

## HSBC Global Investment Funds

# MANAGED SOLUTIONS - ASIA FOCUSED INCOME

Monthly report 31 May 2022 | Share class AM3OSGD

### 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 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>SGD 8.23</b>
Performance 1 month	<b>-0.46%</b>
Sharpe ratio 3 years	<b>-0.05</b>

#### Fund facts

UCITS V compliant	<b>Yes</b>
Subscription mode	<b>Cash / SRS (Supplementary Retirement Scheme)</b>
Dividend treatment	<b>Distributing</b>
Distribution Frequency	<b>Monthly</b>
Dividend ex-date	<b>25 May 2022</b>
Dividend annualised yield	<b>5.44%</b>
Last Paid Dividend	<b>0.035741</b>
Dealing frequency	<b>Daily</b>
Valuation Time	<b>17:00 Luxembourg</b>
Share Class Base Currency	<b>SGD</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>2 November 2012</b>
Fund Size	<b>USD 501,482,181</b>
Managers	<b>Denis Gould</b>

#### Fees and expenses

Minimum initial investment (SG) <sup>1</sup>	<b>SGD 1,000</b>
Maximum initial charge (SG)	<b>3.000%</b>
Management fee	<b>1.250%</b>

#### Codes

ISIN	<b>LU0831093199</b>
Bloomberg ticker	<b>HSBAMHS LX</b>

<sup>1</sup>Please note that initial minimum subscription may vary across different distributors

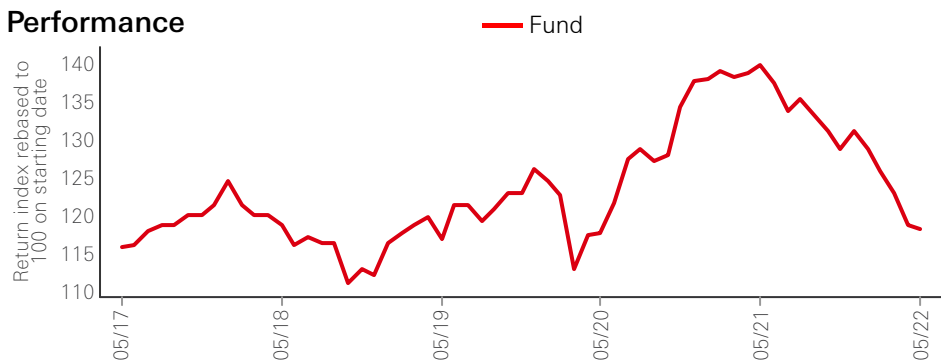
**Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis or Bid-to-Bid basis. For comparison with benchmark**

**\*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 May 2022**

## Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann
<b>AM3OSGD</b>	<b>-9.94</b>	<b>-0.46</b>	<b>-6.20</b>	<b>-8.34</b>	<b>-15.60</b>	<b>0.37</b>	<b>0.40</b>
AM3OSGD (Net)*	-12.56	-3.36	-8.93	-11.01	-18.06	-0.62	-0.19

Calendar year performance (%)	2017	2018	2019	2020	2021
<b>AM3OSGD</b>	<b>13.67</b>	<b>-7.67</b>	<b>12.66</b>	<b>9.25</b>	<b>-4.89</b>
AM3OSGD (Net)*	10.36	-10.36	9.37	6.06	-7.66

Asset allocation (%)	Actual	Target	Strategic	Overweight/Underweight between Target & Strategic Asset Allocation	
Asia ex Japan Equity	35.37	34.50	37.50	-3.00	
Asian High Yield Bond	16.60	17.50	12.50	5.00	
Asian Investment Grade Bond	30.61	33.00	18.75	14.25	
Asian Local Currency Bonds	14.36	15.00	12.50	2.50	
Hong Kong Government Bond	--	0.00	18.75	-18.75	
Liquidity	3.05	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 (%)
Taiwan Semiconductor Co Ltd	3.57
Samsung Electronics Co Ltd	3.33
AIA Group Ltd	2.10
MEDIATEK INC	1.96
KB FINANCIAL GROUP INC	1.88
HONG KONG EXCHANGES & CLEAR	1.62
DBS GROUP HOLDINGS LTD	1.44
BAIDU INC-CLASS A	1.43
HCL TECHNOLOGIES LTD	1.41
NEW WORLD DEVELOPMENT	1.39

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

## Monthly performance commentary

### Portfolio Review

Stock markets staged a notable turnaround during May to end close to unchanged for the month as a whole. The early falls reflected the background of high inflation, rising interest rates in many countries, and the threat to future growth posed by that background. The turnaround seemed to have a number of elements to it. First, markets had probably got somewhat oversold, so a small amount of buying was enough to push prices higher. Secondly, there was some evidence that inflation might indeed be peaking, with year over year numbers starting to decline, albeit from high levels. Finally, markets began to feel that central banks tightening aggressively now were setting themselves up to be able to pause tightening later in the year. Bond markets reacted well to the tentative reassessment of interest rate prospects. Yields ebbed and flowed in developed markets in May. Hawkish central bank rhetoric and April's higher-than-expected US CPI growth preceded periods of rising yields, yet the weakening growth outlook and fears of a recession worked in the opposite direction. On the other hand, the Chinese government urged to take actions to boost economic growth, including loosening fiscal and financial policy, stabilizing supply chains, boosting consumption and investment, and energy security. The downward reassessment of US interest rate prospects saw the US dollar give back some of its recent gains though not all Asian currencies benefitted, for example, the Chinese Yuan depreciated along with the widened rate differentials.


The fund posted negative return over the month, with detractor from fixed income more than offsetting the contribution from equities. Despite of continuous market concerns on inflationary pressure, rate hikes, supply chain disruptions and dwindling global economic growth with risk of recession, there has been some stabilization seen in equity markets in May. Asian equities rebounded along with global peers and contributed positively. With the counterbalance to hawkish central banks from weakened outlook leading to rises and falls in bond yields, Asian investment grades and Asian local currency bonds rose while Asian high yield bonds detracted due to credit concerns in Chinese property sector.

The Ukraine conflict and China's zero-covid policy risk prolonging global supply-side challenges. Amid central bank policy normalisation and a real income squeeze, the trend of growth downgrades and inflation upgrades is likely to persist and may not stabilise until late 2022. Accommodative policy settings, tight labour markets, and a transition to endemic Covid should support global growth through this year and limit the risks of a significant downturn. Geopolitical tensions and energy prices are key risk factors for inflation. Nevertheless, price pressures maybe moderate later in the year amid base effects, better news on autos prices, and cooling demand. We expect the Fed to keep hiking rates this year and QT to begin in June. Notably we expect continued monetary easing in China and counter cyclical fiscal policy to boost credit growth.

## 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.

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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.

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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	-9.83	-0.45	-6.12	-8.23	-15.44	0.86	1.05
AC USD (Net)*	-12.46	-3.35	-8.85	-10.91	-17.91	-0.12	0.45
ACOSGD SGD	-9.93	-0.46	-6.19	-8.33	-15.61	0.36	0.39
ACOSGD SGD (Net)*	-12.55	-3.36	-8.92	-11.00	-18.06	-0.62	-0.20
AM2 USD	-9.84	-0.46	-6.13	-8.25	-15.45	0.86	1.05
AM2 USD (Net)*	-12.46	-3.36	-8.86	-10.92	-17.91	-0.12	0.45
AM3OAU AUD	-10.24	-0.60	-6.48	-8.71	-16.11	-0.21	0.21
AM3OAU AUD (Net)*	-12.86	-3.49	-9.21	-11.36	-18.56	-1.18	-0.38
*							
AM3OEUR EUR	-10.42	-0.62	-6.57	-8.96	-16.50	-0.84	-1.12
AM3OEUR EUR (Net)*	-13.03	-3.51	-9.29	-11.61	-18.93	-1.81	-1.71
AM3OSGD SGD	-9.94	-0.46	-6.20	-8.34	-15.60	0.37	0.40
AM3OSGD SGD (Net)*	-12.56	-3.36	-8.93	-11.01	-18.06	-0.62	-0.19

Calendar year performance (%)	2017	2018	2019	2020	2021
AC USD	14.33	-6.77	13.60	10.03	-4.71
AC USD (Net)*	11.00	-9.48	10.29	6.83	-7.48
ACOSGD SGD	13.64	-7.70	12.65	9.24	-4.91
ACOSGD SGD (Net)*	10.33	-10.39	9.37	6.05	-7.68
AM2 USD	14.33	-6.78	13.59	10.04	-4.70
AM2 USD (Net)*	11.00	-9.49	10.29	6.83	-7.48
AM3OAU AUD	14.64	-7.36	12.22	8.58	-5.27
AM3OAU AUD (Net)*	11.30	-10.06	8.95	5.42	-8.03
AM3OEUR EUR	11.88	-9.57	10.15	8.17	-5.68
AM3OEUR EUR (Net)*	8.62	-12.20	6.95	5.02	-8.43
AM3OSGD SGD	13.67	-7.67	12.66	9.25	-4.89
AM3OSGD SGD (Net)*	10.36	-10.36	9.37	6.06	-7.66

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  
 \*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 May 2022

## 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	25 May 2022	0.041051	5.65%
AM3OAU	AUD	Monthly	25 May 2022	0.031270	4.90%
AM3OEUR	EUR	Monthly	25 May 2022	0.024898	3.87%
AM3OSGD	SGD	Monthly	25 May 2022	0.035741	5.44%

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	12.28	1.250%	Accumulating
ACOSGD	12 November 2012	LU0831092464	SGD	USD 5,000	11.90	1.250%	Accumulating
AM2	25 May 2012	LU0762541174	USD	USD 5,000	9.11	1.250%	Distributing
AM3OAU	4 March 2013	LU0800731944	AUD	USD 5,000	7.96	1.250%	Distributing
AM3OEUR	8 February 2013	LU0800732082	EUR	USD 5,000	7.99	1.250%	Distributing
AM3OSGD	2 November 2012	LU0831093199	SGD	USD 5,000	8.23	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 May 2022