

## HSBC Global Funds ICAV

# China Government Local Bond Index Fund

Monthly report 30 November 2022 | Share class XC



## Investment objective

The Fund aims to provide regular income and capital growth by tracking as closely as possible the performance of the Bloomberg China Treasury + Policy Bank Index (total return) (the Index).



## Investment strategy

The Index is comprised of Renminbi (CNY) denominated bonds that are listed on China Interbank Bond Market. The currency of the Index is US dollars (USD) and returns are unhedged. The Index includes fixed-rate government and policy bank bonds with a minimum outstanding amount of at least CNY 5 billion, and a maturity of at least one year. The Fund will be passively managed and will invest in CNY denominated bonds. The Fund will not necessarily invest in every Index constituent and may invest outside of the Index. The Fund may invest up to 10% in funds, up to 100% in non-investment grade bonds, up to 100% in government bonds issued by a single government issuer and up to 20% in securities issued by the same non-government issuer. The average credit ratings of the Fund's underlying investments are expected to be in-line with that of the Index. See the Prospectus for a full description of the investment objectives and derivative usage.



## Main risks

- The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.
- Investing in assets denominated in a currency other than that of the investor's own currency exposes the value of the investment to exchange rate fluctuations
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.

## Share class details

### Key metrics

NAV per share	<b>USD 11.09</b>
Performance 1 month	<b>0.99%</b>
Yield to maturity	<b>2.77%</b>

### Fund facts

UCITS V compliant	<b>Yes</b>
UK reporting fund status (UKRS)	<b>Yes</b>
ISA eligible	<b>No</b>
Dividend treatment	<b>Accumulating</b>
Dealing frequency	<b>Daily</b>
Valuation time	<b>23:00 Ireland</b>
Share class base currency	<b>USD</b>
Domicile	<b>Ireland</b>
Inception date	<b>28 October 2019</b>
Fund size	<b>USD 424,062,007</b>
Reference benchmark	<b>100% Bloomberg China Treasury + Policy Bank Index (total return)</b>
Managers	<b>HSBC Passive Fixed Income Team</b>

### Fees and expenses

Minimum initial investment <sup>1</sup>	<b>USD 10,000,000</b>
Ongoing charge figure <sup>2</sup>	<b>0.400%</b>

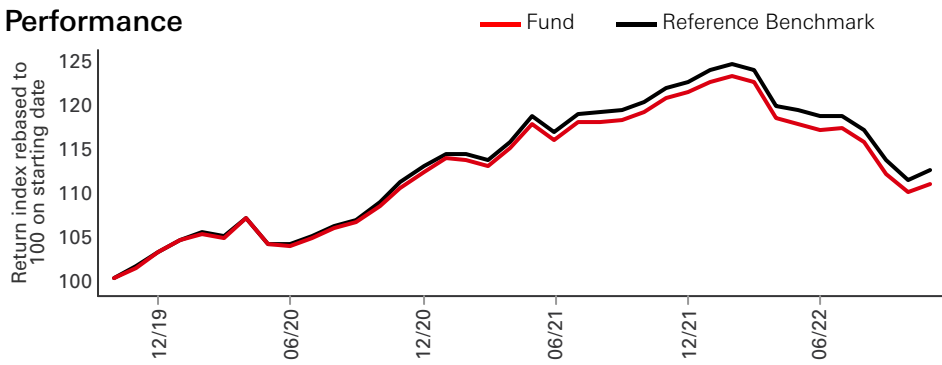
### Codes

ISIN	<b>IE00BJMD6V20</b>
Bloomberg ticker	<b>HSCGLXC ID</b>
SEDOL	<b>BJMD6V2</b>

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

<sup>2</sup>Ongoing Charges Figure, is based on expenses over a year. The figure includes annual management charge but not the transaction costs. Such figures may vary from time to time.

## Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
<b>XC</b>	<b>-8.56</b>	<b>0.99</b>	<b>-4.01</b>	<b>-5.78</b>	<b>-7.97</b>	<b>3.06</b>	--	<b>3.41</b>
Reference Benchmark	-8.21	1.12	-3.95	-5.64	-7.62	3.51	--	3.88

Rolling performance (%)	30/11/21-30/11/22	30/11/20-30/11/21	30/11/19-30/11/20	30/11/18-30/11/19	30/11/17-30/11/18
<b>XC</b>	<b>-7.97</b>	<b>9.11</b>	<b>9.01</b>	--	--
Reference Benchmark	-7.62	9.68	9.46	--	--

3-Year Risk Measures	XC	Reference Benchmark	5-Year Risk Measures	XC	Reference Benchmark
Volatility	5.04%	5.01%	Volatility	--	--
Sharpe ratio	0.48	0.58	Sharpe ratio	--	--
Tracking error	0.24%	--	Tracking error	--	--
Information ratio	-1.87	--	Information ratio	--	--

Fixed Income Characteristics	Fund	Reference Benchmark	Relative
No. of holdings ex cash	118	310	--
Average coupon rate	3.18	3.33	-0.14
Yield to worst	2.77%	2.77%	0.00%
Yield to maturity	2.77%	2.78%	0.00%
Current yield	3.10%	3.22%	-0.12%
Option adjusted duration	6.01	5.98	0.03
Modified duration to worst	5.91	5.88	0.02
Average maturity	7.72	7.80	-0.08
Number of issuers	4	4	--

Maturity Breakdown (Option adjusted duration)	Fund	Reference Benchmark	Relative
0-2 years	0.25	0.21	0.04
2-5 years	1.10	1.14	-0.05
5-10 years	2.35	2.34	0.01
10+ years	2.32	2.29	0.03
<b>Total</b>	<b>6.01</b>	<b>5.98</b>	<b>0.03</b>

Sector allocation (%)	Fund	Reference Benchmark	Relative
Government Owned, No guarantee	52.06	52.22	-0.17
Treasury Bill	47.90	47.78	0.12
Cash	0.05	--	0.05

Top 10 holdings	Weight (%)
CHINA DEV BANK 3.300 03/03/26	1.96
CHINA DEV BANK 2.830 10/09/26	1.83
CHINA GOVT BOND 3.120 05/12/26	1.73
CHINA GOVT BOND 3.250 06/06/26	1.72
CHINA GOVT BOND 3.270 19/11/30	1.71
CHINA GOVT BOND 2.690 12/08/26	1.67
CHINA DEV BANK 3.420 02/07/24	1.52
CHINA GOVT BOND 2.370 20/01/27	1.50
CHINA DEV BANK 4.040 06/07/28	1.49
CHINA DEV BANK 3.800 25/01/36	1.43

## Risk disclosures

- 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.
- To the extent that the Fund seeks to replicate index performance by holding individual securities, there is no guarantee that its composition or performance will exactly match that of the target index at any given time ("tracking error").
- 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.
- Further information on the potential risks can be found in the Key Investor Information Document (KID) and/or the Prospectus or Offering Memorandum.

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Further Information can be found in the prospectus and in our Key Investor Information

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### Glossary

