

**Important Information:**

- The Fund invests mainly in higher yielding bonds, including non-investment grade bonds.
- 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, interest rate, valuation, sovereign debt, geographic concentration, emerging markets, 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 this document and should read the offering documents for details.

HSBC Global Investment Funds

# Global High Income Bond



# Why consider the Fund?

## 1. Rate cut anticipation

- ◆ The Fund is well positioned to benefit from the current environment where yields are attractive and a shift towards more accommodative monetary policy is expected
- ◆ With an effective duration of 4.7 years<sup>1</sup>, the Fund could potentially benefit from falling rates as central banks are expecting to start cutting rates in 2H2024 from the current level of 5.25-5.50%



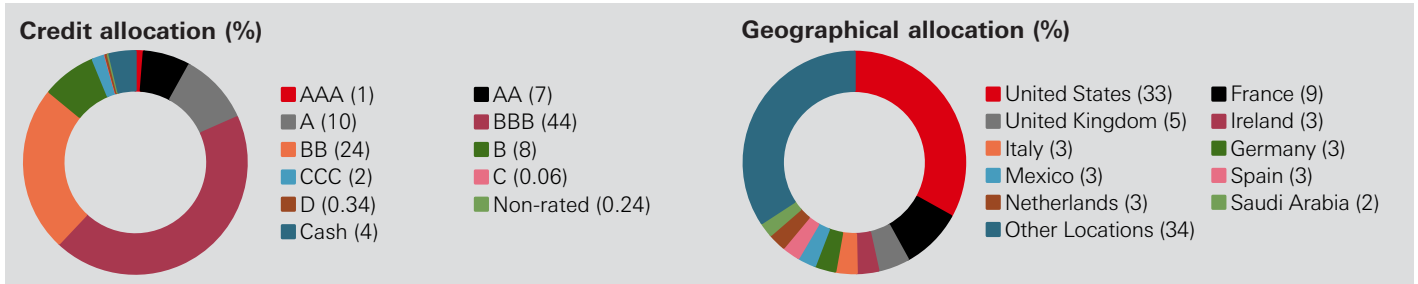
## US Federal Open Market Committee's summary of economic projections

	2024	2025	2026	Longer run
GDP (% yoy)	2.1	2.0	2.0	1.8
Unemployment rate (%)	4.0	4.1	4.0	4.1
Core PCE inflation (%)*	2.6	2.2	2.0	2.0*
Fed funds rate (%)	4.6	3.9	3.1	2.6

Source: US Federal Reserve, as of March 2024. \*Longer run figure is headline PCE (Personal Consumption Expenditures) Inflation rather than core PCE. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Global Asset Management (Hong Kong) Limited accepts no liability for any failure to meet such forecast, projection or target.

## 2. A balanced approach for higher yield and quality

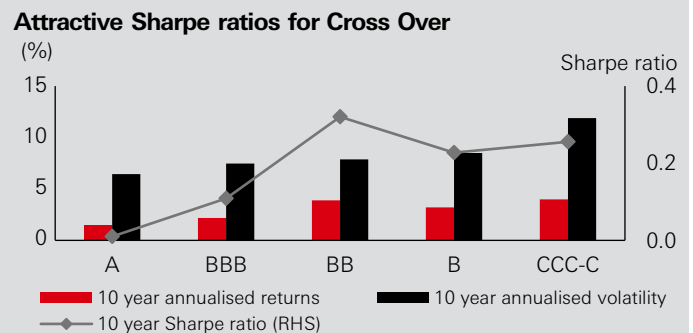
- ◆ With a focus on crossover credits (lower-rated investment grade bonds and higher-quality high-yield assets), the Fund aims to provide more compelling yield with an IG average credit rating (BBB/BBB-)<sup>2</sup>
- ◆ It captures a broad range of opportunities globally, with diversification across multiple regions (United States / Eurozone / Emerging Markets)



Source: HSBC Asset Management, as of 29 February 2024. Allocation is subject to change.

## 3. Leveraging BBB and BB global corporate spreads opportunities

- ◆ Historically, BBB and BB corporate spreads have demonstrated an appealing risk-adjusted performance
- ◆ This risk-reward profile presents compelling investment opportunities for the Fund



Source: Returns, volatilities and Sharpe ratios – Bloomberg and HSBC Asset Management as of 31 December 2023. The Sharpe ratio measures the amount of excess return received for the extra volatility endured for holding a riskier asset. The views expressed were held at the time of preparation and are subject to change without notice. Forecasts, projections or targets are indicative only and are not guaranteed in any way.

## 4. Attractive monthly income potential

- ◆ The Fund offers monthly distribution share class (aim to pay dividend monthly). (Class AM only)
- ◆ The latest annualised dividend yield of Class AM2 (as of February 2024) is 7.49%<sup>3</sup> (dividend amount or dividend rate is not guaranteed and may be paid out of capital)<sup>3</sup>

## Dividend record of Class AM (dividend is not guaranteed and may be paid out of capital)<sup>3</sup>

Ex-dividend month	Annualised yield <sup>3</sup>
February 2024	7.49%
January 2024	7.47%
December 2023	7.55%

Source: HSBC Asset Management, as of 29 February 2024.

1. Source: HSBC Asset Management, as of 29 February 2024. 2. Source: HSBC Asset Management, data as of 29 February 2024. This provides a snapshot of the portfolio credit rating as of 29 February 2024. The Fund has no investment restriction on credit rating. This is for reference only. Average credit rating is a conservative average of the vendors: S&P, Fitch, Moody's, and Sovereign Rating. If any vendor is missing a rating, the lowest of the available ratings is taken. The average Fund and benchmark rating does not include securities rated Non-rated or Not Available. Allocation is ex-cash. 3. Source: HSBC Asset Management, as of 29 February 2024. 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:  $((1 + (\text{dividend amount} / \text{ex-dividend NAV}))^{12}) - 1$ . The annualized 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.

# Investment objective

The Fund aims to provide income by investing in a portfolio of higher yielding bonds, while promoting environmental, social and governance (ESG) characteristics. The Fund qualifies under Article 8 of SFDR<sup>4</sup>.

## Potential risks

- ◆ **Investment risk and volatility risk:** The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal
- ◆ **General liquidity risk:** The Fund's investment portfolio will be exposed to liquidity risks – meaning it may take time to sell assets and/or assets may need to be sold at a discount. This risk is greater in exceptional market conditions when a large number of market participants may seek to liquidate their investments which may include the Fund. The Fund may employ a number of techniques to manage liquidity including pricing adjustments and temporarily suspending redemptions
- ◆ **Interest rate risk:** Debt securities are typically subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise
- ◆ **Currency risk:** Underlying investments of the Fund may be denominated in currencies other than the Base Currency of the Fund and the class of shares may be designated in a currency other than the Base Currency of the Fund
- ◆ **Credit risk:** The Fund is exposed to the credit/default risk of issuers of the debt securities that the Fund may invest in. In the event that an issuer of a debt security defaults on payment of principal or interest, the Fund could suffer substantial loss and the net asset value of the Fund could be adversely affected
- ◆ **Credit rating risk:** The credit rating and/or credit quality of a debt instrument or its issuer may decline. In the event of such decline, the value of the Fund may be adversely affected and the Manager may or may not be able to dispose of the relevant debt instruments
- ◆ **Risk associated with distribution out of/effectively out of capital:** For certain Classes, dividends may be paid out of capital or effectively out of capital which represents a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any payment of dividends may result in an immediate reduction in the net asset value per share of the Class
- ◆ **Other risks:** valuation risk, sovereign debt risk, geographic concentration risk, emerging markets risk, risk of portfolio currency hedged classes, derivative instrument risk, RMB denominated class risk

For details of risk factors, please refer to the offering documents.

# Fund details

<b>Fund size:</b>	USD861 million <sup>5</sup>	<b>Minimum investment:</b>	USD1,000 / HKD10,000 / AUD1,500 / EUR850 / RMB10,000
<b>Inception date:</b>	28 July 2010 (Class AM2) 5 September 2012 (Class AM3HAUD) 13 September 2012 (Class AM3HEUR) 19 April 2018 (Class AM3HRMB)	<b>Subscription fee:</b>	Up to 3% of the total subscription amount
<b>Share class:</b>	AM2, AM3HAUD, AM3HEUR, AM3HRMB	<b>Management fee:</b>	Up to 1.25% per annum
<b>Base currency:</b>	USD	<b>Switching fee:</b>	Up to 1% of the Switch-Out proceeds
<b>Share class currency:</b>	USD / HKD / AUD / EUR / RMB	<b>Dealing:</b>	Daily
		<b>Dividend policy<sup>6</sup>:</b>	Monthly, if any

4. The Fund is not classified as an ESG Fund by the Hong Kong Securities and Futures Commission, nor is it being marketed to the public as an ESG Fund in Hong Kong. 5. Source: HSBC Asset Management, as of 29 February 2024. 6. Dividend is not guaranteed and may be paid out of capital which will result in capital erosion and reduction in net asset value.

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