

## HSBC Global Investment Funds

# SINGAPORE DOLLAR INCOME BOND

Monthly report 31 May 2022 | Share class AM2

### Investment objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of bonds denominated in or hedged to Singapore dollars (SGD).

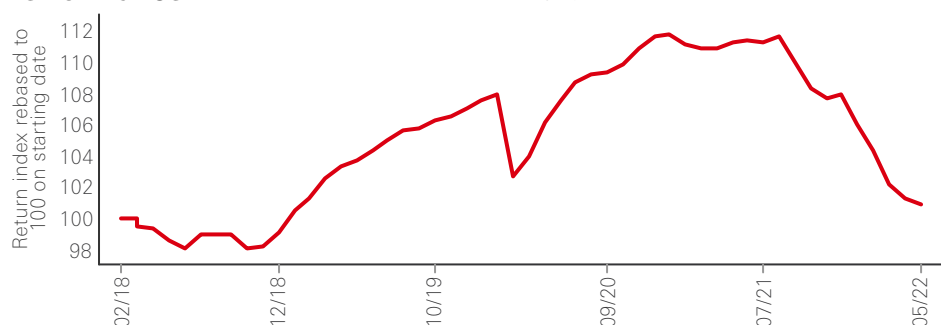
### Investment strategy

In normal market conditions, the Fund will invest at least 90% of its assets in investment grade bonds, non-investment grade bonds and unrated bonds issued by governments, government-related entities, supranational entities and companies that are based in or carry out the larger part of their business in Asia, either denominated in SGD or non-SGD currencies that are hedged back to SGD. The Fund may invest up to 30% in non-investment grade bonds, and invest up to 10% in asset-backed securities and mortgage-backed securities. The Fund may invest up to 10% in convertible bonds and up to 10% in contingent convertible securities. The Fund may invest up to 10% 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.
- 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



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

### Share Class Details

#### Key metrics

NAV per Share	<b>SGD 8.69</b>
Performance 1 month	<b>-0.41%</b>
Yield to maturity	<b>5.12%</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>4.81%</b>
Last Paid Dividend	<b>0.034046</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 March 2018</b>
Fund Size	<b>SGD 228,880,351</b>
Managers	<b>Sanjay Shah</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>0.800%</b>

#### Codes

ISIN	<b>LU1734076539</b>
Bloomberg ticker	<b>HSSDAM2 LX</b>

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

Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
<b>AM2</b>	<b>-6.52</b>	<b>-0.41</b>	<b>-3.39</b>	<b>-6.32</b>	<b>-9.37</b>	<b>-0.94</b>	--	<b>0.20</b>
AM2 (Net)*	-9.24	-3.31	-6.20	-9.05	-12.01	-1.91	--	-0.49

Calendar year performance (%)	2017	2018	2019	2020	2021
<b>AM2</b>	--	--	<b>7.97</b>	<b>4.30</b>	<b>-3.31</b>
AM2 (Net)*	--	--	4.82	1.27	-6.13

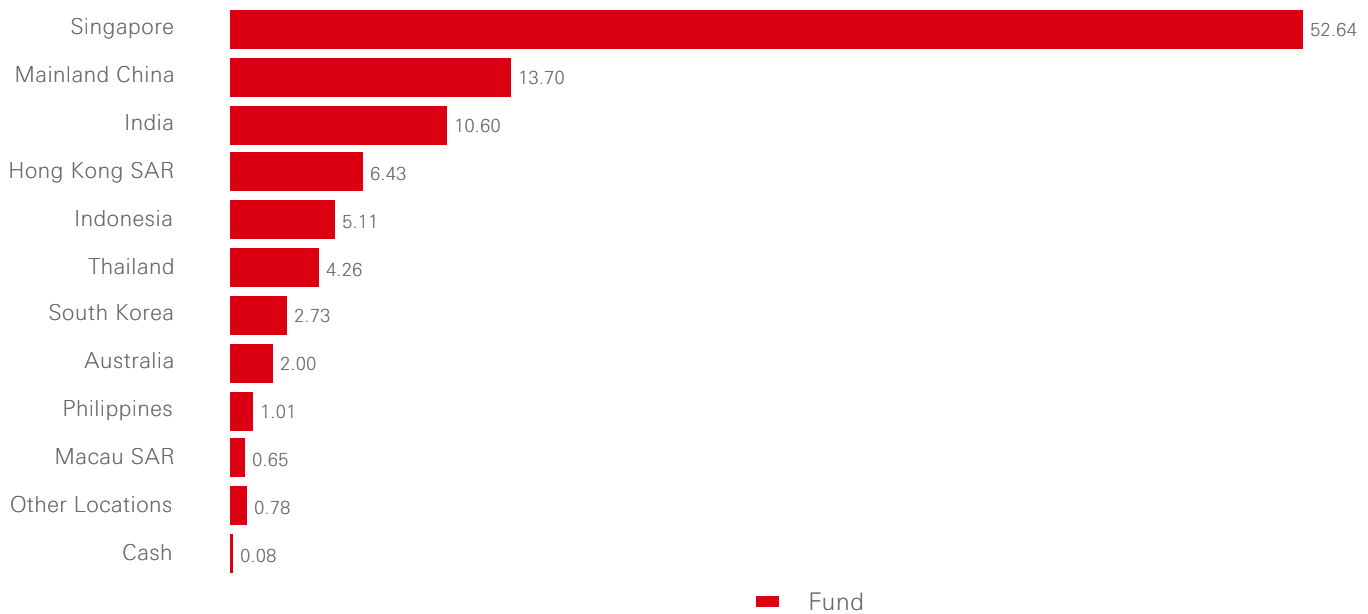
3-Year Risk Measures	AM2	Reference benchmark	5-Year Risk Measures	AM2	Reference benchmark
Volatility	4.16%	--	Volatility	--	--
Sharpe ratio	-0.42	--	Sharpe ratio	--	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	174	--	--
Average coupon rate	3.49	--	--
Yield to worst	4.85%	--	--
Current yield	3.74%	--	--
Option Adjusted Duration	3.61	--	--
Option Adjusted Spread Duration	3.91	--	--
Average maturity	4.28	--	--
Rating average	BBB+/BBB	--	--

Credit rating (%)	Fund	Reference benchmark	Relative
AAA	4.17	--	--
AA	4.76	--	--
A	31.41	--	--
BBB	39.65	--	--
BB	13.98	--	--
B	1.90	--	--
CCC	0.08	--	--
C	0.14	--	--
NR	3.83	--	--
Cash	0.08	--	--

Maturity Breakdown (Option Adjusted Duration)	Fund	Reference benchmark	Relative
0-2 years	0.29	--	--
2-5 years	1.45	--	--
5-10 years	1.62	--	--
10+ years	0.25	--	--
<b>Total</b>	<b>3.61</b>	--	--

### Geographical Allocation (%)



Sector Allocation (%)	Fund	Reference benchmark	Relative
Banks	29.55	--	--
Reits	22.72	--	--
Industrial	6.23	--	--
Consumer Cyclical	6.06	--	--
Real Estate	6.03	--	--
Energy	5.53	--	--
Diversified Finan serv	4.55	--	--
Basic Materials	3.53	--	--
Utilities	3.49	--	--
Communications	3.30	--	--
Other Sectors	8.94	--	--
Cash	0.08	--	--

Top 10 Holdings	Weight (%)
CCT MTN PTE LTD 3.170 05/03/24	2.77
ASCENDAS REIT 3.140 02/03/25	2.76
MAPLETREE COMMER 3.110 24/08/26	2.73
BOC AVIATION 3.930 11/05/25	2.68
UNITED OVERSEAS 3.500 27/02/29	2.34
OVERSEA-CHINESE 1.832 10/09/30	2.25
SMRT CAPITAL PTE 3.072 11/06/24	2.23
ABJA INVESTMENT 4.950 03/05/23	2.22
SINGTEL GROUP TR 3.300	2.11
NATL AUSTRALIABK 4.150 19/05/28	2.00

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

## Monthly performance commentary

### Strategy


The fund ended May in negative territories with credit exposure being the key detractor to the fund's performance. In the credit space, the China property sector was a key performance drag given the ongoing volatility in this space amid new default and bond extension cases. Furthermore, the fund's exposure to India HY corporates and the Macau gaming sector also contributed negatively. On the positives, credit exposure to Indonesia IG corporates and both Singapore IG corporates and bank AT1 bonds added value. Carry also remains a key contribution to performance as the fund continued to maintain a decent yield.

The fund's positioning has remained broadly stable in May with duration being managed at around three-and-a-half years. It continues to hold a meaningful size of SGD denominated investment grade bonds. At the same time, it also diversifies into the USD Asian credit market which offers a wider selection of bonds across the credit rating spectrum than the SGD bond market. From a sectoral standpoint, the fund continues to prefer agencies and corporates over sovereign bonds. The fund has a major allocation to Singapore REITs for their stable income. It also holds a meaningful size of high quality quasi-sovereign and financials names in Singapore for yield carry. We also favour bank subordinated debt such as those from Singapore and broader Asia Pacific region given their relatively defensive nature and attractive yields. On the other hand, we turned increasingly selective in the China property sector as we expect greater credit differentiation amid recent market volatility.

## 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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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	Since inception ann
AC SGD	-6.52	-0.41	-3.38	-6.32	-9.36	-0.93	--	0.21
AC SGD (Net)*	-9.25	-3.32	-6.20	-9.05	-12.00	-1.91	--	-0.49
AM2 SGD	-6.52	-0.41	-3.39	-6.32	-9.37	-0.94	--	0.20
AM2 SGD (Net)*	-9.24	-3.31	-6.20	-9.05	-12.01	-1.91	--	-0.49
AM3HAUD AUD	-6.73	-0.48	-3.58	-6.59	-9.78	-1.42	--	-0.01
AM3HAUD AUD (Net)	-9.45	-3.38	-6.39	-9.31	-12.41	-2.39	--	-0.71
*								
AM3HUSD USD	-6.58	-0.42	-3.41	-6.39	-9.47	-0.76	--	0.54
AM3HUSD USD (Net)*	-9.30	-3.32	-6.22	-9.12	-12.10	-1.73	--	-0.16

Calendar year performance (%)	2017	2018	2019	2020	2021
AC SGD	--	--	7.96	4.31	-3.31
AC SGD (Net)*	--	--	4.82	1.27	-6.12
AM2 SGD	--	--	7.97	4.30	-3.31
AM2 SGD (Net)*	--	--	4.82	1.27	-6.13
AM3HAUD AUD	--	--	7.50	3.83	-3.69
AM3HAUD AUD (Net)*	--	--	4.37	0.81	-6.49
AM3HUSD USD	--	--	8.55	4.63	-3.34
AM3HUSD USD (Net)*	--	--	5.39	1.58	-6.16

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Last Paid Dividend	Annualised Yield based on ex-dividend date
AC	SGD	--	--	--	--
AM2	SGD	Monthly	25 May 2022	0.034046	4.81%
AM3HAUD	AUD	Monthly	25 May 2022	0.029394	4.13%
AM3HUSD	USD	Monthly	25 May 2022	0.034656	4.88%

Share class	Inception date	ISIN	Share Class Base Currency	Minimum Initial Investment	NAV per Share	Management fee	Distribution type
AC	2 March 2018	LU1734076612	SGD	USD 5,000	10.09	0.800%	Accumulating
AM2	2 March 2018	LU1734076539	SGD	USD 5,000	8.69	0.800%	Distributing
AM3HAUD	20 March 2018	LU1734076885	AUD	USD 5,000	8.71	0.800%	Distributing
AM3HUSD	20 March 2018	LU1734076703	USD	USD 5,000	8.72	0.800%	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.

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.

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