

HSBC Global Investment Funds

GLOBAL CREDIT FLOATING RATE FIXED TERM BOND 2023 - 1

Monthly report 30 September 2022 | Share class PM3HEUR (Currently Closed to Subscriptions for All Investors)



Investment objective

The Fund aims to provide capital growth and income by investing in a portfolio of bonds for a limited term.



Investment strategy

The Fund is actively managed. The Fund is intended to be in operation until 30 June 2023 (the "Term Date"). On the Term Date, the Fund will be liquidated. The Term Date it may be deferred for up to 3 months if the Board of Directors believes it is in the best interest of shareholders. The Fund will seek to invest in bonds with a final maturity date close to the Term Date, aiming to hold them to maturity whilst actively monitoring the portfolio. As the term date approaches, the Fund's assets will increasingly comprise of cash and money market instruments. The Fund will mainly invest in investment grade and non-investment grade bonds, issued by governments, government-related entities, supranational entities and companies based in both developed markets and emerging markets. The Fund will use derivatives to swap its fixed coupon income into a floating rate, with a target of 85% of the Fund's income being based on floating rates and 15% on fixed rates. The Fund may invest up to 10% in other funds. The Fund's primary currency exposure is to 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 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
- 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	EUR 9.14
Performance 1 month	-0.14%

Fund facts

UCITS V compliant	Yes
UK reporting fund status (UKRS)	Yes
ISA eligible	Yes
Dividend treatment	Distributing
Distribution frequency	Monthly
Dividend ex-date	30 September 2022
Dividend yield ¹	1.78%
Last paid dividend	0.023319
Dealing frequency	Daily
Valuation time	17:00 Luxembourg
Share class base currency	EUR
Domicile	Luxembourg
Inception date	24 June 2019
Fund size	USD 582,744,255
Managers	Ricky Liu Jason E Moshos Jerry Samet

Fees and expenses

Minimum initial investment ²	USD 1,000,000
Ongoing charge figure ³	0.422%

Codes

ISIN	LU1987798490
Bloomberg ticker	H231P3E LX
SEDOL	BGV1KF8

¹Dividend Yield: represents the ratio of distributed income over the last 12 months to the fund's current Net Asset Value.

²Please note that initial minimum subscription may vary across different distributors

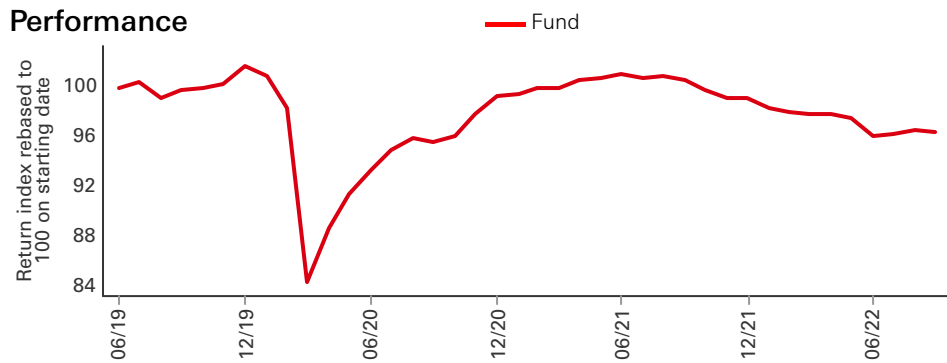
³Ongoing Charges Figure, is based on expenses over a year. The figure includes annual management charge but not the transaction costs. Such figures may vary from time to time.

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 KIID before making any final investment decisions.

Source: HSBC Asset Management, data as at 30 September 2022

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
PM3HEUR	-2.79	-0.14	0.37	-1.43	-4.09	-1.13	--	-1.17

Rolling performance (%)	30/09/21-30/09/22	30/09/20-30/09/21	30/09/19-30/09/20	30/09/18-30/09/19	30/09/17-30/09/18
PM3HEUR	-4.09	5.08	-4.09	--	--

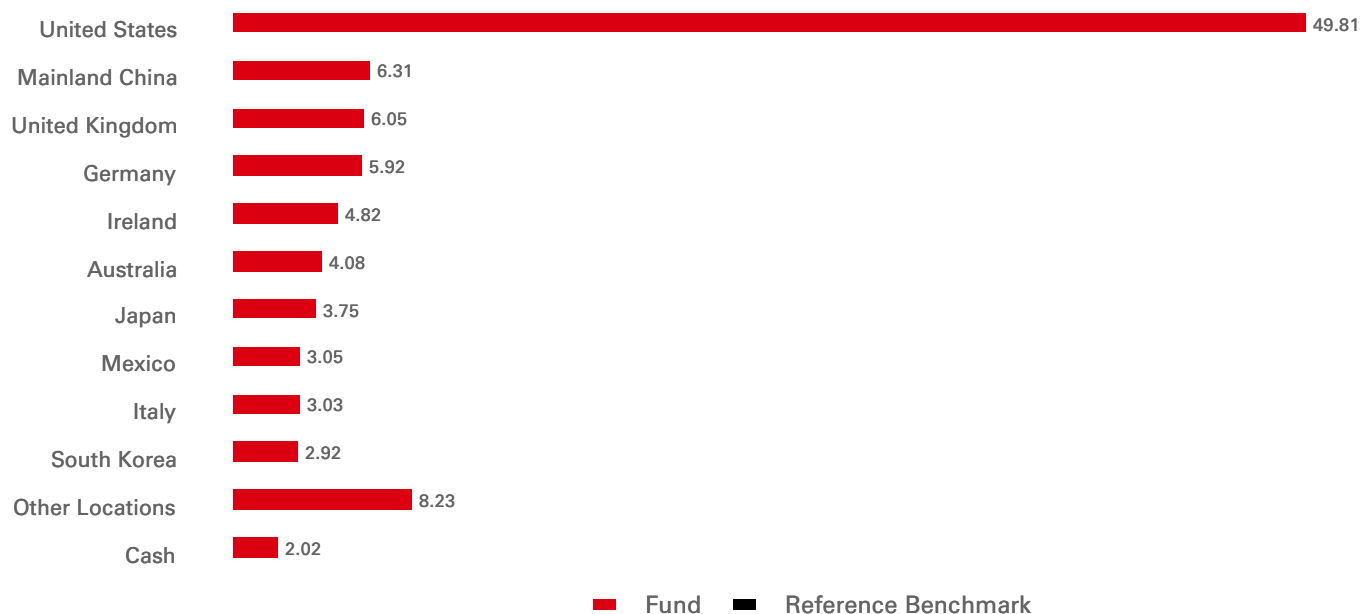
3-Year Risk Measures	PM3HEUR	Reference Benchmark	5-Year Risk Measures	PM3HEUR	Reference Benchmark
Volatility	9.40%	--	Volatility	--	--
Sharpe ratio	-0.07	--	Sharpe ratio	--	--

Fixed Income Characteristics	Fund	Reference Benchmark	Relative
No. of holdings ex cash	99	--	--
Average coupon rate	5.59	--	--
Yield to worst (incl IRS)	13.84%	--	--
Yield to maturity (incl IRS)	13.85%	--	--
Yield to maturity (incl IRS)	Libor + 10.092	--	--
Yield to maturity (excl IRS)	12.68%	--	--
Option adjusted duration	0.07	--	--
Modified duration to worst	0.07	--	--
Option adjusted spread duration	0.07	--	--
Average maturity	0.51	--	--
Rating average	BBB/BBB-	--	--
Number of issuers	80	--	--

Credit rating (%)	Fund	Reference Benchmark	Relative	Currency Allocation (%)	Fund	Reference Benchmark	Relative
AA	4.36	--	--	USD	101.18	--	--
A	19.90	--	--	GBP	0.36	--	--
BBB	37.24	--	--	AUD	0.00	--	--
BB	26.60	--	--	EUR	-1.54	--	--
B	7.18	--	--				
CCC	1.94	--	--				
CC	0.25	--	--				
C	0.45	--	--				
NR	0.06	--	--				
Cash	2.02	--	--				

Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.
The benchmark data is that of the reference benchmark of the fund, as this data is calculated at fund level rather than share class level.
The reference benchmark of the fund is 100% ICE LIBOR USD 3 Month
Source: HSBC Asset Management, data as at 30 September 2022

Geographical allocation (%)



Sector allocation (%)	Fund	Reference Benchmark	Relative
Financial	33.97	--	--
Consumer Cyclical	25.20	--	--
Energy	12.79	--	--
Basic Materials	8.18	--	--
Communications	5.80	--	--
Consumer Non cyclical	3.68	--	--
Industrial	3.18	--	--
Government	1.36	--	--
Over The counter	1.34	--	--
Utilities	1.18	--	--
Other Sectors	1.29	--	--
Cash	2.02	--	--

Top 10 holdings	Weight (%)
COMMERCIAL METAL 4.875 15/05/23	3.07
INTESA SANPAOLO 3.375 12/01/23	3.03
ADT CORP 4.125 15/06/23	2.99
MGM RESORTS 6.000 15/03/23	2.95
RANGE RESOURCES 5.000 15/03/23	2.92
SLM CORP 5.500 25/01/23	2.83
MORGAN STANLEY 4.100 22/05/23	2.62
SPRINGLEAF FIN 5.625 15/03/23	2.61
GLENCORE FDG LLC 4.125 30/05/23	2.61
TAYLOR MORRISON 5.875 15/04/23	2.43

Monthly performance commentary

Market Review

Risk assets suffered over a challenging month in September as high inflation, hawkish central banks and a slowdown in growth remain at the forefront of investor concerns. Credit spreads moved meaningfully wider over the month while rates also increased which saw both Investment Grade and High Yield credit post negative total returns. IG and HY supply fell over the month with just \$80.5 billion for IG, the lightest September supply since 2011 and down 14% YTD vs 2021. HY saw \$9.0 billion issued bring YTD supply to just 20% of 2021 levels.

Treasury yields continued higher in September with the curve inverting further driven by front end rates. The US 2, 5, 10 and 30 year Treasuries yields moved +79, +74, +64 and +48 bps to end the month at 4.28%, 4.09%, 3.83% and 3.78% respectively.

The broad global corporate Investment Grade bond market as represented by the ICE BofA Global Corporate Index USD hedged saw spreads move 19 bps wider in September for a negative total return of -4.61%. Regionally, US, EUR, UK, and EM spreads all moved wider by 19, 23, 42 and 9 bps respectively. BBB rated bonds underperformed higher rated bonds over the month.

The broad global High Yield bond market as represented by the ICE BofA Global High Yield USD hedged Index saw spreads widen 3 bps over the month, for a negative total return of -1.55%. Regionally US spreads moved wider by 40 bps while EUR and EM spreads moved wider by 72 bps in September. Single B rated bonds outperformed both BB and CCC rated bonds over the month.

Portfolio Review

Total return was marginally positive over the month on a gross basis driven by the IRS and currency forwards. The HY segment of the portfolio and to a lesser extent the IG segment detracted from performance in a challenging month for risk assets.

From a sector perspective bonds in the leisure, basic industry and services sectors provided the largest contribution to returns while bonds in the real estate, automotive and banking sectors lagged.

From a regional perspective, North America was the main contributor to positive returns, while Europe and Asia saw negative contribution.

The fund saw a positive contribution from the IRS and the currency hedges used to hedge non-USD bond positions over the month.

As a buy and maintain strategy the portfolio did not materially change over the month.

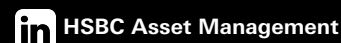
Outlook

With inflation remaining persistently high and the Fed's continued assurance that it will stick to its course to keep raising rates, any market hopes of a Fed pivot to a more dovish stance and potential rate cuts has now been pushed out until late 2023 at the earliest. This has raised investor fears about how deep a potential recession could be, especially if inflation remains stubbornly high. Corporate fundamentals continue to look better than market expectations although the upcoming earnings season may dampen that narrative. Despite the recent weakness however, given the economic slowdown and threat of a recession, we believe that spreads are still more likely to test wider levels from here. Having said that we will remain nimble with our tactical positioning should we see opportunities in the shorter term.

Risk disclosures

- 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 Investor Information Document (KID) and/or the Prospectus or Offering Memorandum.

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



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Source: HSBC Asset Management, data as at 30 September 2022

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