

## HSBC Global Investment Funds

# GEM DEBT TOTAL RETURN

Marketing communication | Monthly report 31 October 2024 | Share class N1C



### Investment objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of emerging markets bonds and other similar securities or instruments.



### Investment strategy

The Fund is actively managed.

The Fund employs a Total Return strategy which has a flexible allocation across the emerging market debt universe. Through seeking multiple sources of return the strategy aims, over an investment cycle, to achieve risk-adjusted returns above those of the investment universe.

In normal market conditions, the Fund will mostly invest its assets in investment grade bonds and non-investment grade 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 emerging markets.

Companies and/or issuers considered for inclusion within the Fund's portfolio will be subject to excluded activities in accordance with HSBC Asset Management's Responsible Investment Policies.

The Fund may invest up to 10% in onshore Chinese bonds.

The Fund may invest up to 25% in convertible bonds, up to 10% in contingent convertible securities, up to 10% in other funds, and may invest up to 49% in cash, cash instruments and money market instruments issued by governments in developed markets.

The Fund's primary currency exposure is to US dollars (USD).

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 investors 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
- 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.

### Share class details

#### Key metrics

NAV per share **USD 10.65**

Performance 1 month **-1.94%**

Yield to maturity **7.21%**

#### Fund facts

UCITS V compliant **Yes**

UK reporting fund status (UKRS) **Yes**

ISA eligible **Yes**

Dividend treatment **Accumulating**

Dealing frequency **Daily**

Valuation time **17:00 Luxembourg**

Share class base currency **USD**

Domicile **Luxembourg**

Inception date **29 April 2015**

Fund size **USD 27,474,521**

Reference benchmark **100% Secured Overnight Financing Rate (SOFR)**

Managers **Bryan Carter  
Hugo Novaro  
Scott Davis**

#### Fees and expenses

Minimum initial investment<sup>1</sup> **USD 5,000**

Ongoing charge figure<sup>2</sup> **0.850%**

#### Codes

ISIN **LU1004411101**

Bloomberg ticker **HSGDN1C LX**

SEDOL **BF2C9N4**

<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.

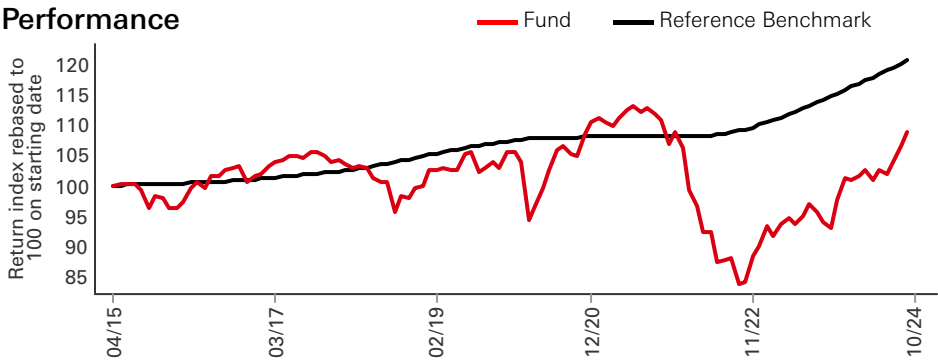
Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

This is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions.

For definition of terms, please refer to the Glossary QR code and Prospectus.

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

Performance



| Performance (%)     | YTD  | 1 month | 3 months | 6 months | 1 year | 3 years ann | 5 years ann | 10 years ann | Since inception ann |
|---------------------|------|---------|----------|----------|--------|-------------|-------------|--------------|---------------------|
| N1C                 | 5.58 | -1.94   | 2.68     | 5.74     | 14.85  | -1.16       | 0.57        | --           | 0.67                |
| Reference Benchmark | 4.59 | 0.42    | 1.31     | 2.70     | 5.50   | 3.81        | 2.50        | --           | 2.02                |

| Rolling performance (%) | 31/10/23-31/10/24 | 31/10/22-31/10/23 | 31/10/21-31/10/22 | 31/10/20-31/10/21 | 31/10/19-31/10/20 | 31/10/18-31/10/19 | 31/10/17-31/10/18 | 31/10/16-31/10/17 | 31/10/15-31/10/16 | 31/10/14-31/10/15 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| N1C                     | 14.85             | 10.38             | -23.84            | 5.60              | 0.91              | 6.15              | -6.77             | 1.69              | 4.89              | --                |
| Reference Benchmark     | 5.50              | 4.95              | 1.04              | 0.17              | 0.96              | 2.53              | 2.16              | 1.19              | 0.67              | --                |

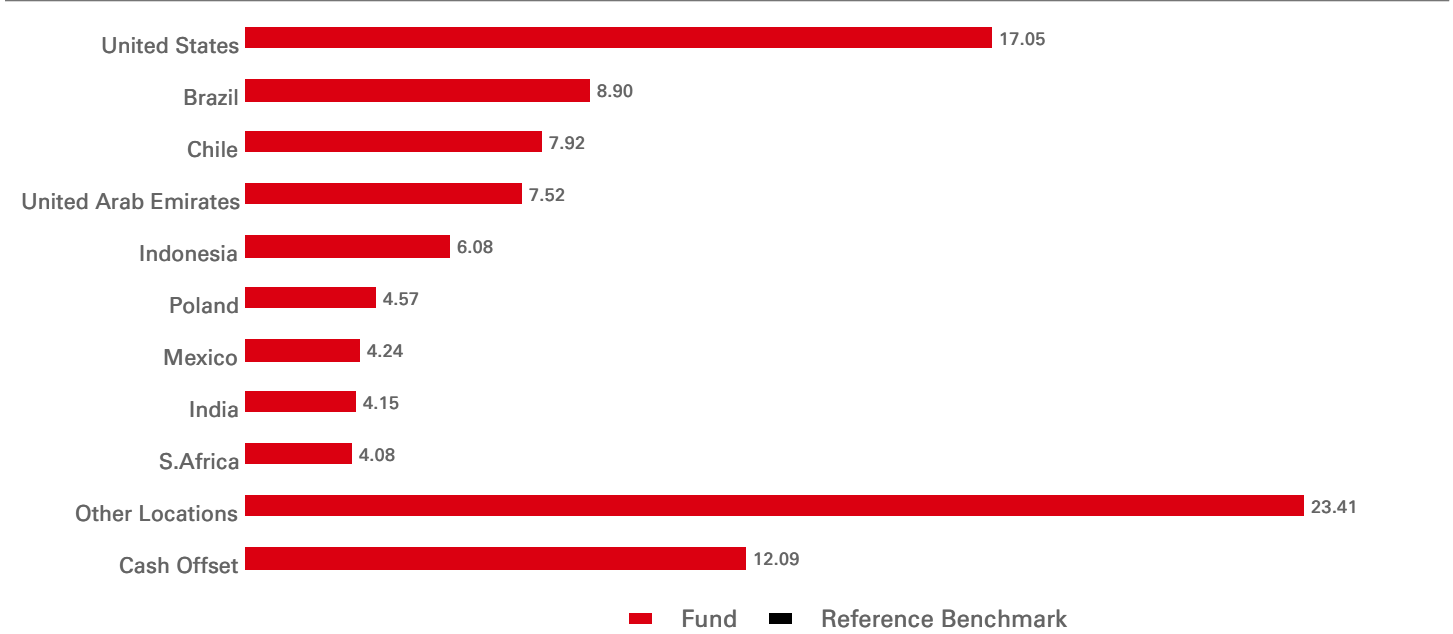
| 3-Year Risk Measures | N1C   | Reference Benchmark | 5-Year Risk Measures | N1C   | Reference Benchmark |
|----------------------|-------|---------------------|----------------------|-------|---------------------|
| Volatility           | 9.39% | 0.60%               | Volatility           | 9.09% | 0.66%               |
| Sharpe ratio         | -0.51 | 0.33                | Sharpe ratio         | -0.20 | 0.18                |
| Tracking error       | 9.09% | --                  | Tracking error       | 8.96% | --                  |
| Information ratio    | -0.55 | --                  | Information ratio    | -0.22 | --                  |

| Fixed Income Characteristics    | Fund   | Reference Benchmark | Relative |
|---------------------------------|--------|---------------------|----------|
| No. of holdings ex cash         | 102    | --                  | --       |
| Yield to worst                  | 7.20%  | --                  | --       |
| Option adjusted duration        | 5.12   | --                  | --       |
| Modified duration to worst      | 5.25   | --                  | --       |
| Option adjusted spread duration | 3.14   | --                  | --       |
| Average maturity                | 5.75   | --                  | --       |
| Rating average                  | BB+/BB | --                  | --       |

| Credit rating (%) | Fund  | Reference Benchmark | Relative | Maturity Breakdown (%) | Fund  | Reference Benchmark | Relative |
|-------------------|-------|---------------------|----------|------------------------|-------|---------------------|----------|
| AAA               | 25.07 | --                  | --       | 0-2 years              | 54.58 | --                  | --       |
| AA                | 3.86  | --                  | --       | 2-5 years              | 20.24 | --                  | --       |
| A                 | -1.13 | --                  | --       | 5-10 years             | -6.79 | --                  | --       |
| BBB               | 14.63 | --                  | --       | 10+ years              | 31.97 | --                  | --       |
| BB                | 26.15 | --                  | --       |                        |       |                     |          |
| B                 | 11.19 | --                  | --       |                        |       |                     |          |
| CCC               | 4.11  | --                  | --       |                        |       |                     |          |
| C                 | 0.84  | --                  | --       |                        |       |                     |          |
| D                 | 1.39  | --                  | --       |                        |       |                     |          |
| NR                | -3.45 | --                  | --       |                        |       |                     |          |
| Cash              | 5.26  | --                  | --       |                        |       |                     |          |
| Cash Offset       | 12.09 | --                  | --       |                        |       |                     |          |

| Currency Allocation (%) | Fund  | Reference Benchmark | Relative |
|-------------------------|-------|---------------------|----------|
| USD                     | 70.62 | --                  | --       |
| IDR                     | 3.62  | --                  | --       |
| PLN                     | 3.49  | --                  | --       |
| BRL                     | 2.93  | --                  | --       |
| ZAR                     | 2.88  | --                  | --       |
| CZK                     | 2.70  | --                  | --       |
| MXN                     | 2.49  | --                  | --       |
| THB                     | 2.28  | --                  | --       |
| MYR                     | 2.12  | --                  | --       |
| COP                     | 1.45  | --                  | --       |
| Other Currencies        | 5.41  | --                  | --       |

Geographical allocation (%)



| Sector allocation (%) | Fund  | Reference Benchmark | Relative |
|-----------------------|-------|---------------------|----------|
| Government            | 30.12 | --                  | --       |
| Energy                | 16.91 | --                  | --       |
| Financial             | 12.67 | --                  | --       |
| Utilities             | 9.48  | --                  | --       |
| Basic Materials       | 9.03  | --                  | --       |
| Industrial            | 4.05  | --                  | --       |
| Consumer Cyclical     | 3.38  | --                  | --       |
| Consumer Non cyclical | 0.84  | --                  | --       |
| Over The counter      | -0.32 | --                  | --       |
| Other Sectors         | -3.51 | --                  | --       |
| Cash                  | 5.26  | --                  | --       |
| Cash Offset           | 12.09 | --                  | --       |

| Top 10 holdings                 | Weight (%) |
|---------------------------------|------------|
| INDONESIA GOV'T 7.500 15/05/38  | 3.62       |
| COSTA RICA GOVT 7.300 13/11/54  | 2.44       |
| SAMARCO MINERACA 9.000 30/06/31 | 2.28       |
| DIB SUKUK LTD 2.950 16/01/26    | 2.19       |
| CODELCO INC 5.125 02/02/33      | 2.18       |
| REP SOUTH AFRICA 8.750 31/01/44 | 2.07       |
| SISECAM UK PLC 8.250 02/05/29   | 1.98       |
| UNITED MEXICAN 6.350 09/02/35   | 1.89       |
| ABU DHABI GOVT 5.500 30/04/54   | 1.89       |
| ITAU UNIBANCO/KY 4.500 21/11/29 | 1.89       |

Risk disclosures

- 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.
- 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.
- Further information on the potential risks can be found in the Key Information Document (KID) and/or the Prospectus or Offering Memorandum.

Index disclaimer

Source ICE Data Indices, LLC ("ICE DATA"), is used with permission. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES NOR THEIR RESPECTIVE THIRD PARTY SUPPLIERS SHALL BE SUBJECT TO ANY DAMAGES OR LIABILITY WITH RESPECT TO THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND YOUR USE IS AT YOUR OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DO NOT SPONSOR, ENDORSE, OR RECOMMEND HSBC Asset Management, OR ANY OF ITS PRODUCTS OR SERVICES.

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

Follow us on:



UK Investor/Adviser E-mail:  
wholesale.clientservices@hsbc.com  
Lines are open 9am to 5pm Monday to Friday (excluding public holidays). To help the ACD and the Administrator continually improve their services and in the interests of security, they may monitor and/or record your communications with them.

Glossary



[www.assetmanagement.hsbc.co.uk/en/api/v1/download/document/gb00b80qg615/gb/en/glossary](http://www.assetmanagement.hsbc.co.uk/en/api/v1/download/document/gb00b80qg615/gb/en/glossary)

## 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.

This material is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. This material is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe to any investment.

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection or target.

This fund is a sub-fund of the HSBC Global Investment Funds, a Luxembourg domiciled Société d'investissement à Capital Variable (SICAV). UK based investors in HSBC Global Investment Funds are advised that they may not be afforded some of the protections conveyed by the provisions of the Financial Services and Markets Act 2000. HSBC Global Investment Funds is recognised in the United Kingdom by the Financial Conduct Authority under section 264 of the Act. The shares in HSBC Global Investment Funds have not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons. All applications are made on the basis of the current HSBC Global Investment Funds Prospectus, Key Investor Information Document (KIID), Supplementary Information Document (SID) and most recent annual and semi-annual reports, which can be obtained upon request free of charge from HSBC Global Asset Management (UK) Limited, 8 Canada Square, Canary Wharf, London, E14 5HQ. UK, or the local distributors. Investors and potential investors should read and note the risk warnings in the prospectus and relevant KIID and additionally, in the case of retail clients, the information contained in the supporting SID.

Further information about the Company including the Prospectus, the most recent annual and semi-annual reports of the Company and the latest share prices, may be obtained free of charge, in English, from the Registrar and Transfer Agent by emailing [amgtransferagency@lu.hsbc.com](mailto:amgtransferagency@lu.hsbc.com) , or by visiting [www.global.assetmanagement.hsbc.com](http://www.global.assetmanagement.hsbc.com).

The most recent Prospectus is available in English and German. Key Investor Information Document (KID) are available in the local language where they are registered.

To help improve our service and in the interests of security we may record and/or monitor your communication with us. HSBC Global Asset Management (UK) Limited provides information to Institutions, Professional Advisers and their clients on the investment products and services of the HSBC Group.

Approved for issue in the UK by HSBC Global Asset Management (UK) Limited, who are authorised and regulated by the Financial Conduct Authority. [www.assetmanagement.hsbc.co.uk](http://www.assetmanagement.hsbc.co.uk)

Copyright © HSBC Global Asset Management (UK) Limited 2024. All rights reserved.

Further Information can be found in the prospectus and in our Key Investor Information Documents published in our Fund Centre at [www.assetmanagement.hsbc.co.uk](http://www.assetmanagement.hsbc.co.uk)

Term: The management company cannot terminate the Fund unilaterally. The Board of Directors may furthermore decide to liquidate the Fund in certain circumstances set out in the prospectus and articles of incorporation of the Fund. Further additional and complete information (including but not limited to) investor rights, costs and charges, please refer to the prospectus.