short-dated credit, including geographically diversified names from various sectors. The fund has most of its bond holdings in RMB denominated bonds, while maintaining some exposure to USD denominated bonds.

## Risk Disclosure

- The Fund may be concentrated in a limited number of securities, economic sectors and/or countries and as a result, may be more volatile and have a greater risk of loss than more broadly diversified funds.
- 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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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.

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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.

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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	-7.40	-1.23	-5.86	-7.40	-7.18	2.20	2.96
ACOSGD SGD	-7.50	-1.27	-5.93	-7.50	-7.35	1.84	--
ACRMB CNY	-2.74	-0.68	-0.65	-2.74	-3.84	1.31	2.70
AM2 USD	-7.40	-1.23	-5.85	-7.40	-7.19	2.20	2.95
AM2RMB CNY	-2.73	-0.68	-0.64	-2.73	-3.84	--	--
AM3OSGD SGD	-7.50	-1.27	-5.93	-7.50	-7.34	1.75	2.29
IC USD	-7.20	-1.20	-5.76	-7.20	-6.79	2.64	3.40
IM2 USD	-7.20	-1.21	-5.75	-7.20	--	--	--

Calendar year performance (%)	2017	2018	2019	2020	2021
AC USD	11.42	-1.06	4.53	11.80	2.27
ACOSGD SGD	--	--	3.89	11.22	2.07
ACRMB CNY	4.40	4.32	6.05	4.97	-0.33
AM2 USD	--	-1.05	4.53	11.79	2.27
AM2RMB CNY	--	--	--	--	-0.33
AM3OSGD SGD	--	-2.12	3.63	11.12	2.05
IC USD	11.89	-0.63	4.97	12.28	2.70
IM2 USD	--	--	--	--	--

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## 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	--	--	--	--
ACOSGD	SGD	--	--	--	--
ACRMB	CNY	--	--	--	--
AM2	USD	Monthly	30 June 2022	0.037362	4.85%
AM2RMB	CNY	Monthly	30 June 2022	0.035779	4.82%
AM3OSGD	SGD	Monthly	30 June 2022	0.037608	4.93%
IC	USD	--	--	--	--
IM2	USD	Monthly	30 June 2022	0.036102	4.85%

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	25 October 2011	LU0692309627	USD	USD 5,000	12.97	0.750%	Accumulating
ACOSGD	28 February 2018	LU1560771518	SGD	USD 5,000	10.35	0.750%	Accumulating
ACRMB	25 November 2011	LU0692311524	CNY	USD 5,000	13.53	0.750%	Accumulating
AM2	30 June 2017	LU1560771435	USD	USD 5,000	9.45	0.750%	Distributing
AM2RMB	16 December 2020	LU2265249321	CNY	USD 5,000	9.10	0.750%	Distributing
AM3OSGD	30 June 2017	LU1560771609	SGD	USD 5,000	9.35	0.750%	Distributing
IC	25 October 2011	LU0692310807	USD	USD 1,000,000	13.57	0.375%	Accumulating
IM2	30 November 2021	LU2294166850	USD	USD 1,000,000	9.14	0.375%	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

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