

HSBC Global Investment Funds

MANAGED SOLUTIONS - ASIA FOCUSED INCOME

Monthly report 31 January 2024 | Share class AM2



Investment objective

The Fund aims to provide income and some capital growth 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 entities, supranational entities and companies based in developed markets and emerging markets. The Fund may invest up to 25% in China A and China B-shares. For China A-shares, up to 25% through the Stock Connect exchanges, up to 25% in CAAPs and up to 10% in CAAPs issued by any single issuer. The Fund may invest up to 20% in onshore Chinese bonds and up to 10% in bonds which are non-investment grade or unrated. 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 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 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.

Share Class Details

Key metrics

NAV per Share	USD 7.89
Performance 1 month	-1.33%
Sharpe ratio 3 years	-0.79

Fund facts

UCITS V compliant	Yes
Subscription mode	Cash
Dividend treatment	Distributing
Distribution Frequency	Monthly
Dividend ex-date	31 January 2024
Dividend annualised yield	5.64%
Last Paid Dividend	0.036152
Dealing frequency	Daily
Valuation Time	17:00 Luxembourg
Share Class Base Currency	USD
Domicile	Luxembourg
Inception date	25 May 2012
Fund Size	USD 282,807,047
Managers	Gloria Jing Danni Zhang

Fees and expenses

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

Codes

ISIN	LU0762541174
Bloomberg ticker	HSMSAAM LX

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

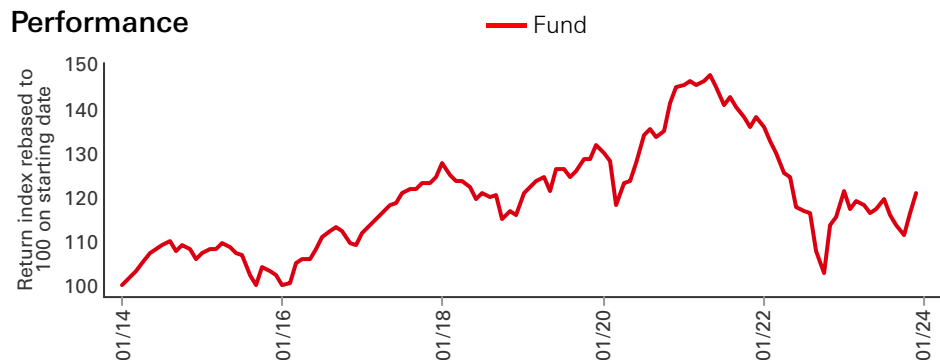
Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis. For comparison with benchmark.

***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 KID before making any final investment decisions.

Source: HSBC Asset Management, data as at 31 January 2024

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
AM2	-1.33	-1.33	6.77	-0.19	-1.96	-6.42	-0.27
AM2 (Net)*	-4.20	-4.20	3.66	-3.10	-4.82	-7.34	-0.86

Calendar year performance (%)	2019	2020	2021	2022	2023
AM2	13.59	10.04	-4.70	-16.57	4.65
AM2 (Net)*	10.29	6.83	-7.48	-19.00	1.61

Currency Allocation (%)

US Dollar	48.85
Korean Won	9.47
Hong Kong Dollar	8.86
Indian rupee	7.46
Australian Dollar	6.15
New Taiwan Dollar	5.58
Singapore dollar	4.26
Indonesia Rupiah	3.55
Malaysian ringgit	1.93
Japanese Yen	1.81
Other Currencies	2.09

Asset allocation (%)

Global Equity	1.71
Japan Equity	1.75
Cash	-1.27
Asia ex Japan Equity	33.78
Asian High Yield Bond	12.04
Asian Investment Grade Bond	34.24
Asian Local Currency Bond	10.00
GEM Local Currency Bond	4.45
Government Bond	0.00
India Fixed Income	2.11

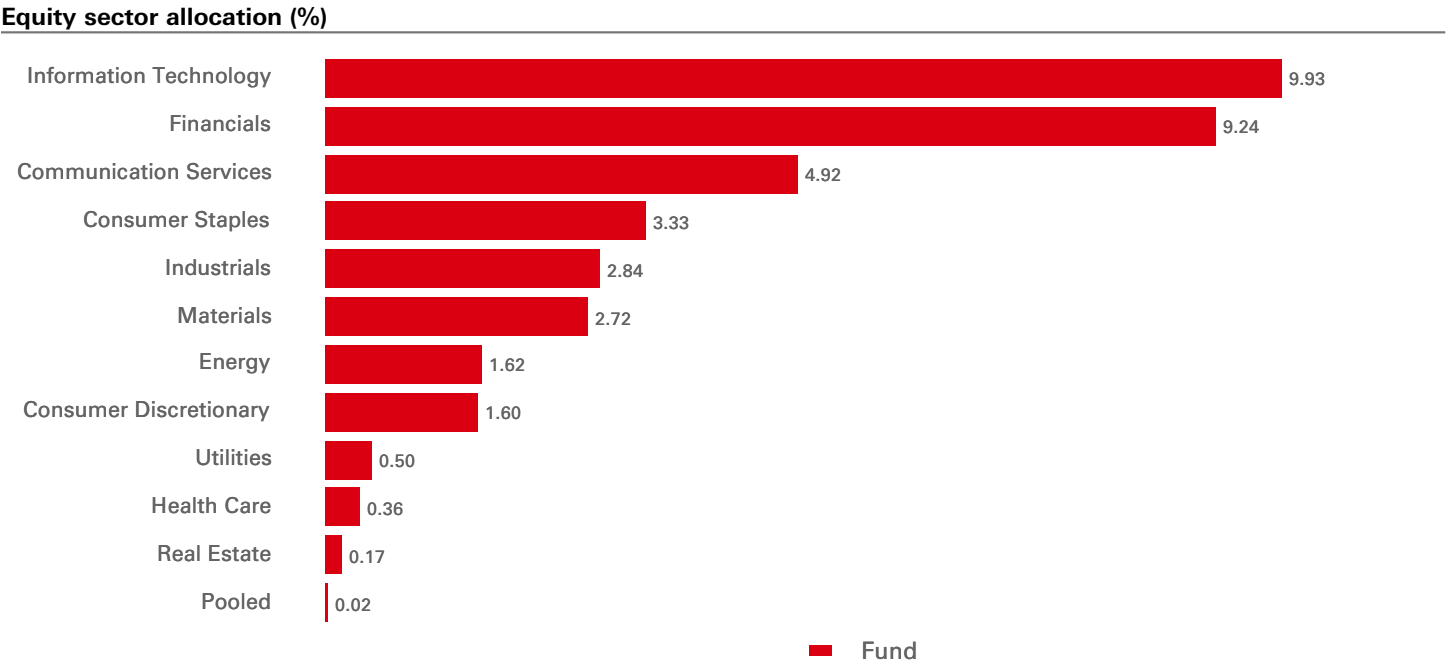
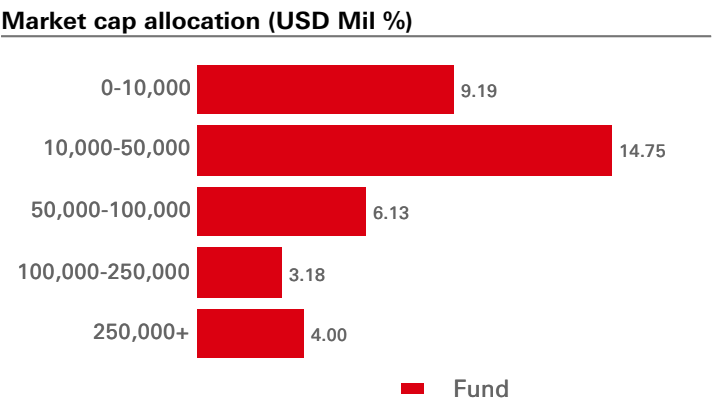
Top 10 Holdings

Top 10 Holdings	Weight (%)
Taiwan Semiconductor Co Ltd	2.97
Samsung Electronics Co Ltd	2.50
HSBC GIF GEM ESG Local Debt ZD	2.23
HSBC GIF Global EM Bd ZQ1	2.22
HSBC GIF India Fixed Income	2.11
HSBC Japan Index	1.75
HSBC GIF Indian Equity ZD	1.71
SANTOS LTD	1.38
DBS GROUP HOLDINGS LTD	1.36
SK SQUARE CO LTD	1.32

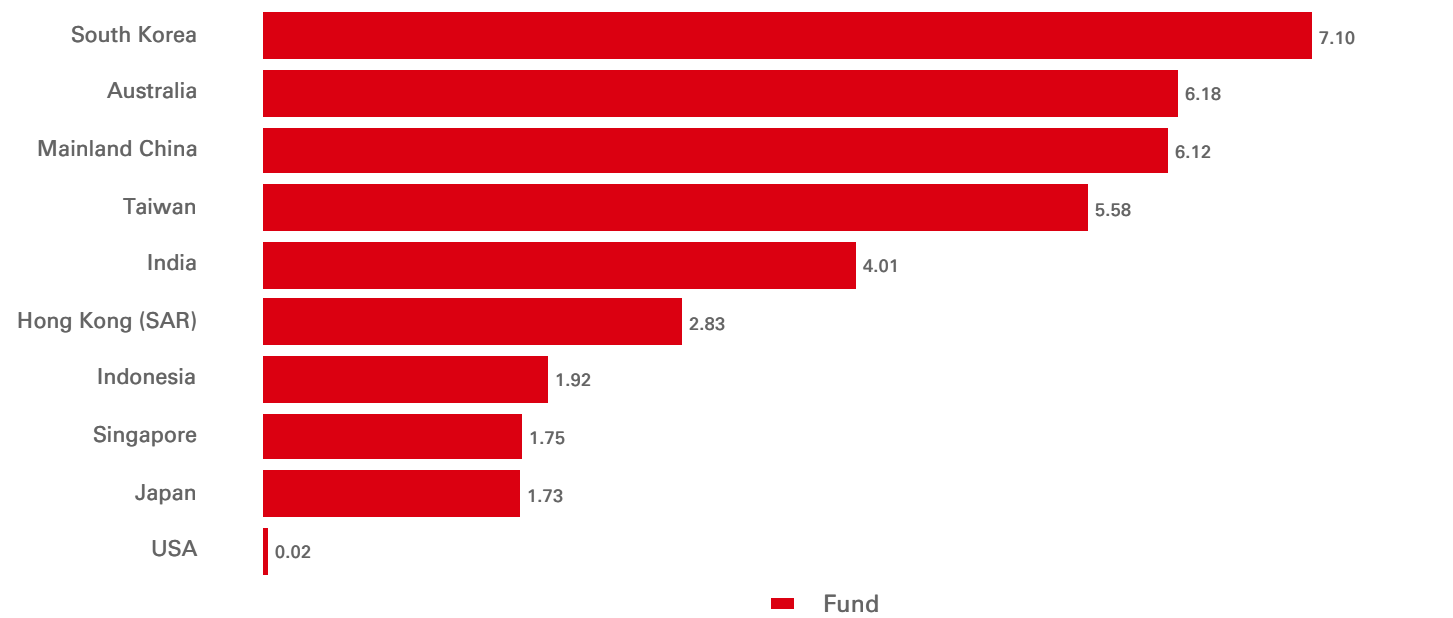
Top 10 holdings exclude holdings in cash and cash equivalents and money market funds.

Equity top 10 holdings	Location	Sector	Weight (%)
Taiwan Semiconductor Co Ltd	Taiwan	Information Technology	2.97
Samsung Electronics Co Ltd	South Korea	Information Technology	2.72
Santos Ltd	Australia	Energy	1.38
DBS Group Holdings Ltd	SINGAPORE	Financials	1.36
SK Square Co Ltd	South Korea	Industrials	1.33
Baidu Inc	Mainland China	Communication Services	1.31
South32 Ltd	Australia	Materials	1.25
Telstra Corp Ltd	Australia	Communication Services	1.25
L'Occitane International SA	Luxembourg	Consumer Staples	1.24
National Australia Bank Ltd	Australia	Financials	1.23

Equity characteristics	Fund	Reference benchmark
Average Market Cap (USD Mil)	89,776	--
Price/earning ratio	11.44	--
Portfolio yield	3.35%	--



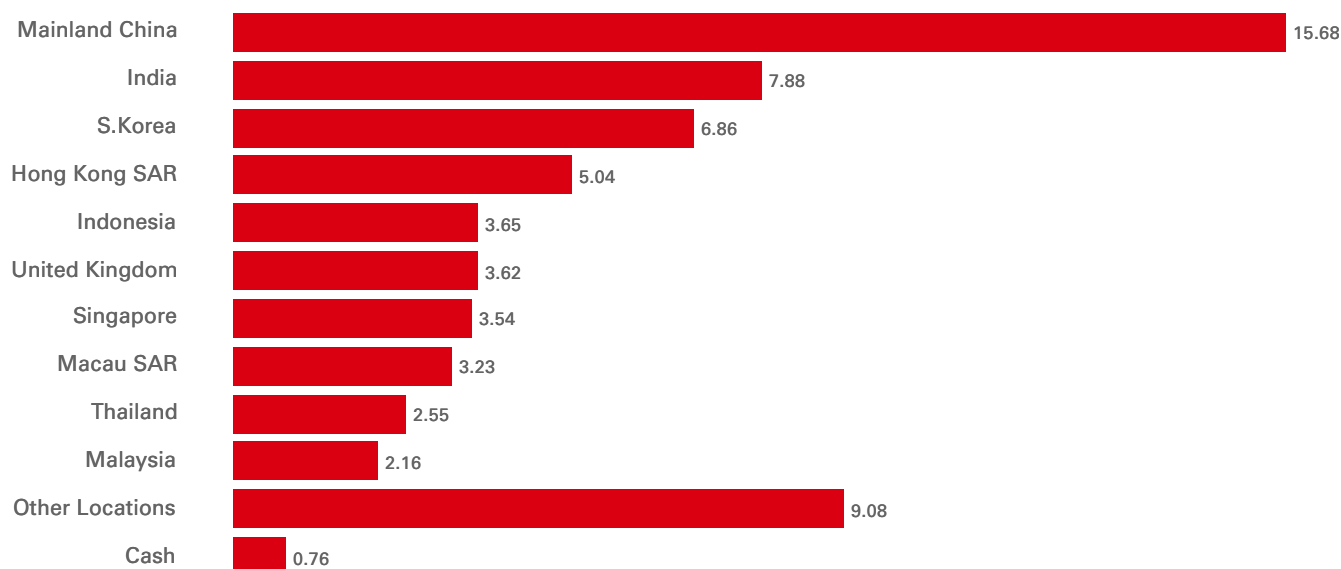
Equity geographical allocation (%)



Fixed Income Characteristics	Fund	Reference benchmark	Relative	Credit rating (%)	Fund	Reference benchmark	Relative
Yield to worst	7.08%	--	--	AAA	2.23	--	--
Yield to maturity	7.16%	--	--	AA	5.82	--	--
OAD	4.55	--	--	A	17.09	--	--
Rating average	BBB+/BBB	--	--	BBB	24.97	--	--
				BB	8.16	--	--
				B	2.60	--	--
				CCC	0.44	--	--
				CC	0.01	--	--
				NR	1.95	--	--
				Cash	0.76	--	--

Fixed income top 10 holdings	Location	Instrument type	Weight (%)
SANDS CHINA LTD 5.900 08/08/2028 USD	Macau SAR	Corporate Bond	0.79
TENCENT HOLDINGS LTD 3.975 11/04/2029 USD	Mainland China	Corporate Bond	0.75
IND & COMM BK OF CHINA CCB 4.875 21/09/2025 REGS	Mainland China	Convertible bond	0.72
CNOOC PETROLEUM NORTH 7.500 30/07/2039 USD	Mainland China	Corporate Bond	0.66
STANDARD CHARTERED PLC 6.301 09/01/2029 USD	United Kingdom	Corporate Bond	0.62
AIA GROUP LTD 3.200 16/09/2040 USD	Hong Kong (SAR)	Corporate Bond	0.60
DBS GROUP HOLDINGS LTD CCB 3.300 27/08/2171 PERP GMTN	SINGAPORE	Convertible bond	0.53
SHINHAN BANK CCB 3.875 24/03/2026 REGS	South Korea	Convertible bond	0.52
ALIBABA GROUP HOLDING 3.400 06/12/2027 USD	Mainland China	Corporate Bond	0.51
TENCENT HOLDINGS LTD 3.595 19/01/2028 USD	Mainland China	Corporate Bond	0.51

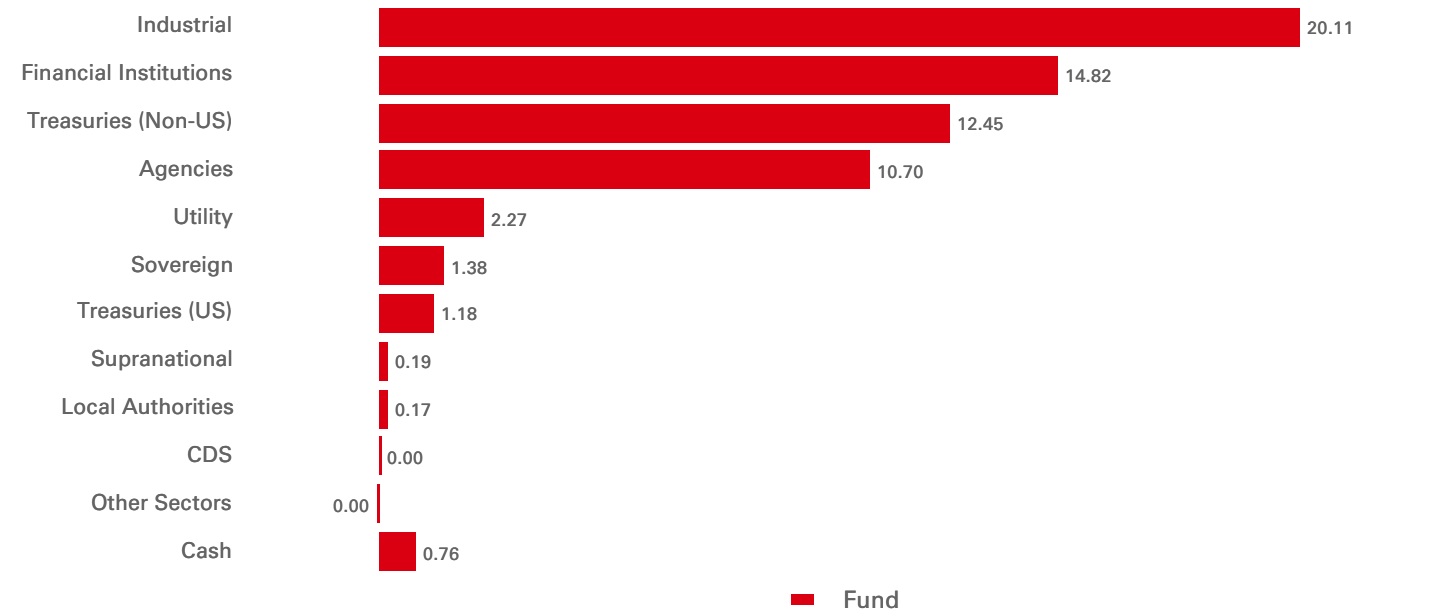
Fixed income geographical allocation (%)



■ Fund

Geographical Allocation (OAD)	Fund	Reference benchmark	Relative
Mainland China	0.95	--	--
India	0.43	--	--
S.Korea	0.42	--	--
United States	0.33	--	--
Hong Kong SAR	0.33	--	--
Singapore	0.31	--	--
Indonesia	0.31	--	--
Thailand	0.26	--	--
United Kingdom	0.26	--	--
Malaysia	0.21	--	--
Other Locations	0.73	--	--
Cash	0.00	--	--

Fixed income sector allocation (%)



Monthly performance commentary

Portfolio Review

After strong returns in 2023, global equities had a more modest start to 2024, as all major equity markets delivered modest positive returns. Japan was the best performing equity market over the month, on the back of a weakening Japanese Yen, followed by the US, which was mostly driven by technology companies. Europe ex-UK performance was more tempered, with hot manufacturing PMIs and the central bank signalled caution on rate cuts. The UK market was held back on persistent worries of sticky inflation given wage growth remains high. By contrast, emerging market equity delivered negative returns over the month. Despite announcement of a rate cut from the People's Bank of China, Chinese equities continued their negative performance, while Brazil and South Korea also fell. Global Government Bonds were modestly negative in January as strong economic data caused markets to lose optimism about potential rate cuts this quarter. Gilts underperformed, with markets pricing a lower likelihood of near-term rate cuts from the Bank of England as UK inflation remains higher than in other developed markets. The US dollar climbed over the month on another wave of resilient labour market and economic growth data. The Euro fell against the US dollar given more hawkish comments from the Fed, while several ECB speakers left options open for earlier rate cuts. Sterling ended the month slightly lower on mixed data releases, with labour market reports weaker than expected whilst inflation numbers came in hotter.

The fund posted losses over the month with markets scaling back the number of rate cuts priced for 2024. Asian equities detracted from performance amid ongoing concerns about weaker economic growth in China. On the fixed income front, Asian high yield bonds posted positive returns on the rollout of additional stimulus measures in China which eased the prolonged market concerns over credit situation of property sector in China. Asian investment grade bonds delivered positive return amidst narrowing spreads. Asian local currency bonds gave a negative contribution on performance due to the depreciation of major Asian currencies against the US dollar.

The likelihood of a soft landing for Western economies is increasing, although markets remain 'priced for perfection', and disappointment seems like a key risk. Challenging financial conditions resulting from the high interest rates continue to act as economic headwinds, particularly in Europe and the UK. Eastern economies face a more supportive growth and inflation picture, with pockets of strength across Latin America and Asia, despite China's slower economic recovery. Geopolitical tensions, regional conflicts, and global trade disruption are also headwinds for policymakers in both developed and emerging markets. Growth in the US has remained surprisingly strong, as economic activity and labour markets have proven resilient. However, we anticipate a slowdown in 2024 as consumer savings dwindle and higher interest rates impact the real economy. The Fed has abandoned its bias to hike and pivoted towards rate cuts in 2024. We expect rate cuts from Q2 2024. Growth in Europe has already started to slow, and we expect persistent disinflation will lead to the ECB following the US in delivering rate cuts. Over the longer term, we believe there is a new economic regime taking shape in Western markets, with 2% set to become an inflation floor, rather than a ceiling. In addition, fiscal policy may play a more important role, leading to higher inflation and interest rates. In the East, inflation is less of a concern, and areas of supportive policy can help maintain growth. China's economy continues to face a challenging property market and weaker consumer confidence, but further monetary easing is possible, with more fiscal support required to sustain a recovery. In Japan we expect a gradual normalisation of the yield curve.

Risk Disclosure

- 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.
- 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.
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- 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**



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.

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	-1.33	-1.33	6.78	-0.19	-1.95	-6.42	-0.27
AC USD (Net)*	-4.20	-4.20	3.67	-3.09	-4.80	-7.33	-0.86
ACOSGD SGD	-1.50	-1.50	6.23	-1.21	-3.66	-7.20	-1.07
ACOSGD SGD (Net)*	-4.37	-4.37	3.13	-4.09	-6.46	-8.11	-1.65
AM2 USD	-1.33	-1.33	6.77	-0.19	-1.96	-6.42	-0.27
AM2 USD (Net)*	-4.20	-4.20	3.66	-3.10	-4.82	-7.34	-0.86
AM3OAU AUD	-1.46	-1.46	6.34	-1.06	-3.64	-7.55	-1.49
AM3OAU AUD (Net)*	-4.33	-4.33	3.24	-3.94	-6.45	-8.46	-2.07
AM3OEUR EUR	-1.46	-1.46	6.25	-1.18	-4.05	-8.23	-2.33
AM3OEUR EUR (Net)*	-4.33	-4.33	3.16	-4.06	-6.85	-9.13	-2.90
AM3OSGD SGD	-1.49	-1.49	6.24	-1.21	-3.66	-7.19	-1.06
AM3OSGD SGD (Net)*	-4.36	-4.36	3.14	-4.09	-6.46	-8.10	-1.64

Calendar year performance (%)	2019	2020	2021	2022	2023
AC USD	13.60	10.03	-4.71	-16.56	4.65
AC USD (Net)*	10.29	6.83	-7.48	-18.99	1.61
ACOSGD SGD	12.65	9.24	-4.91	-16.97	2.91
ACOSGD SGD (Net)*	9.37	6.05	-7.68	-19.39	-0.09
AM2 USD	13.59	10.04	-4.70	-16.57	4.65
AM2 USD (Net)*	10.29	6.83	-7.48	-19.00	1.61
AM3OAU AUD	12.22	8.58	-5.27	-17.55	2.77
AM3OAU AUD (Net)*	8.95	5.42	-8.03	-19.95	-0.22
AM3OEUR EUR	10.15	8.17	-5.68	-18.62	2.27
AM3OEUR EUR (Net)*	6.95	5.02	-8.43	-20.99	-0.71
AM3OSGD SGD	12.66	9.25	-4.89	-16.97	2.91
AM3OSGD SGD (Net)*	9.37	6.06	-7.66	-19.39	-0.09

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.
Source: HSBC Asset Management, data as at 31 January 2024

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	--	--	--	--
AM2	USD	Monthly	31 January 2024	0.036152	5.64%
AM3OAU	AUD	Monthly	31 January 2024	0.024575	4.40%
AM3OEUR	EUR	Monthly	31 January 2024	0.021322	3.78%
AM3OSGD	SGD	Monthly	31 January 2024	0.022137	3.81%

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	12 November 2012	LU0762540952	USD	USD 5,000	11.74	1.250%	Accumulating
ACOSGD	12 November 2012	LU0831092464	SGD	USD 5,000	11.12	1.250%	Accumulating
AM2	25 May 2012	LU0762541174	USD	USD 5,000	7.89	1.250%	Distributing
AM3OAU	4 March 2013	LU0800731944	AUD	USD 5,000	6.84	1.250%	Distributing
AM3OEUR	8 February 2013	LU0800732082	EUR	USD 5,000	6.89	1.250%	Distributing
AM3OSGD	2 November 2012	LU0831093199	SGD	USD 5,000	7.10	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 31 January 2024