

HSBC Global Investment Funds

GLOBAL SHORT DURATION BOND

Monthly report 29 February 2024 | Share class AM2

Fund center



Risk Disclosure

- The Fund invests mainly in fixed income securities with an average duration between 6 months and 3 years.
- The Fund may pay dividends out of capital or gross of expenses. Dividend is not guaranteed and may result in capital erosion and reduction in net asset value.
- The Fund may invest in financial derivative instruments for investment purpose which may lead to higher volatility to its net asset value.
- The Fund's investments may involve substantial credit, credit rating, currency, volatility, liquidity, general debt securities, non-investment grade and unrated debt securities, sovereign debt, emerging markets, interest rate, valuation, tax and political risks. Investors may suffer substantial loss of their investments in the Fund.
- Portfolio Currency Hedged Share Classes or RMB denominated class are subject to higher currency and exchange rate risks.
- Investors should not invest solely based on factsheet and should read the offering documents for details.



Investment objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of short duration bonds, while promoting environmental, social and governance (ESG) characteristics within the meaning of Article 8 of SFDR. The Fund aims to have a higher ESG rating than its reference benchmark.



Investment strategy

The Fund is actively managed. In normal market conditions, the Fund invests a minimum of 70% in investment grade bonds and non-investment grade bonds issued by governments, government-related entities, supranational entities and companies that are based in developed or emerging markets. The Fund's average duration is expected to be between six months and three years with up to 10% of assets in bonds with a maturity longer than five years. The Fund will not invest in bonds issued by companies with involvement in specific excluded activities, such as: companies involved in the production of controversial weapons and tobacco. The Fund may invest up to 30% in bonds issued in emerging markets, up to 20% in non-investment grade bonds; up to 10% in onshore Chinese bonds; up to 30% in asset-backed securities; 10% in contingent convertible securities and 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.

Share Class Details

Key metrics

NAV per Share	USD 9.55
Yield to maturity	5.16%

Fund facts

UCITS V compliant	Yes
Dividend treatment	Distributing
Distribution Frequency	Monthly
Dividend ex-date	29 February 2024
Dividend annualised yield*	6.34%
Dividend Amount	0.048994
Dealing frequency	Daily
Share Class Base Currency	USD
Domicile	Luxembourg
Inception date	6 December 2018
Fund Size	USD 2,116,986,633
Reference benchmark	100% Bloomberg Global Aggregate 1-3 Years Hedged USD
Managers	Oliver Boulind Ernst Josef Osiander

Fees and expenses

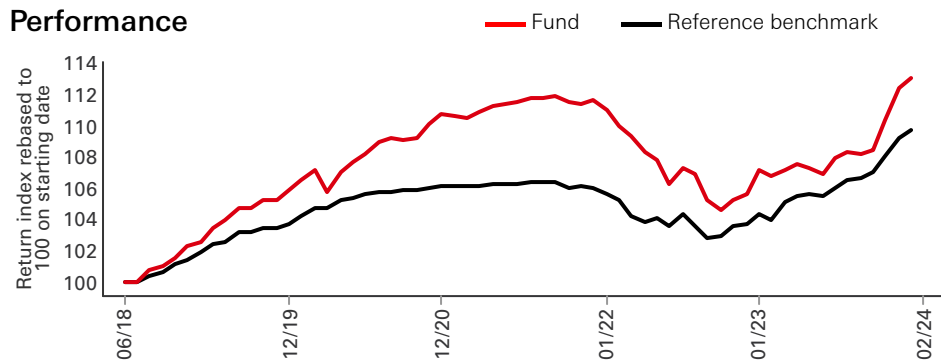
Minimum initial investment (HK) ¹	USD 1,000
Maximum initial charge (HK)	3.000%
Management fee	0.500%

Codes

ISIN	LU1819532174
Bloomberg ticker	HGSDAM2 LX

¹Please note that initial minimum subscription may vary across different distributors

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years	5 years
AM2	0.13	-0.46	1.97	3.92	5.41	1.80	11.38
Reference benchmark	0.31	-0.10	1.40	2.88	5.38	3.28	8.94

Calendar year performance (%)	2019	2020	2021	2022	2023
AM2	5.81	4.63	0.82	-5.38	6.39
Reference benchmark	3.72	2.32	-0.07	-2.27	5.40

The calendar year return of the first year is calculated between share class inception date and calendar year end of first year if the share class has less than 5-year history.
Results are cumulative

Carbon footprint	Fund	Reference benchmark	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	238.47	274.97	Fund	6.6	6.6	5.9	5.9
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO ₂ e/USD million) Source of analytics: Trucost			Reference benchmark	6.0	5.2	6.6	6.0

3-Year Risk Measures	AM2	Reference benchmark	5-Year Risk Measures	AM2	Reference benchmark
Volatility	2.59%	1.68%	Volatility	2.34%	1.39%
Sharpe ratio	-0.70	-0.78	Sharpe ratio	0.09	-0.17
Tracking error	1.53%	--	Tracking error	1.50%	--
Information ratio	-0.32	--	Information ratio	0.30	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	382	7,956	--
Average coupon rate	4.10	2.34	1.76
Portfolio yield	5.06%	3.78%	1.28%
Effective duration	2.61	1.79	0.82
Average maturity	3.34	1.88	1.46
Average Credit Quality	A+/A	AA-/A+	--

Credit rating (%)	Fund	Reference benchmark	Relative	Maturity Breakdown (Effective duration)	Fund	Reference benchmark	Relative
AAA	18.84	14.56	4.27	0-1 year	0.03	0.00	0.02
AA	13.57	38.36	-24.79	1-3 years	1.66	1.78	-0.13
A	23.19	33.32	-10.13	3-5 years	0.90	--	0.90
BBB	33.18	13.76	19.42	5+ years	0.03	--	0.03
BB	7.26	--	7.26	Total	2.61	1.79	0.82
B	0.64	--	0.64				
NR	0.83	--	0.83				
Cash	2.50	--	2.50				

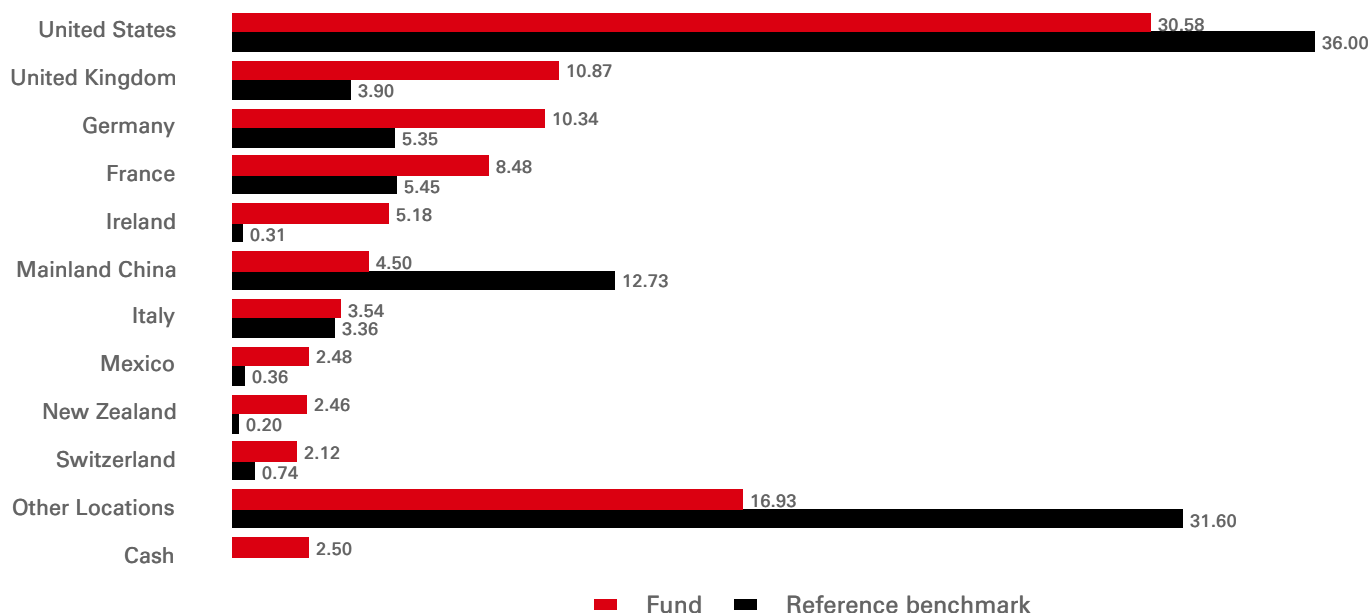
Past performance does not predict future returns. The figures are calculated in the share class base currency, NAV to NAV basis with dividend reinvested, net of fees. If investment performance is not denominated in HKD or USD, HKD or USD based investors are exposed to exchange rate fluctuations. *The fund may pay dividends out of capital or gross of expenses.
For definition of terms, please refer to the Glossary QR code.

Source: HSBC Asset Management, data as at 29 February 2024

Currency bloc allocation (Effective duration)	Fund	Reference benchmark	Relative
Dollar	1.47	0.84	0.63
Euro	0.69	0.45	0.23
EM Local Currency	0.27	0.26	0.01
UK	0.16	0.07	0.09
Japan	0.02	0.16	-0.15
Total	2.61	1.79	0.82

Currency Allocation (%)	Fund	Reference benchmark	Relative
USD	94.43	100.00	-5.57
CNY	4.51	--	4.51
JPY	1.87	--	1.87
MXN	1.07	--	1.07
AUD	0.95	--	0.95
INR	0.94	--	0.94
IDR	0.46	--	0.46
EUR	0.16	--	0.16
GBP	0.11	--	0.11
NZD	0.03	--	0.03
Other Currencies	-4.53	--	-4.53

Geographical Allocation (%)



Sector Allocation (%)	Fund	Reference benchmark	Relative
Treasuries	30.41	56.48	-26.07
Corp Fin	27.06	10.09	16.97
Corp Non-fin	22.46	9.53	12.93
Collateralised	14.50	4.60	9.90
Supra/agencies	5.58	18.25	-12.67
US Agency Mbs	--	1.05	-1.05

Top 10 Holdings	Weight (%)
US TREASURY N/B 1.500 31/01/27	4.42
DEUTSCHLAND REP 0.250 15/02/27	3.93
BUNDESUBL-184 0.000 09/10/26	3.47
US TREASURY N/B 2.250 15/02/27	2.92
US TREASURY N/B 4.000 15/01/27	1.94
CHINA GOVT BOND 3.010 13/05/28	1.46
CHINA GOVT BOND 2.400 15/07/28	1.31
NEW ZEALAND GVT 0.250 15/05/28	1.19
MEXICAN BONOS 8.500 31/05/29	1.05
MEXICAN BONOS 7.500 03/06/27	1.01

Monthly performance commentary

Performance review

For the month, the fund underperformed its benchmark. On an absolute basis, performance was negative. Short maturity interest rates were higher in the US and Europe. Overall the rates movements produced a negative performance contribution given the large overweight on duration. Credit market spreads were tighter on the month, which added to performance given the strategy remains risk facing. Holdings in Securitised contributed positively to performance.

FX performance was negative as the broad USD continued to appreciate versus all DM currencies as the market continued to price out rate cuts for 2024. In that context, the long JPY position once again underperformed followed by the AUD and other high beta currencies. Our defensive exposure in EMFX via long IDR and INR versus USD proved very resilient over the month.

Strategy

We continued to invest inflows into both new issues and the secondary market. The fund AUM stands around \$2.16bn. Some of the inflows have been used to naturally dilute the overall credit risk. We continue to remain moderately risk facing and we will look to reload credit risk in the event of further widening. An overweight duration position to Mexican rates was added, with the rationale being for Banxico to cut rates before the Fed.

Ten lowest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO ² e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO ² e/USD million)
PHOENIX GRP HLD PLC	0.42	SVEGNO 0.01 11/11/26 EMTN	0.06
SYNCHRONY BANK	0.64	SBAB 0.125 08/27/26 EMTN	0.06
ALD SA	0.71	SBAB 0.5 06/11/25 146	0.06
HISCOX LTD	0.77	FRPTT 0.625 10/21/26 EMTN	0.08
MASSMUTUAL GLOBAL FUNDIN	0.81	CNPFP V4.25 06/05/45	0.08
QBE INSURANCE GROUP LTD	1.29	FRLBP 0.25 07/12/26 EMTN	0.08
CREDIT SUISSE AG LONDON	1.48	LBPSFH 0.5 01/30/26 EMTN	0.08
HEATHROW FUNDING LTD	1.83	SRBANK 0.01 10/08/26 EMTN	0.09
ATHENE GLOBAL FUNDING	1.88	SRBANK 0.25 11/09/26 EMTN	0.09
JACKSON NATL LIFE GLOBAL	2.13	JUSTLN V7 04/15/31	0.11

Ten highest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO ² e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO ² e/USD million)
SAUDI ELECTRICITY SUKUK	11,107.54	NTPCIN 2.75 02/01/27 EMTN	17,616.66
SOUTHERN CO	2,906.91	KALLPA 4.875 05/24/26 REGS	7,276.37
COLUMBIA PIPELINE HOLDCO	2,019.07	CPXCN 4.986 01/23/26 MTN	7,088.87
VEOLIA ENVIRONNEMENT SA	754.61	VST 3.7 01/30/27 144A	6,920.55
DIGITAL DUTCH FINCO BV	741.14	GDHJIN 1.875 06/23/25	6,812.49
OCCIDENTAL PETROLEUM COR	612.95	CNL 3.743 05/01/26	5,516.85
ENEL SPA	392.81	GZGETH 2.85 01/19/27	5,485.99
ENEL FINANCE INTL NV	392.81	HKE 2.875 05/03/26 EMTN	4,913.81
PETROBRAS GLOBAL FINANCE	384.29	EVRG 2.55 07/01/26	4,775.06
ENERGEAN ISRAEL FINANCE	346.66	EVRG 3.65 08/15/25	4,775.06

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at Tel: 852 2284 1111.

Website:
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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 performance relative to the benchmark is monitored, but not constrained, to a defined range.

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Source: HSBC Asset Management, data as at 29 February 2024

Supplemental information sheet

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Dividend Amount	Annualised Yield based on ex-dividend date
AC	USD	--	--	--	--
AM2	USD	Monthly	29 February 2024	0.048994	6.34%
AM2	USD	Monthly	31 January 2024	0.049362	6.32%
AM2	USD	Monthly	28 December 2023	0.049989	6.41%
AM2	USD	Monthly	30 November 2023	0.049310	6.40%
AM2	USD	Monthly	31 October 2023	0.048886	6.43%
AM2	USD	Monthly	27 September 2023	0.049077	6.44%
AM2	USD	Monthly	30 August 2023	0.049176	6.41%
AM2	USD	Monthly	27 July 2023	0.049316	6.43%
AM2	USD	Monthly	27 June 2023	0.046984	6.12%
AM2	USD	Monthly	31 May 2023	0.047159	6.10%
AM2	USD	Monthly	28 April 2023	0.047705	6.13%
AM2	USD	Monthly	29 March 2023	0.047715	6.12%
AM2HKD	HKD	Monthly	29 February 2024	0.049081	6.33%
AM2HKD	HKD	Monthly	31 January 2024	0.049388	6.32%
AM2HKD	HKD	Monthly	28 December 2023	0.049978	6.40%
AM2HKD	HKD	Monthly	30 November 2023	0.049222	6.39%
AM2HKD	HKD	Monthly	31 October 2023	0.048958	6.42%
AM2HKD	HKD	Monthly	27 September 2023	0.049114	6.43%
AM2HKD	HKD	Monthly	30 August 2023	0.049388	6.41%
AM2HKD	HKD	Monthly	27 July 2023	0.049321	6.43%
AM2HKD	HKD	Monthly	27 June 2023	0.047097	6.12%
AM2HKD	HKD	Monthly	31 May 2023	0.047302	6.11%
AM2HKD	HKD	Monthly	28 April 2023	0.047942	6.13%
AM2HKD	HKD	Monthly	29 March 2023	0.047952	6.12%
AM3HAUD	AUD	Monthly	29 February 2024	0.038634	5.00%
AM3HAUD	AUD	Monthly	31 January 2024	0.039554	5.07%
AM3HAUD	AUD	Monthly	28 December 2023	0.040190	5.16%
AM3HAUD	AUD	Monthly	30 November 2023	0.038722	5.03%
AM3HAUD	AUD	Monthly	31 October 2023	0.037892	4.98%
AM3HAUD	AUD	Monthly	27 September 2023	0.037442	4.91%
AM3HAUD	AUD	Monthly	30 August 2023	0.038889	5.07%
AM3HAUD	AUD	Monthly	27 July 2023	0.040584	5.29%
AM3HAUD	AUD	Monthly	27 June 2023	0.035119	4.57%
AM3HAUD	AUD	Monthly	31 May 2023	0.034166	4.41%
AM3HAUD	AUD	Monthly	28 April 2023	0.035277	4.52%
AM3HAUD	AUD	Monthly	29 March 2023	0.036332	4.66%
AM3HCAD	CAD	Monthly	29 February 2024	0.048208	5.81%
AM3HCAD	CAD	Monthly	31 January 2024	0.047499	5.67%
AM3HCAD	CAD	Monthly	28 December 2023	0.048176	5.75%
AM3HEUR	EUR	Monthly	29 February 2024	0.038688	4.65%
AM3HEUR	EUR	Monthly	31 January 2024	0.037433	4.45%
AM3HEUR	EUR	Monthly	28 December 2023	0.038108	4.53%
AM3HGBP	GBP	Monthly	29 February 2024	0.049916	6.02%
AM3HGBP	GBP	Monthly	31 January 2024	0.049753	5.94%
AM3HGBP	GBP	Monthly	28 December 2023	0.050427	6.02%
AM3HJPY	JPY	Monthly	--	--	--

The above table cites the last dividend paid within the last 12 months only.

Dividend is not guaranteed and may be paid out of capital, which will result in capital erosion and reduction in net asset value. A positive distribution yield does not imply a positive return. Past distribution yields and payments do not represent future distribution yields and payments. Historical payments may be comprised of both distributed income and capital.

The calculation method of annualised yield from August 2019 is the compound yield calculation: $((1 + (\text{dividend amount} / \text{ex-dividend NAV}))^n)^{1/n} - 1$, n depends on the distributing frequency. Annually distribution is 1; semi-annually distribution is 2; quarterly distribution is 4; monthly distribution is 12.

The annualised dividend yield is calculated based on the dividend distribution on the relevant date with dividend reinvested, and may be higher or lower than the actual annual dividend yield.

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Source: HSBC Asset Management, data as at 29 February 2024

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Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Dividend Amount	Annualised Yield based on ex-dividend date
AM3HRMB	CNH	Monthly	29 February 2024	0.027818	3.57%
AM3HRMB	CNH	Monthly	31 January 2024	0.025132	3.19%
AM3HRMB	CNH	Monthly	28 December 2023	0.025763	3.27%
AM3HRMB	CNH	Monthly	30 November 2023	0.035398	4.58%
AM3HRMB	CNH	Monthly	31 October 2023	0.038922	5.11%
AM3HRMB	CNH	Monthly	27 September 2023	0.029183	3.80%
AM3HRMB	CNH	Monthly	30 August 2023	0.022921	2.96%
AM3HRMB	CNH	Monthly	27 July 2023	0.025032	3.23%
AM3HRMB	CNH	Monthly	27 June 2023	0.025027	3.23%
AM3HRMB	CNH	Monthly	31 May 2023	0.023569	3.02%
AM3HRMB	CNH	Monthly	28 April 2023	0.022142	2.82%
AM3HRMB	CNH	Monthly	29 March 2023	0.028180	3.59%

The above table cites the last dividend paid within the last 12 months only.
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