

HSBC Global Investment Funds

ASIA HIGH YIELD BOND

Monthly report 31 January 2023 | Share class XM2



Investment objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of Asian high yield bonds.



Investment strategy

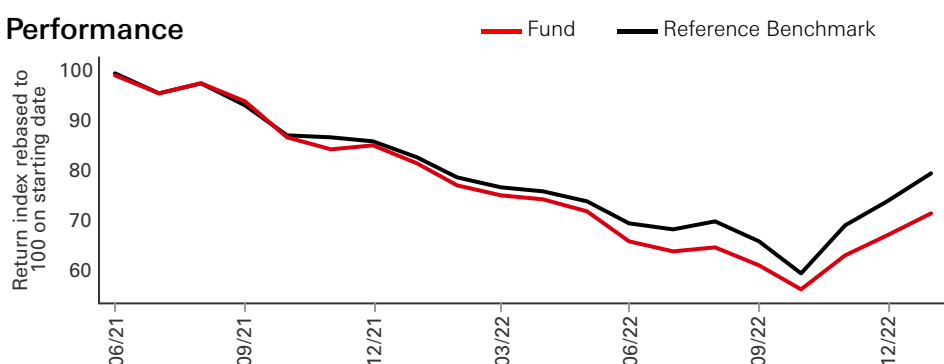
The Fund is actively managed. In normal market conditions, the Fund will invest at least 70% of its assets in non-investment grade bonds and unrated bonds issued either by companies based in or carry out the larger part of their business in Asia, or by governments, government-related entities and supranational entities based in Asia. The Fund may invest up to 30% of its assets in onshore Chinese bonds which are issued within the People's Republic of China (PRC) and traded on the China Interbank Bond Market. The Fund may invest up to 10% in convertible bonds. The Fund may also invest up to 15% of its assets in contingent convertible securities. The Fund may invest up to 10% of its assets in other funds, including HSBC funds. 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 you may not get back the amount originally invested.
- 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



Share class details

Key metrics

| | |
|---------------------|-----------------|
| NAV per share | USD 5.94 |
| Performance 1 month | 6.33% |
| Yield to maturity | 13.77% |

Fund facts

| | |
|---------------------------------|---|
| UCITS V compliant | Yes |
| UK reporting fund status (UKRS) | Yes |
| ISA eligible | No |
| Dividend treatment | Distributing |
| Distribution frequency | Monthly |
| Dividend ex-date | 31 January 2023 |
| Dividend yield ¹ | 12.97% |
| Last paid dividend | 0.063719 |
| Dealing frequency | Daily |
| Valuation time | 17:00 Luxembourg |
| Share class base currency | USD |
| Domicile | Luxembourg |
| Inception date | 7 June 2021 |
| Fund size | USD 1,441,453,434 |
| Reference benchmark | 100% JACI Non-Investment Grade Corporate Index |
| Managers | Alfred Mui Ming Leap |

Fees and expenses

| | |
|---|-----------------------|
| Minimum initial investment ² | USD 10,000,000 |
| Ongoing charge figure ³ | 0.800% |

Codes

| | |
|------------------|---------------------|
| ISIN | LU2338563120 |
| Bloomberg ticker | HSHYBHX LX |
| SEDOL | BMWPW00 |

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 31 January 2023

| Performance (%) | YTD | 1 month | 3 months | 6 months | 1 year | 3 years ann | 5 years ann | Since inception ann |
|---------------------|-------------|-------------|--------------|--------------|---------------|-------------|-------------|---------------------|
| XM2 | 6.33 | 6.33 | 27.41 | 12.22 | -12.17 | -- | -- | -18.62 |
| Reference Benchmark | 7.18 | 7.18 | 32.98 | 16.43 | -3.91 | -- | -- | -13.35 |

| Rolling performance (%) | 31/01/22-31/01/23 | 31/01/21-31/01/22 | 31/01/20-31/01/21 | 31/01/19-31/01/20 | 31/01/18-31/01/19 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| XM2 | -12.17 | -- | -- | -- | -- |
| Reference Benchmark | -3.91 | -- | -- | -- | -- |

| 3-Year Risk Measures | XM2 | Reference Benchmark | 5-Year Risk Measures | XM2 | Reference Benchmark |
|----------------------|-----|---------------------|----------------------|-----|---------------------|
| Volatility | -- | -- | Volatility | -- | -- |
| Sharpe ratio | -- | -- | Sharpe ratio | -- | -- |
| Tracking error | -- | -- | Tracking error | -- | -- |
| Information ratio | -- | -- | Information ratio | -- | -- |

| Fixed Income Characteristics | Fund | Reference Benchmark | Relative |
|---------------------------------|--------|---------------------|----------|
| No. of holdings ex cash | 234 | 294 | -- |
| Yield to worst | 13.61% | 11.65% | 1.96% |
| Yield to maturity | 13.77% | 11.85% | 1.92% |
| Modified duration to worst | 2.87 | 3.02 | -0.15 |
| Option adjusted spread duration | 2.84 | 3.20 | -0.35 |
| Average maturity | 3.55 | 4.06 | -0.51 |
| Rating average | BB/BB- | BB/BB- | -- |
| Number of issuers | 111 | 149 | -- |

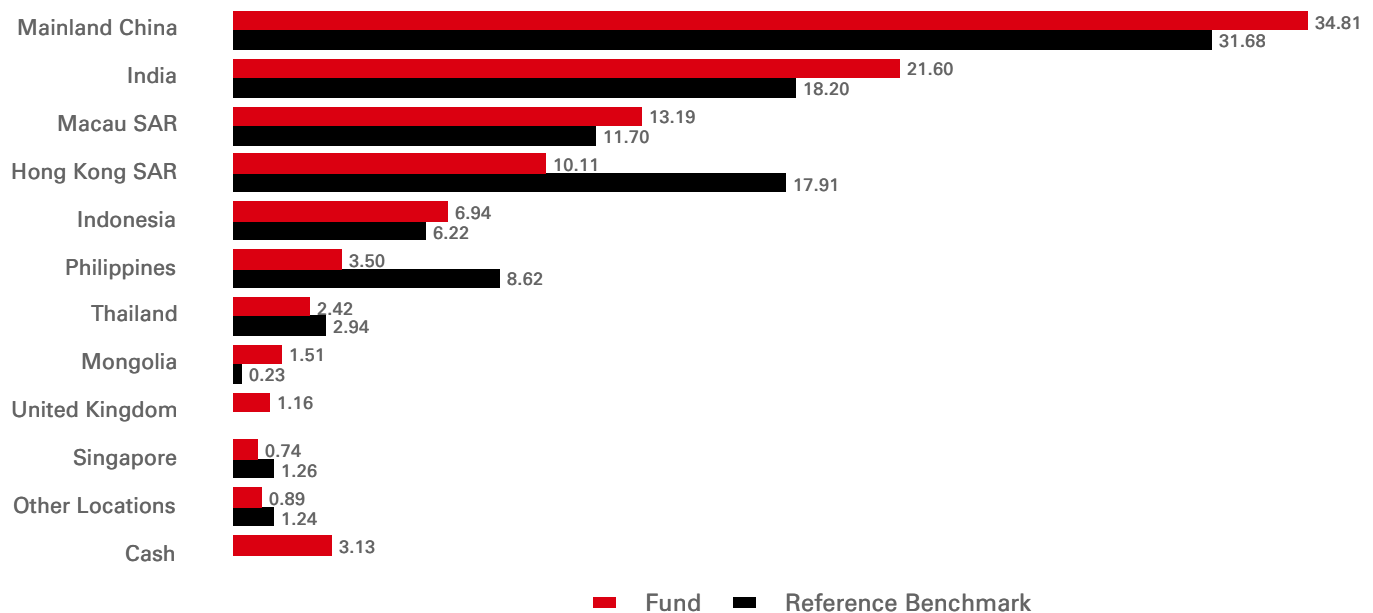
| Credit rating (%) | Fund | Reference Benchmark | Relative | Maturity Breakdown (Option adjusted duration) | Fund | Reference Benchmark | Relative |
|-------------------|-------|---------------------|----------|---|-------------|---------------------|--------------|
| AA | 0.43 | -- | 0.43 | 0-2 years | 0.29 | 0.40 | -0.11 |
| A | 0.73 | 0.32 | 0.40 | 2-5 years | 1.50 | 1.40 | 0.10 |
| BBB | 3.75 | 1.20 | 2.55 | 5-10 years | 0.72 | 0.77 | -0.05 |
| BB | 51.82 | 54.32 | -2.50 | 10+ years | 0.22 | 0.19 | 0.03 |
| B | 21.97 | 16.60 | 5.37 | Total | 2.73 | 2.76 | -0.03 |
| CCC | 3.14 | 2.40 | 0.74 | | | | |
| CC | 0.59 | 0.23 | 0.36 | | | | |
| C | 1.03 | 1.60 | -0.57 | | | | |
| NR | 13.42 | 23.32 | -9.90 | | | | |
| Cash | 3.13 | -- | 3.13 | | | | |

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

Source: HSBC Asset Management, data as at 31 January 2023

| Currency Allocation (%) | Fund | Reference Benchmark | Relative |
|-------------------------|-------|---------------------|----------|
| USD | 94.99 | 100.00 | -5.01 |
| JPY | 1.95 | -- | 1.95 |
| CNH | 1.03 | -- | 1.03 |
| KRW | 0.99 | -- | 0.99 |
| PHP | 0.98 | -- | 0.98 |
| EUR | 0.05 | -- | 0.05 |
| CNY | 0.00 | -- | 0.00 |
| SGD | 0.00 | -- | 0.00 |
| GBP | 0.00 | -- | 0.00 |
| AUD | 0.00 | -- | 0.00 |
| Other Currencies | 0.00 | -- | 0.00 |

Geographical allocation (%)



| Sector allocation (%) | Fund | Reference Benchmark | Relative |
|-----------------------|-------|---------------------|----------|
| Real Estate | 30.69 | 27.83 | 2.87 |
| Consumer Cyclical | 21.87 | 20.03 | 1.84 |
| Energy | 11.85 | 9.27 | 2.58 |
| Industrial | 6.06 | 3.74 | 2.32 |
| Consumer Non cyclical | 5.40 | 2.44 | 2.96 |
| Basic Materials | 5.04 | 5.70 | -0.66 |
| Utilities | 4.94 | 6.41 | -1.47 |
| Banks | 4.52 | 15.40 | -10.88 |
| Government | 1.79 | -- | 1.79 |
| Communications | 1.38 | 2.52 | -1.14 |
| Other Sectors | 3.35 | 6.67 | -3.32 |
| Cash | 3.13 | -- | 3.13 |

| Top 10 holdings | Weight (%) |
|---------------------------------|------------|
| CELESTIAL MILES 5.750 | 1.89 |
| NWD FINANCE(BVI) 4.125 | 1.81 |
| SANDS CHINA LTD 4.300 08/01/26 | 1.63 |
| WEST CHINA CEM 4.950 08/07/26 | 1.36 |
| WYNN MACAU LTD 5.500 15/01/26 | 1.35 |
| CA MAGNUM HLDING 5.375 31/10/26 | 1.25 |
| ENN CLEAN 3.375 12/05/26 | 1.22 |
| HPCL-MITTAL ENER 5.250 28/04/27 | 1.17 |
| BANGKOK BANK/HK 5.000 | 1.16 |
| INDIA AIRPORT 6.250 25/10/25 | 1.16 |

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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Benchmark disclosure

The Investment Advisor will use its discretion to invest in securities not included in the reference benchmark based on active investment management strategies and specific investment opportunities. It is foreseen that a significant percentage of the Fund's investments will be components of the reference benchmark. However, their weightings may deviate materially from those of the reference benchmark. The deviation of the Fund's underlying investments' weightings relative to the benchmark are monitored, but not constrained, to a defined range.

Source: HSBC Asset Management, data as at 31 January 2023

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