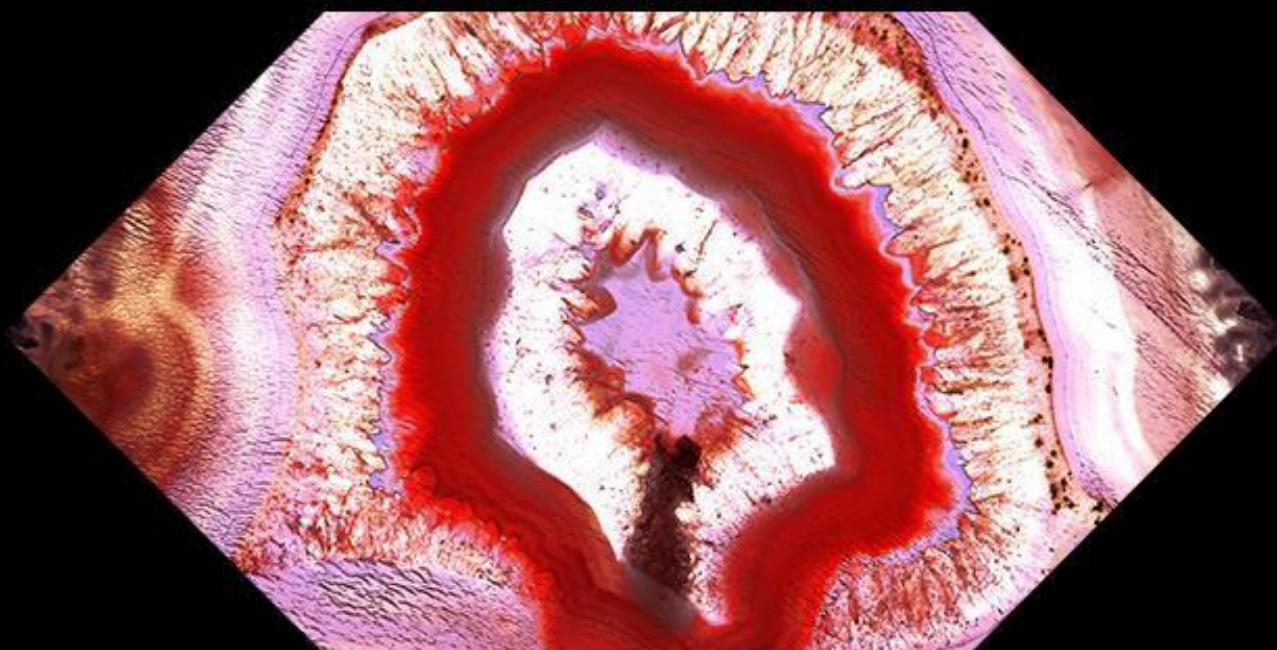


Global Securitised Credit 2023 Performance Review

For Professional Clients only.



This is a marketing communication.

Please refer to the prospectus of the Funds and to the KIIDs before making any final investment decisions.

HSBC Global Securitised Credit – 2023 Performance Review



Andrew Jackson

Head of Portfolio Management,
Securitised Investment Team

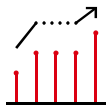
Andrew Jackson is responsible for the trading activities within the Securitised Credit Investments team.

He has been working in the financial industry since 1989. Prior to joining HSBC in 2002, Andrew worked as a Portfolio Manager at Abbey National Treasury Services, as a Securitisation Originator, Advisor and Lender at Rothschild, and as an Auditor and Consultant at Arthur Andersen.

He holds a BA in Economics from Exeter University and is an Associate of the Institute of Chartered Accountants.

Global Reach, investing globally in all major Securitised Credit sectors, allowing us to allocate to where we see the best opportunities across geographies and sectors, maximising relative value across markets.

Key takeaways:



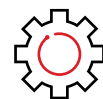
Aims to deliver consistent income and returns through dynamic allocation



Via global exposure to diverse opportunities across Securitised sectors



Yield pickup, low correlation and diversification benefits versus traditional fixed income



A credit solution that can provide further returns through spread tightening

2023 Performance Review

Performance Overview

Repricing in fixed income continued in 2023 as central banks continued to raise interest rates and inflation remained stickier than anticipated. By the end of the year, inflation (especially in the US) appears to be moderating, the global economy is slowing and the Federal Reserve has pivoted, with rate cuts now expected in the second half of 2024.

All three HSBC Securitised Credit strategies outperformed the majority of traditional fixed income due to its floating rate nature providing high levels of income.

The strategies demonstrate attractive Sharpe ratios with relatively low volatilities (partly due to the mainly floating rate nature and partly from credit enhancement supporting our investments that dampens volatility).

We consider our global and dynamic approach has benefitted performance, helping to reduce volatility and enhance return. This approach allowed us to shift portfolio allocations to areas of the market with the best value and away from emerging risks. Through our fundamental credit approach we were able to benefit from high income levels and near the end of 2023 spread tightening.

Performance, volatility and Sharpe ratios¹ - GIPS® composites:

	2023 Return (%)	Yield to Maturity ² (%)	Volatility Since inception (%)	Sharpe ratio Since inception
All actively managed				
Global Investment Grade Securitised Credit*	8.9	6.4	3.2	0.9
Global Securitised Credit*	12.4	8.9	6.2	0.8
Global High Yield Securitised Credit*	14.1	10.2	6.8	0.8

Source: HSBC Asset Management as at 31 December 2023.

(1) Performance data in respect of the HSBC Global Investment Grade Securitised Credit GIPS Composite, HSBC Global Securitised Credit GIPS Composite and the HSBC Global High Yield Securitised Credit GIPS Composite.

(2) Yield to Maturity data in respect of the HGIF Global Investment Grade Securitised Credit Fund, HGIF Global Securitised Credit Fund, HGIF Global High Yield Securitised Credit Fund. All composites are USD hedged. Each portfolio may differ due to client restrictions and guidelines. Individual results will vary.

Rolling year returns (%)

	31/12/2022 to 31/12/2023	31/12/2021 to 31/12/2022	31/12/2020 to 31/12/2021	31/12/2019 to 31/12/2020	31/12/2018 to 31/12/2019	31/12/2017 to 31/12/2018
Global Investment Grade Securitised Credit Composite	8.9	-2.1	2.4	1.6	5.3	1.8
Global Securitised Credit Composite	12.4	-4.0	4.4	1.8	6.3	2.5
Global High Yield Securitised Credit Composite	14.1	-2.8	7.0	0.2	8.4	2.6

Source: HSBC Asset Management as at 31 December 2023.

Past performance does not predict future returns. Performance is gross of fees and would be lowered after deduction of management and administrative fees. The level of yield is not guaranteed and may rise or fall in the future.

Source: HSBC Asset Management, data as at 31 December 2023 and subject to change. Calculated in USD. Global Corporate Index: Bloomberg Barclays Global Aggregate Corporate Index(USD hedged). US corporate Index: BofA ML BBB US Corporate Index (USD Hedged). Each portfolio may differ due to client restrictions and guidelines. Individual results will vary. Data is supplemental to the GIPS® compliant report at the end of this document.

Market Review



2023 started with many economies suffering elevated inflation, with central banks looking to continue to increase interest rates until this was tamed (2022 had already seen substantial rate increases). Rates consequently rose to levels not seen since before the Global Financial Crisis (GFC) in the US, Eurozone and UK. Rates peaked in Q3 /Q4, with positioning into year end for likely rate cuts in the second half of 2024. Interest rate cuts are needed to address the recession brought on by elevated rates. The US currently is seen as having the least bad recession (a soft landing), with a harder result for the Eurozone and UK (the latter is already showing signs of economic stress).

Geopolitical tensions remained elevated, with stalemate in Ukraine and the heightened tensions in the Middle East. China continues to suffer from property market concerns and a weaker economy than many had predicted.

Spreads in Securitised Credit came into the year at historic wides compared to the GFC (excluding the period around the Covid-19 crisis). Despite the geopolitical pressures and weak economic environment, spreads plateaued in the first half of 2023, before starting to tighten in the second half. This spread contraction lagged the tightening in Fixed Income. Securitised Credit is mainly floating rate, so there is no price impact from rates / inflation concerns, but benefits from elevated base rates in coupons paid. Going into 2023, the strategies were positioned with a reasonable amount of risk, proportionate to the objectives, to benefit from both rising rates and the potential for spread tightening. Over the year, the predicted rate rises and credit spread tightening transpired.

The strategy has been to navigate a difficult market, while looking to de-risk the strategies into 2024 and a likely recession in developed markets. Any recession is likely to lead to loan losses and hence stress the securitisations. This means that the credit enhancement that is there to protect against this will likely be tested. De-risking is therefore rotating towards better enhanced tranches and loan collateral that will perform better under stress to focus even more on high quality sponsors. As a result, we have had few credit events and no defaults in the portfolios. Our exposures continue to have good credit enhancement that provide protection against economic stress, even as the economic situation deteriorates. Securitised Credit prices are not immune to sentiment and price volatility may occur even as fundamental performance remains sufficient to withstand the economic stress.

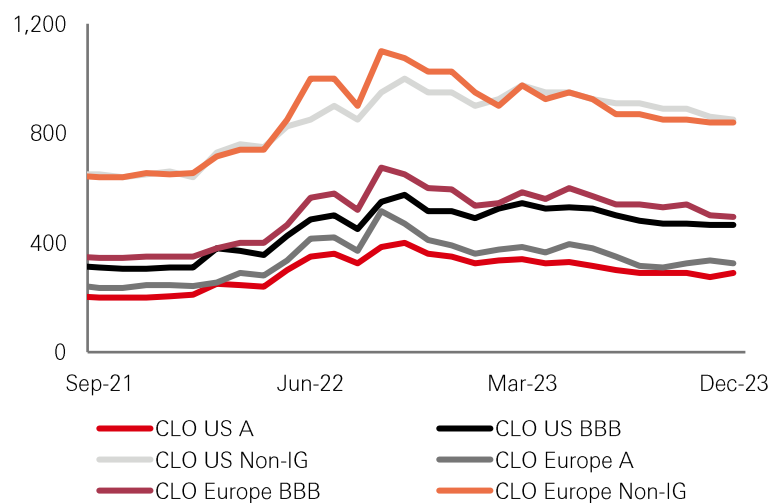
In terms of markets moves, all sectors of Securitised Credit saw a net tightening of spreads between the beginning and end of 2023. CMBS spreads remain wide compared to prior periods, reflecting the specific stress in that market. At year end, Securitised Credit spreads remain elevated and retain a significant premium to similarly rated Corporate Credit. All sectors are suffering from nervousness, with concerns over potential leverage loan losses in CLOs, borrower affordability concerns in RMBS, and concerns over offices and weaker properties in CMBS. While acknowledging the property market stress, some properties continue to thrive, including new build offices designed to accommodate the new ways of working and distribution and life science buildings.

Into 2024, as the recession evolves the ability of securitisations to withstand the stress may lead to the ability to re-risk portfolios.

Despite the concerns that a stressed economic environment poses to all sectors, credit performance to date has been acceptable and although fundamentals have weakened, they remain well within credit enhancement levels. In UK/ Australian/EU residential mortgages, delinquencies and defaults are rising, but manageable. In US CMBS, some stress level is emerging. The proportion of delinquent loans have increased to 4.2% (3.3% in December 22, 3.6% in June 23, 4.0% in Sep 23). The proportion of loans that are special serviced (formal work out) have increased to 6.0% (5.2% in June 22, 5.0% in December 22, 5.2% in June 23, 5.9% in Sep 23). In CLOs, the default rate of US leveraged loans rose to 2.1% (0.97% end 2022), some way below the peak default rate of 8.25% in the global financial crisis and a long run average default rate of 3%.

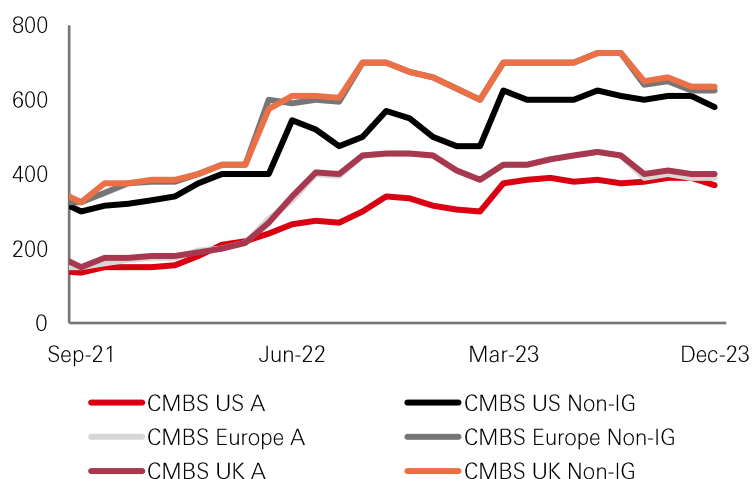
Market Review (cont'd)

Key CLO spreads by rating and region



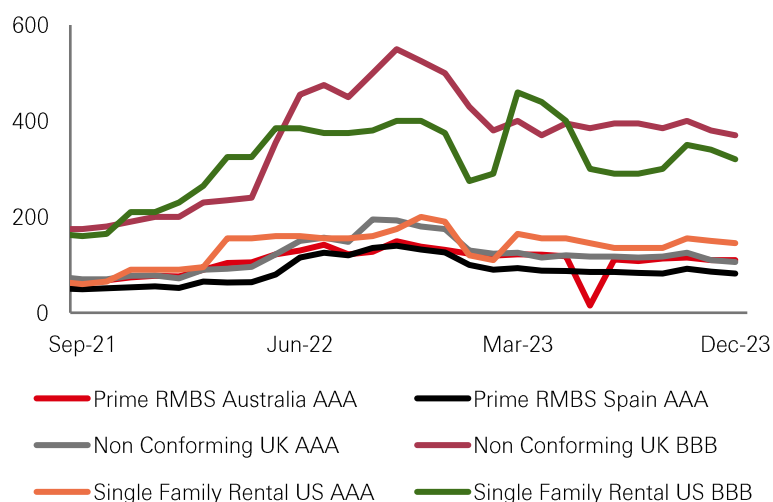
- ◆ Global CLO fundamentals remained broadly stable albeit showing signs of marginal weakening in certain areas. Default rates remain below the long run average of 3% at the end of 2023
- ◆ 2023 total CLO issuance remains below the historic highs of prior years. However, new issuance is still pretty robust and broadly in line with the historical average. Refinancing and reset activity has been minimal given wider spread levels
- ◆ CLO spreads have tightened throughout the year from wide levels at the end of 2022. Current spreads however remain relatively wide historically and present attractive investment opportunities

Key CMBS spreads by rating and region



- ◆ CMBS spreads in general widened firstly from Feb 2022 onwards since Russia's invasion of Ukraine, and then around March 2023 during US regional banks crisis. Spreads remained elevated throughout 2023, though they have started to retreat in Q4 2023
- ◆ 2023 US CMBS issuance declined due to high interest rates, tighter credit conditions and heightened geopolitical tensions. FY 2024 US issuance is expected to be higher than FY 2023
- ◆ Delinquencies have reduced in hotels, and stabilised in retail in 2023, two sectors that were most impacted by pandemic and inflationary pressures. Meanwhile delinquencies in US Office sector, mainly secondary offices, has increased amid trends of working from home

Key RMBS spreads by rating and region



- ◆ US housing reached a local low in March 2023 but appreciated the rest of the year due to low supply resulting in 6% full year HPA. In the UK and Australia, property prices started to show signs of recovery from earlier falls
- ◆ European and US spreads tightened in H1 2023 and were range-bound thereafter. The UK RMBS spread rally was more pronounced as it was a correction of the sharp widening caused by the mini-budget in Q3 of 2022
- ◆ In the US, delinquencies remained low in 2023, however we expect some deterioration in 2024 given high mortgage rates. In some non-US RMBS we have seen some performance deterioration due to the challenging macro environments for borrowers
- ◆ This has however remained contained and has not translated into higher losses thanks to generally moderate loan pool LTVs

Past performance does not predict future returns.

Source: HSBC Asset Management, data as at 31 December 2023.

Market review (cont'd)



Positioning changes and drivers of returns in 2023

- ◆ 2022 was a difficult year in most markets, with Securitised faring better than most, but still taking some small losses. Starting 2023 there was an attractive opportunity for Securitised Credit (being mainly floating rate) as interest rates rose to generate significant current income, but combined with a likely recession (induced by high rates) coming in 2024. The strategy for each portfolio was to move “up in Credit” by year end to protect against a deteriorating economic backdrop, but to rely on the healthy income to drive returns. In some cases overall average ratings remained the same (the IG fund average rating improved from AA- to AA). Portfolios were skewed towards higher rated more defensive securities as 2023 progressed. For the IG fund, AAAs went from less than 32% to 45% by year end.
- ◆ The geographic split was broadly constant for the first 9 months of the year as rates were being increased throughout the developed world. As the likely speed of interest rate cuts in 2024 was revealed as being different by country, so the portfolios tilted in the last 3 months away from the US to take advantage of higher forward looking yields outside of the US. Particular beneficiaries were Europe and Australia.
- ◆ Sector concentration also adjusted through 2023. For the investment grade portfolios, CMBS typically reduced as the conditions in the Commercial real estate market continued to deteriorate. By the end of the year, CMBS secured on secondary / older properties struggled. In particular non-Prime Offices (although all secondary properties) are finding the re-finance market difficult. For Prime commercial Properties, occupancy and performance remain robust. There are opportunities in CMBS, but specific to the credit risk pertaining to the underlying properties. Spreads on CMBS widened significantly compared to other asset classes, such that the right property exposure offers an attractive risk/return profile. Weak property CMBS are likely to continue to struggle.
- ◆ CLOs and RMBS benefitted from the re-allocation from CMBS. The underlying credit profile for both CLOs and RMBS started to deteriorate as arrears and loan defaults started to creep up (leveraged loan defaults increased from 0.3% to around 2% during 2023, compared to a long term average of 3% and Global Financial Crisis peak of 8.25%). However, overall performance appears to still be manageable and well covered by typical credit enhancement levels, such that there is increasing confidence that these sectors will continue to perform even in a recessionary environment. The CLO market recommenced issuance and conditions normalised throughout 2023 and were much better than 2022, where refinancing ceased. RMBS also had good issuance and strong investor demand.
- ◆ Returns were positive for all sectors and countries across almost all funds. CLOs were the biggest contributor to returns for most portfolios. CMBS in our portfolios, while still positive were weakest. The net positive performance reflects the portfolio concentration to better and more Prime commercial real estate. Spreads in CMBS widened, but the effect was swamped by the significant income being generated by these securities. RMBS had a solid performance throughout the year.
- ◆ For all the strategies, since Q3 the portfolios rotated up in credit to either higher rated, better protected tranches or deals where the collateral has more defensive features. We concentrate on deals with higher quality sponsors/managers/counterparties. The defensive positioning is in anticipation of a worsening economic environment in 2024. However, where a soft landing is achieved it is likely that a move back into risk assets may be justified. CMBS remains property specific.
- ◆ Although we anticipate that base rates will be cut in the second half of 2024, this will only be reflected in the coupons paid on securitised Credit after around 6 weeks when the bonds reset. It is likely that running yields on Securitised Credit will remain above long duration fixed income, where rates are pricing in deeper cuts and spreads remain much tighter than for Securitised Credit.

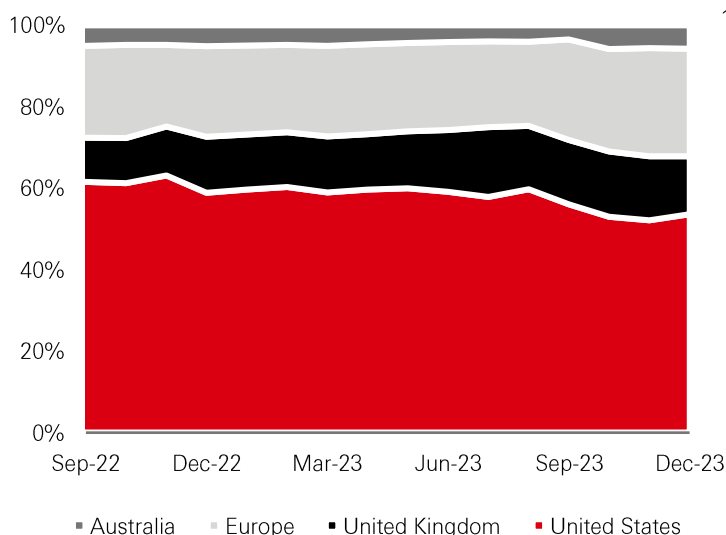
Investment Grade strategy

Supplemental information

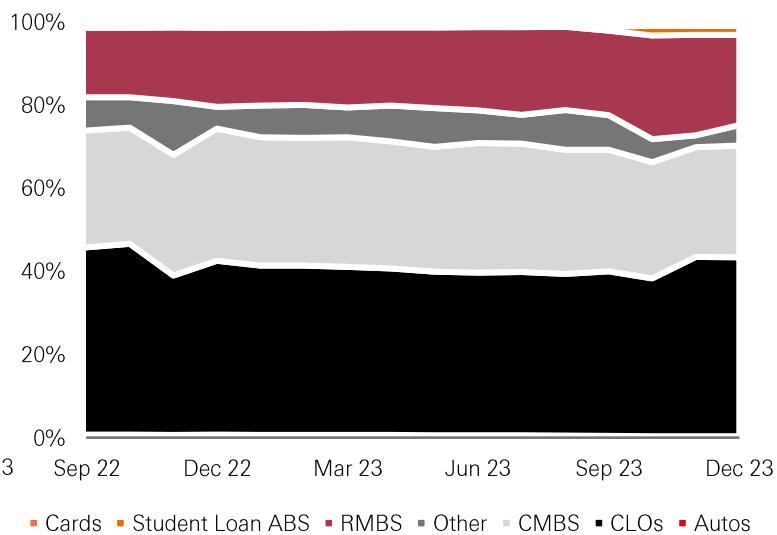
- Positioning changes Q4 2022 to Q4 2023: dynamically allocated across regions, sectors and within ratings
-

Investment Grade strategy

Region weights



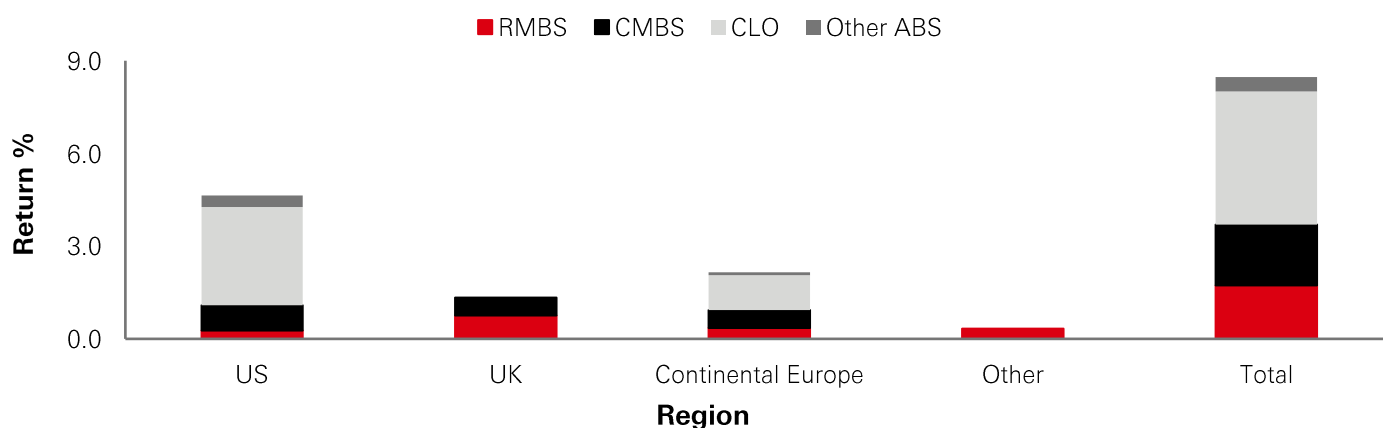
Sector weights



Main return drivers:

HSBC GIF Global Investment Grade Securitised Credit Bond fund: 8.9% (gross, in USD)

- ◆ All major sectors and regions contributed positively to returns, with CLOs being the main contributor
- ◆ CLO and CMBS returns were primarily driven by the US, whilst RMBS returns were driven by the UK
- ◆ US CLO was a key driver of performance
- ◆ US accounted for 52% of positive returns. Continental Europe accounted for 24%
- ◆ UK made a small positive contribution of around 15% of returns
- ◆ Income made up 67% of returns as a result of high interest rates



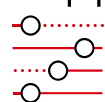
Past performance does not predict future returns.

Performance is gross of fees and would be lowered after deduction of management and administrative fees.

Source: HSBC Asset Management, data as at 31 December 2023. Data is supplemental to the GIPS® compliant report at the end of this document.

Flexible strategy

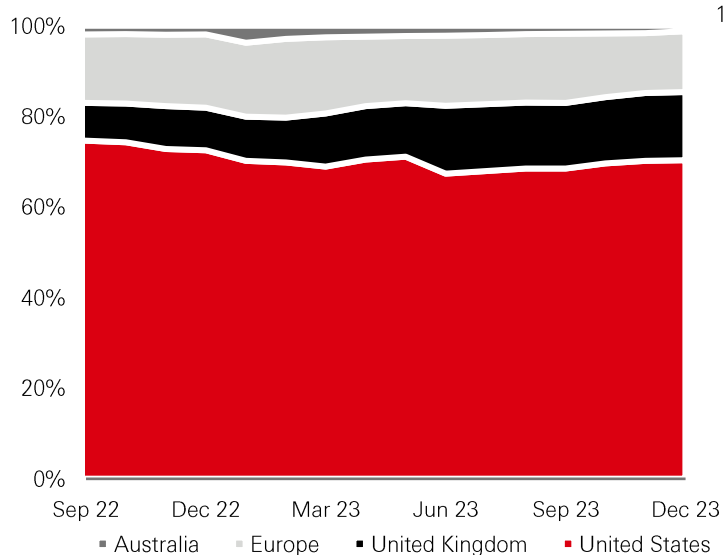
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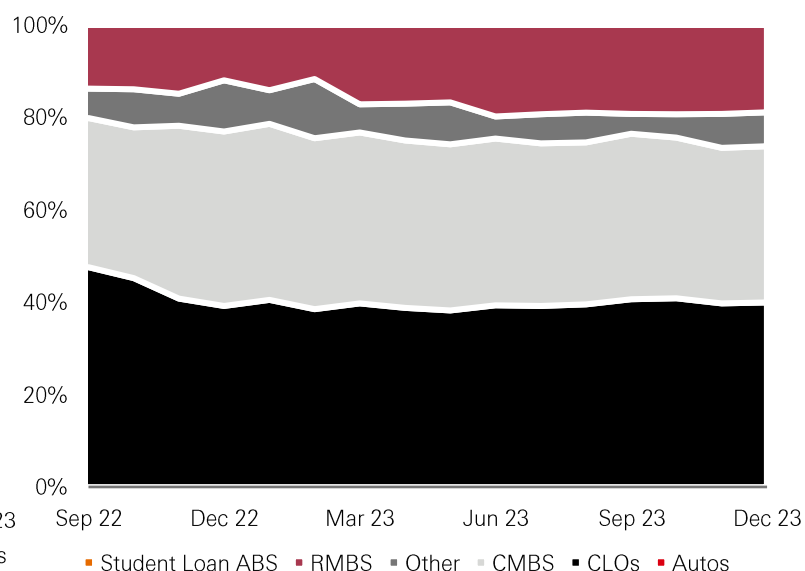
Positioning changes (cont'd):

Flexible strategy

Region weights



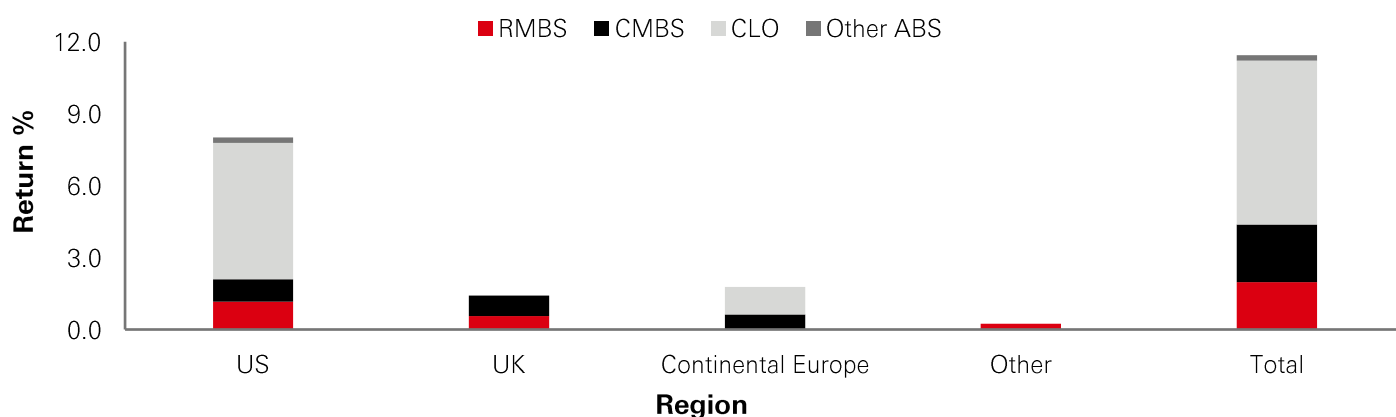
Sector weights



Main return drivers (cont'd):

HSBC GIF Global Securitised Credit Bond fund: 11.8% (gross, in USD)

- ◆ CLOs were the main drivers of returns
- ◆ US CLOs were the strongest contributor, accounting for 68% of returns
- ◆ CMBS was positive across all regions and accounted for 20% of returns
- ◆ RMBS was positive across all regions, with US RMBS accounting for 10% of returns
- ◆ Income made up 68% of returns as a result of high interest rates



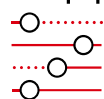
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High Yield strategy

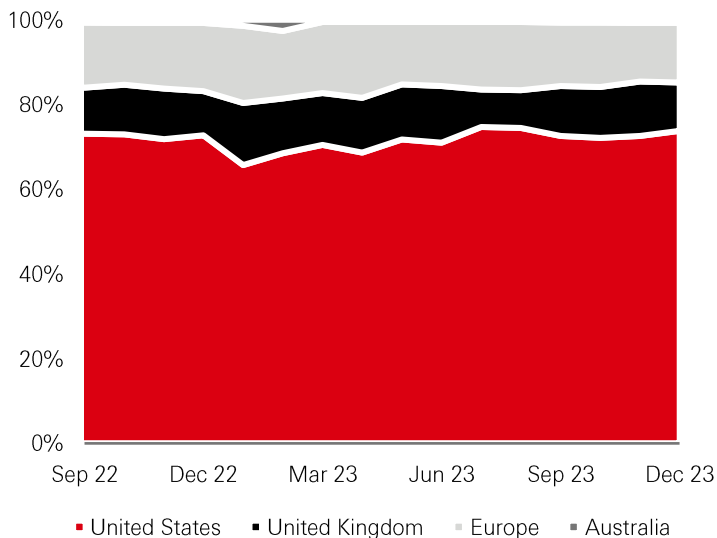
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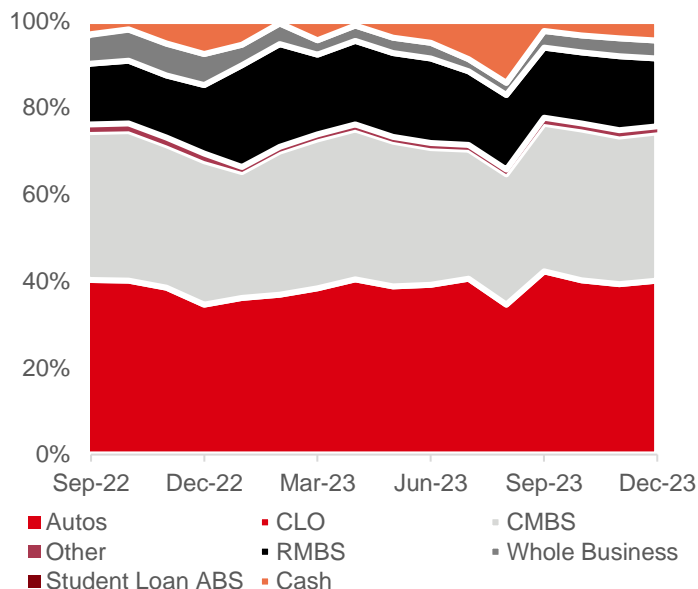
Positioning changes (cont'd):

High Yield strategy

Region weights



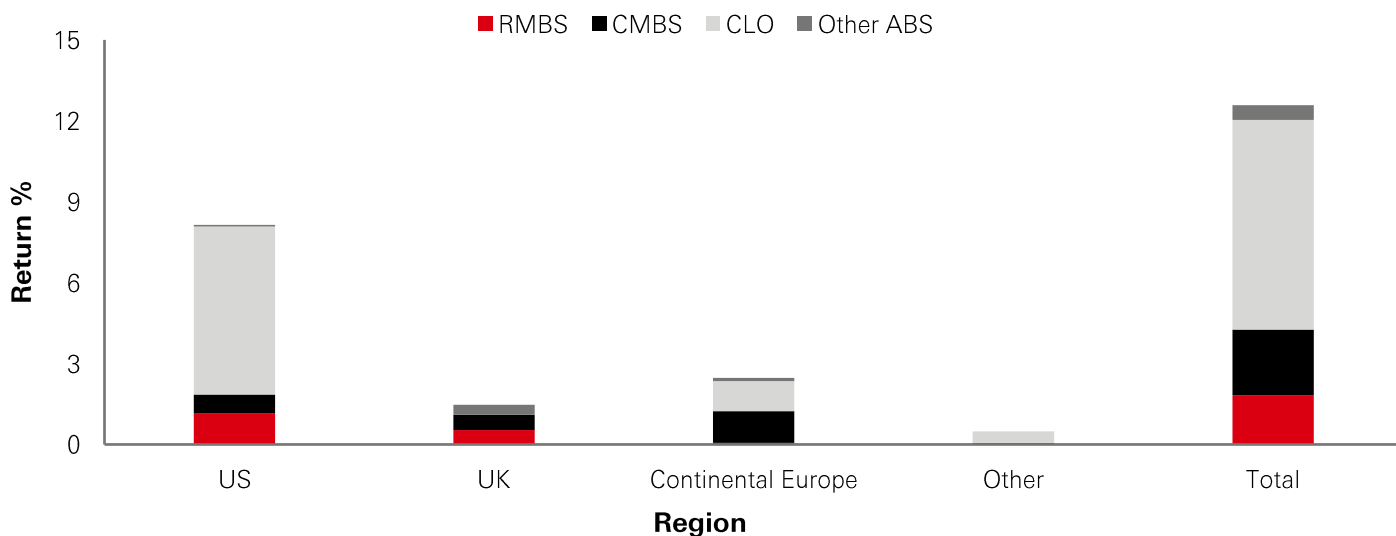
Sector weights



Main return drivers (cont'd):

HSBC GIF Global High Yield Securitized Credit Bond fund: 14.1% (gross, in USD)

- ◆ All sectors were positive to performance
- ◆ CLOs were the main contributor, largely driven by outperformance in the US which accounted for 44% of returns. European CLOs was also somewhat of a driver of performance
- ◆ European CMBS was also a contributor but to a lesser extent than US CLOs
- ◆ US RMBS and in particular single family rentals was a noteworthy positive over the year



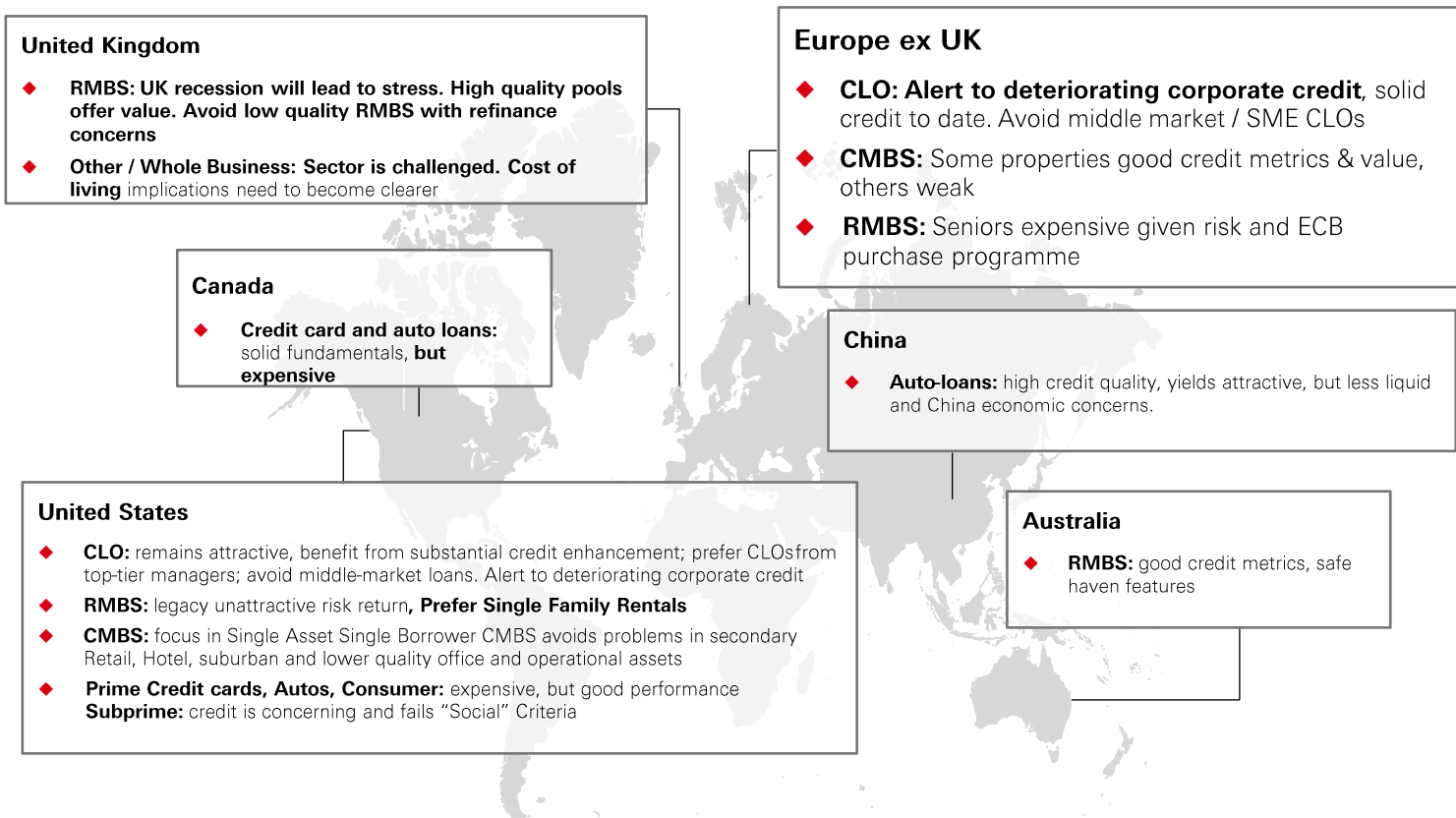
Past performance does not predict future returns.

Performance is gross of fees and would be lowered after deduction of management and administrative fees.

Source: HSBC Asset Management, data as at 31 December 2023. Data is supplemental to the GIPS® compliant report at the end of this document.

2023 Performance Review

The potential benefits of investing globally across sectors



- ◆ As we turn to 2024, Securitised Credit remains cheap relative to many fixed income asset classes given the higher spreads on offer. The significant rate rises in 2023 has meant that the sector has generated high income on top of the wide spreads. As spreads begin to tighten over 2024, we expect to see capital appreciation offset the fall in yields. Credit performance continues to be fair for Securitised Credit with deals holding up well in the face of fears of stress on borrowers' ability to pay from the significant run up in interest rates. We believe the dynamic allocation approach that served so well in 2023 will be once again a key factor in 2024 to provide stable returns and avoid areas of risk as the recession hits
- ◆ CLOs remain attractive given the returns on offer and the substantial credit enhancement. Low defaults and substantial credit enhancement means that we have preference to seek returns from CLOs. We prefer to hold high rated, more credit enhanced tranches as they will offer value given the market sell off. Our preference is to invest in broadly syndicated loan CLOs from top tier managers with extensive track records and avoid middle market loan CLOs and CRE CLOs
- ◆ For CMBS, investment cases are asset specific. CMBS focus is Single Asset Single Borrower CMBS (avoids accidental exposure to poor sectors and properties). We seek to avoid secondary Retail, secondary Hotel, Suburban office and Operational Assets. Aware of increased cost of financing with lower LTVs
- ◆ US Legacy Non-Agency RMBS is too low returning for the rating. Some non-agency sectors such as Single Family rental and CRT offer value with solid fundamentals. UK RMBS faces particular headwinds. European RMBS is typically too expensive given the risk. Australian RMBS has an attractive credit risk/return profile
- ◆ Prime Credit Cards, Autos, Leases, Consumer Loans are no longer attractive due to risk concerns. Whole Business (pubs / operating assets) is directly impacted by the consumer cost of living stress. Other ABS away from this are opportunistic

Past performance does not predict future returns.

The level of yield is not guaranteed and may rise or fall in the future.

Source: HSBC Asset Management, data as at 31 December 2023.

Global Investment Grade Securitised Credit

GIPS® report to 31 December 2023

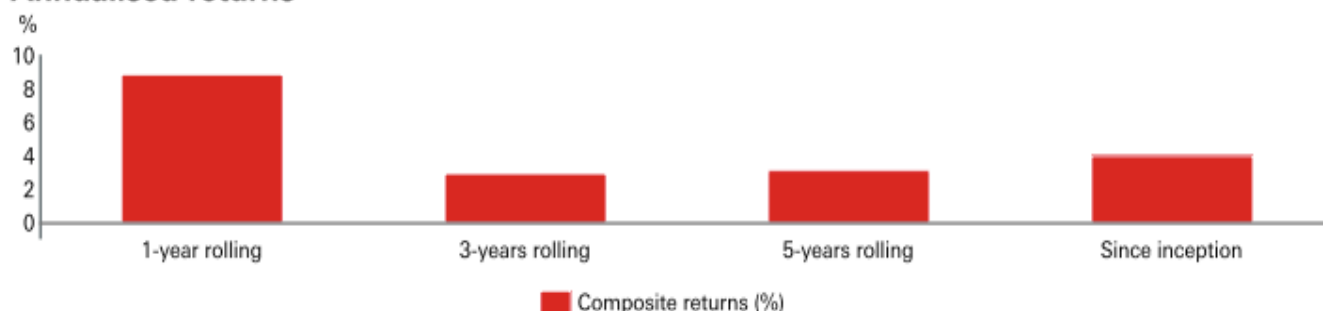


Inception date: 30 June 2010

Reporting currency: USD

Return type: Gross

Annualised returns



Period	Composite returns (%)
1-year rolling	8.90
3-years rolling	2.98
5-years rolling	3.17
Since inception	4.04

Annual and partial periods



Year	Returns	Accounts and dispersion			Risk, 3-year standard deviation	AUM		
	Composite returns (%)	Accounts at end	90th percentile returns	10th percentile returns	Composite volatility	Composite at end (m)	% firm assets	Total firm at end (m)
2023	8.90	≤5	8.90	8.90	2.37	1,971.75		
2022	(2.07)	≤5	(2.07)	(2.07)	5.38	1,256.04	0.31	399,106.53
2021	2.39	≤5	2.39	2.39	5.06	1,831.95	0.38	427,704.00
2020	1.61	≤5	1.61	1.61	5.08	783.33	0.20	401,218.93
2019	5.32	≤5	5.32	5.32	1.00	1,055.52	0.32	327,265.51
2018	1.83	≤5	1.83	1.83	1.10	508.20	0.20	253,946.01
2017	4.94	≤5	4.94	4.94	1.19	338.26	0.12	275,420.02
2016	3.70	≤5	3.70	3.70	1.16	101.12	0.04	227,899.34
2015	0.24	≤5	0.24	0.24	2.21	35.25	0.02	223,598.72
2014	5.23	≤5	5.23	5.23	2.59	35.27	0.02	223,588.34

Global Investment Grade Securitised Credit

Disclosures: Report to 31 December 2023



HSBC Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. HSBC Asset Management has been independently verified for the periods 1 January 2006 through 31 December 2021. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

The composite creation date is 25/03/2015

A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. The Firm's policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

Prior to 2011, HSBC Asset Management maintained eight distinct GIPS Firms. The Firms were defined by legal business entity. All existing group Firms were thereafter amalgamated into a single global Firm definition. Historical performance shown prior to January 1, 2006 reflects the performance of a legacy Firm GIPS composite.

HSBC Asset Management (the Firm) consists of discretionary accounts and sub-accounts managed as discrete mandates within specified local HSBC Asset Management entities. The Firm comprises the following: HSBC Global Asset Management (Deutschland) GmbH, HSBC Global Asset Management (Hong Kong) Limited, HSBC Global Asset Management (USA) Inc., HSBC Global Asset Management (France), HSBC Global Asset Management (Canada) Limited, and HSBC Global Asset Management (UK) Limited, inclusive of authorised mutual funds and mandates investing primarily in Securitised Credit (known as Asset Backed Securities (ABS) until April 2022) and Infrastructure Debt & Equity managed in these locations. The firm excludes all other portfolios and funds managed by the Alternative Investments and Securitised Credit teams (with the exception of Securitised Credit and Infrastructure Debt & Equity funds referenced herein), LDI products, French regulated employee (FCPE) schemes, and private client accounts as these products operate under a materially different philosophy and process and/or regulatory environment.

No benchmark is presented for this composite. Constituent accounts within the composite have the objective of achieving an absolute return within the investment mandate, and are assessed without reference to any index.

The Global Investment Grade Securitised Credit composite consists of all discretionary accounts and mandates, where the investment objective is to invest for total return, in a global portfolio of Securitised Credit bonds that are predominantly rated AAA to A.

Actual management fees are negotiable at the discretion of HSBC.

Performance returns are calculated gross of investment management fees and other non-trading related expenses. Gross returns were used to calculate all risk measures presented in this GIPS Composite Report.

The performance presented in this composite report is calculated net of unreclaimable withholding taxes.

Warnings: The historical performance presented in these reports should not be seen as an indication of future performance; The value of your investment and any income from it can go down as well as up. Where overseas securities are held the rate of exchange may cause the value of the investment to go down as well as up. Investors should also be aware that other performance calculation methods may produce different results, and that the results for specific portfolios and for different periods may vary from the returns presented in these reports; Comparisons of investment returns should consider qualitative circumstances and should be made only to portfolios with generally similar investment objectives. In the USA, this information is intended for use solely in one-on-one presentations.

The standard annual investment management fee for separately managed institutional accounts is 0.45% pa.

Portfolios in the composite may invest in swaps, futures, options, and forwards for the purpose of risk hedging and/or return enhancement.

The firm's gross of fee performance returns are reduced by trading expenses but do not reflect the deduction of investment advisory fees. A client's actual performance will be reduced by investment advisory fees as well as other expenses charged to a client's account. As an example, an annual investment advisory fee of 0.60% would reduce an annualized five year performance return of 5.00% (gross of investment advisory fees) to an annualized five year performance return of 4.37% (net of investment advisory fees).

The composite's net of fee returns are calculated using the highest fee rate charged amongst the current constituents in the composite as described below. The process of determining the highest fee was based on reviewing the fee structures of all the current accounts within the composite. The composite may consist of segregated managed accounts and/or pooled vehicles. For segregated managed accounts that may have a fee scale that reduces the management fee as assets under management increase, the highest fee rate of the scale will be considered. For pooled vehicles, the management fee of the fund's institutional share class are considered. The constituent determined to have the highest fee rate will have that fee rate applied evenly across the composite. The fee rate is accounted for on an accrual basis and applied monthly. Portfolios may have a performance based fee which is subject to negotiation.

The dispersion of the returns are measured by the spread of gross returns from individual portfolios within a composite. The dispersion of returns are measured by the percentiles of gross portfolio returns represented within the composite.

The GIPS Total Firm AUM is calculated and shown on a quarterly basis.

Prior to 01/09/2019 the composite was called Investment Grade Global Asset Backed Securities. The new composite name is to reflect ABS changing to Securitised Credit.

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'Global' was removed from the Firm name effective 01 December 2021 as part of rebranding, and does not affect the composition of the firm or the strategies managed within it.

Global Securitised Credit

GIPS® report to 31 December 2023

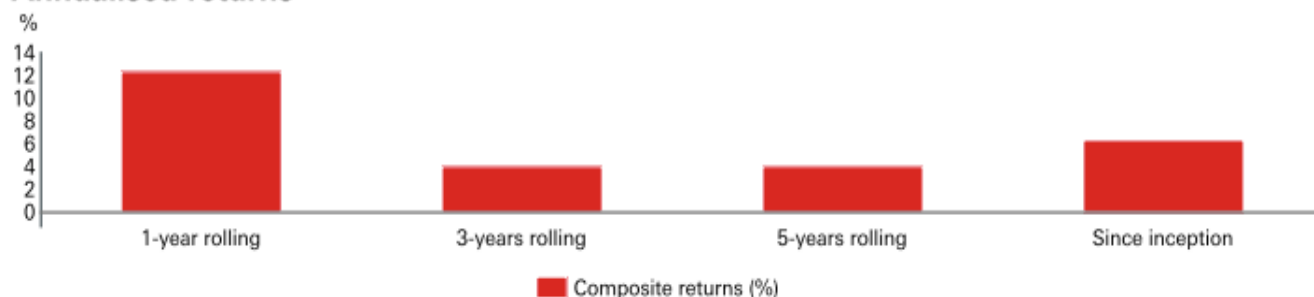


Inception date: 31 July 2010

Reporting currency: USD

Return type: Gross

Annualised returns



Period	Composite returns (%)
1-year rolling	12.37
3-years rolling	4.03
5-years rolling	4.04
Since inception	6.36

Annual and partial periods



Year	Returns	Accounts and dispersion			Risk, 3-year standard deviation	AUM		
	Composite returns (%)	Accounts at end	90th percentile returns	10th percentile returns	Composite volatility	Composite at end (m)	% firm assets	Total firm at end (m)
2023	12.37	≤5	11.96	13.04	3.70	185.50		
2022	(4.01)	≤5	(4.78)	(3.41)	9.23	170.58	0.04	399,106.53
2021	4.38	≤5	3.58	4.71	8.82	332.80	0.08	427,704.00
2020	1.81	≤5	0.33	2.23	8.83	290.17	0.07	401,218.93
2019	6.34	≤5	6.36	7.08	1.23	354.81	0.11	327,265.51
2018	2.47	≤5	2.66	2.66	2.53	222.20	0.09	253,946.01
2017	6.87	≤5	6.87	6.87	2.87	261.45	0.09	275,420.02
2016	4.47	≤5	4.47	4.47	3.31	327.25	0.14	227,899.34
2015	0.08	≤5	0.08	0.08	4.10	164.84	0.07	223,598.72
2014	11.53	≤5	11.53	11.53	4.84	162.18	0.07	223,588.34

Global Securitised Credit

Disclosures: Report to 31 December 2023



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The composite creation date is 25/03/2015

A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. The Firm's policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

Prior to 2011, HSBC Asset Management maintained eight distinct GIPS Firms. The Firms were defined by legal business entity. All existing group Firms were thereafter amalgamated into a single global Firm definition. Historical performance shown prior to January 1, 2006 reflects the performance of a legacy Firm GIPS composite.

HSBC Asset Management (the Firm) consists of discretionary accounts and sub-accounts managed as discrete mandates within specified local HSBC Asset Management entities. The Firm comprises the following: HSBC Global Asset Management (Deutschland) GmbH, HSBC Global Asset Management (Hong Kong) Limited, HSBC Global Asset Management (USA) Inc., HSBC Global Asset Management (France), HSBC Global Asset Management (Canada) Limited, and HSBC Global Asset Management (UK) Limited, inclusive of authorised mutual funds and mandates investing primarily in Securitised Credit (known as Asset Backed Securities (ABS) until April 2022) and Infrastructure Debt & Equity managed in these locations. The firm excludes all other portfolios and funds managed by the Alternative Investments and Securitised Credit teams (with the exception of Securitised Credit and Infrastructure Debt & Equity funds referenced herein), LDI products, French regulated employee (FCPE) schemes, and private client accounts as these products operate under a materially different philosophy and process and/or regulatory environment.

No benchmark is presented for this composite. Constituent accounts within the composite have the objective of achieving an absolute return within the investment mandate, and are assessed without reference to any index.

The Global Securitised Credit composite consists of all discretionary accounts and mandates, where the investment objective is to invest for total return, in a global portfolio of Securitised Credit bonds that are predominantly rated BBB to BB.

Actual management fees are negotiable at the discretion of HSBC.

Performance returns are calculated gross of investment management fees and other non-trading related expenses. Gross returns were used to calculate all risk measures presented in this GIPS Composite Report.

The performance presented in this composite report is calculated net of unreclaimable withholding taxes.

Warnings: The historical performance presented in these reports should not be seen as an indication of future performance; The value of your investment and any income from it can go down as well as up. Where overseas securities are held the rate of exchange may cause the value of the investment to go down as well as up. Investors should also be aware that other performance calculation methods may produce different results, and that the results for specific portfolios and for different periods may vary from the returns presented in these reports; Comparisons of investment returns should consider qualitative circumstances and should be made only to portfolios with generally similar investment objectives. In the USA, this information is intended for use solely in one-on-one presentations.

Portfolios in the composite may invest in swaps, futures, options, and forwards for the purpose of risk hedging and/or return enhancement.

The standard annual investment management fee for separately managed institutional accounts is 0.60% pa.

The firm's gross of fee performance returns are reduced by trading expenses but do not reflect the deduction of investment advisory fees. A client's actual performance will be reduced by investment advisory fees as well as other expenses charged to a client's account. As an example, an annual investment advisory fee of 0.60% would reduce an annualized five year performance return of 5.00% (gross of investment advisory fees) to an annualized five year performance return of 4.37% (net of investment advisory fees).

The composite's net of fee returns are calculated using the highest fee rate charged amongst the current constituents in the composite as described below. The process of determining the highest fee was based on reviewing the fee structures of all the current accounts within the composite. The composite may consist of segregated managed accounts and/or pooled vehicles. For segregated managed accounts that may have a fee scale that reduces the management fee as assets under management increase, the highest fee rate of the scale will be considered. For pooled vehicles, the management fee of the fund's institutional share class is considered. The constituent determined to have the highest fee rate will have that fee rate applied evenly across the composite. The fee rate is accounted for on an accrual basis and applied monthly. Portfolios may have a performance based fee which is subject to negotiation.

The dispersion of the returns are measured by the spread of gross returns from individual portfolios within a composite. The dispersion of returns are measured by the percentiles of gross portfolio returns represented within the composite.

The GIPS Total Firm AUM is calculated and shown on a quarterly basis.

Prior to 01/09/2019 the composite was called Crossover Global Asset Backed Securities. The new composite name is to reflect ABS changing to Securitised Credit.

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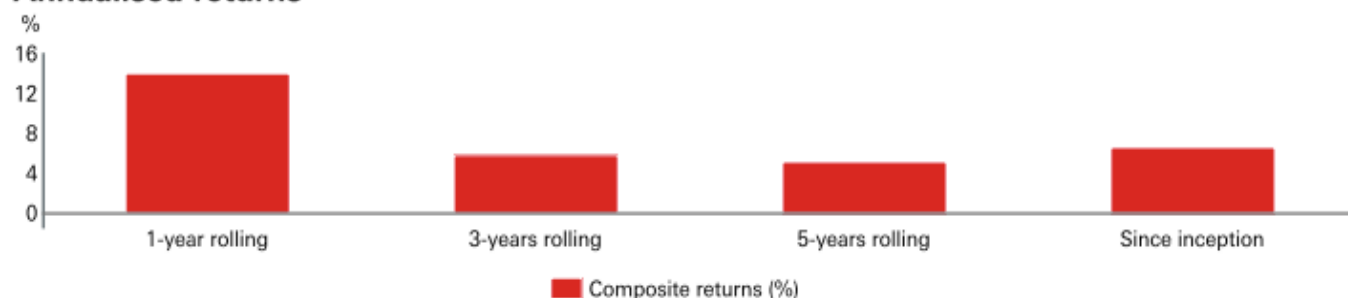
Global High Yield Securitised Credit

GIPS® report to 31 December 2023



Inception date:	31 August 2010
Reporting currency:	USD
Return type:	Gross

Annualised returns



Period	Composite returns (%)
1-year rolling	14.05
3-years rolling	5.85
5-years rolling	5.18
Since inception	6.64

Annual and partial periods



Year	Returns	Accounts and dispersion			Risk, 3-year standard deviation	AUM		
	Composite returns (%)	Accounts at end	90th percentile returns	10th percentile returns	Composite volatility	Composite at end (m)	% firm assets	Total firm at end (m)
2023	14.05	≤5	14.05	14.05	3.98	77.25		
2022	(2.81)	≤5	(2.81)	(2.81)	12.07	85.44	0.02	399,106.53
2021	7.00	≤5	7.00	7.00	11.77	217.28	0.05	427,704.00
2020	0.17	≤5	0.17	0.17	11.81	155.03	0.04	401,218.93
2019	8.37	≤5	8.37	8.37	2.41	164.03	0.05	327,265.51
2018	2.63	≤5	2.63	2.63	4.64	197.62	0.08	253,946.01
2017	10.14	≤5	10.14	10.14	4.72	184.86	0.07	275,420.02
2016	9.87	≤5	9.87	9.87	4.65	219.30	0.10	227,899.34
2015	(0.12)	≤5	(0.12)	(0.12)	3.28	105.13	0.05	223,598.72
2014	7.53	≤5	7.53	7.53	2.90	52.52	0.02	223,588.34

Global High Yield Securitised Credit

Disclosures: Report to 31 December 2023



HSBC Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. HSBC Asset Management has been independently verified for the periods 1 January 2006 through 31 December 2021. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

The composite creation date is 25/03/2015

A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. The Firm's policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

Prior to 2011, HSBC Asset Management maintained eight distinct GIPS Firms. The Firms were defined by legal business entity. All existing group Firms were thereafter amalgamated into a single global Firm definition. Historical performance shown prior to January 1, 2006 reflects the performance of a legacy Firm GIPS composite.

HSBC Asset Management (the Firm) consists of discretionary accounts and sub-accounts managed as discrete mandates within specified local HSBC Asset Management entities. The Firm comprises the following: HSBC Global Asset Management (Deutschland) GmbH, HSBC Global Asset Management (Hong Kong) Limited, HSBC Global Asset Management (USA) Inc., HSBC Global Asset Management (France), HSBC Global Asset Management (Canada) Limited, and HSBC Global Asset Management (UK) Limited, inclusive of authorised mutual funds and mandates investing primarily in Securitised Credit (known as Asset Backed Securities (ABS) until April 2022) and Infrastructure Debt & Equity managed in these locations. The firm excludes all other portfolios and funds managed by the Alternative Investments and Securitised Credit teams (with the exception of Securitised Credit and Infrastructure Debt & Equity funds referenced herein), LDI products, French regulated employee (FCPE) schemes, and private client accounts as these products operate under a materially different philosophy and process and/or regulatory environment.

No benchmark is presented for this composite. Constituent accounts within the composite have the objective of achieving an absolute return within the investment mandate, and are assessed without reference to any index.

The Global High Yield Securitised Credit composite consists of all discretionary accounts and mandates, where the investment objective is to invest for total return, in a global portfolio of Securitised Credit bonds, where the majority of securities are non-investment grade rated.

Actual management fees are negotiable at the discretion of HSBC.

Performance returns are calculated gross of investment management fees and other non-trading related expenses. Gross returns were used to calculate all risk measures presented in this GIPS Composite Report.

The performance presented in this composite report is calculated net of unreclaimable withholding taxes.

Warnings: The historical performance presented in these reports should not be seen as an indication of future performance; The value of your investment and any income from it can go down as well as up. Where overseas securities are held the rate of exchange may cause the value of the investment to go down as well as up. Investors should also be aware that other performance calculation methods may produce different results, and that the results for specific portfolios and for different periods may vary from the returns presented in these reports; Comparisons of investment returns should consider qualitative circumstances and should be made only to portfolios with generally similar investment objectives. In the USA, this information is intended for use solely in one-on-one presentations.

The standard annual investment management fee for separately managed institutional accounts is 0.75% pa.

Portfolios in the composite may invest in swaps, futures, options, and forwards for the purpose of risk hedging and/or return enhancement.

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The composite's net of fee returns are calculated using the highest fee rate charged amongst the current constituents in the composite as described below. The process of determining the highest fee was based on reviewing the fee structures of all the current accounts within the composite. The composite may consist of segregated managed accounts and/or pooled vehicles. For segregated managed accounts that may have a fee scale that reduces the management fee as assets under management increase, the highest fee rate of the scale will be considered. For pooled vehicles, the management fee of the fund's institutional share class are considered. The constituent determined to have the highest fee rate will have that fee rate applied evenly across the composite. The fee rate is accounted for on an accrual basis and applied monthly. Portfolios may have a performance based fee which is subject to negotiation.

The dispersion of the returns are measured by the spread of gross returns from individual portfolios within a composite. The dispersion of returns are measured by the percentiles of gross portfolio returns represented within the composite.

The GIPS Total Firm AUM is calculated and shown on a quarterly basis.

Prior to 01/09/2019 the composite was called High Yield Global Asset Backed Securities. The new composite name is to reflect ABS changing to Securitised Credit.

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Key risks

The value of investments and any income from them can go down as well as us and investors may not get back the amount originally invested.

- ◆ **Interest Rate Risk:** As interest rates rise debt securities will fall in value. The value of debt is inversely proportional to interest rate movements.
- ◆ **Counterparty Risk:** The possibility that the counterparty to a transaction may be unwilling or unable to meet its obligations.
- ◆ **Credit Risk:** Issuers of debt securities may fail to meet their regular interest and/or capital repayment obligation. All credit instruments therefore have the potential for default. Higher yielding securities are more likely to default.
- ◆ **Default Risk:** The issuers of certain bonds could become unwilling or unable to make payments on their bonds.
- ◆ **Emerging Markets Risk:** Emerging markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.
- ◆ **Exchange Rate Risk:** Investing in assets denominated in a currency other than that of the investor's own currency perspective exposes the value of the investment to exchange rate fluctuations.
- ◆ **Investment Leverage Risk:** 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.
- ◆ **Asset Backed Securities (ABS) Risk:** ABS are typically constructed from pools of assets (e.g. mortgages) that individually have an option for early settlement or extension, and have potential for default. Cash flow terms of the ABS may change and significantly impact both the value and liquidity of the contract.
- ◆ **Derivatives Risk:** The value of derivative contracts is dependent upon the performance of an underlying asset. A small movement in the value of the underlying can cause a large movement in the value of the derivative. Unlike exchange traded derivatives, over-the-counter (OTC) derivatives have credit risk associated with the counterparty or institution facilitating the trade.
- ◆ **High Yield Risk:** Higher yielding debt securities characteristically bear greater credit risk than investment grade and/or government securities.
- ◆ **Liquidity Risk:** Liquidity is a measure of how easily an investment can be converted to cash without a loss of capital and/or income in the process. The value of assets may be significantly impacted by liquidity risk during adverse markets conditions.
- ◆ **Operational Risk:** The main risks are related to systems and process failures. Investment processes are overseen by independent risk functions which are subject to independent audit and supervised by regulators.

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

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The decision to invest in the fund should take account of all the characteristics or objectives as described in the prospectus or equivalent document. Detailed information for article 8 and 9 sustainable investment products, as categorised under the Sustainable Finance Disclosure Regulation (SFDR), including; description of the environmental or social characteristics or the sustainable investment objective; methodologies used to assess, measure and monitor the environmental or social characteristics and the impact of the selected sustainable investments and; objectives and benchmark information, can be found at: <https://www.assetmanagement.hsbc.co.uk/en/intermediary/investment-expertise/sustainable-investments/sustainable-investment-product-offering>

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The long term nature of investment in property and the income generated tend to make this type of investment less volatile than equities although it can be difficult to buy and/or sell quickly. Where the underlying funds invest directly in property, the property in the fund may not be readily realisable, and the Manager of the fund may apply a deferral on redemption requests. The value of property is generally a matter of the valuer's opinion rather than fact.

The fund may use derivatives for the purposes of efficient portfolio management i.e. to meet the investment objective of the Fund and it is not intended that their use will raise the overall risk profile of the Fund. Please note derivative instruments may involve a high degree of financial risk. These risks include the risk that a small movement in the price of an underlying security or benchmark may result in disproportionately large movement; unfavourable or favourable in the price of the derivative instrument; the risk of default by counterparty; and the risk that transactions may not be liquid. There are additional risks associated with specific alternative investments within the portfolios; these investments may be less readily realisable than others and it may therefore be difficult to sell in a timely manner at a reasonable price or to obtain reliable information about their value; there may also be greater potential for significant price movements.

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