

## HSBC Global Investment Funds

# GLOBAL SHORT DURATION BOND

Monthly report 31 January 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 will invest up to 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 which have 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 and mortgage-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	<b>USD 9.64</b>
Yield to maturity	<b>4.95%</b>

#### Fund facts

UCITS V compliant	<b>Yes</b>
Dividend treatment	<b>Distributing</b>
Distribution Frequency	<b>Monthly</b>
Dividend ex-date	<b>31 January 2024</b>
Dividend annualised yield*	<b>6.32%</b>
Dividend Amount	<b>0.049362</b>
Dealing frequency	<b>Daily</b>
Share Class Base Currency	<b>USD</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>6 December 2018</b>
Fund Size	<b>USD 1,825,905,341</b>
Reference benchmark	<b>100% Bloomberg Global Aggregate 1-3 Years Hedged USD</b>
Managers	<b>Oliver Boulind Ernst Josef Osiander</b>

#### Fees and expenses

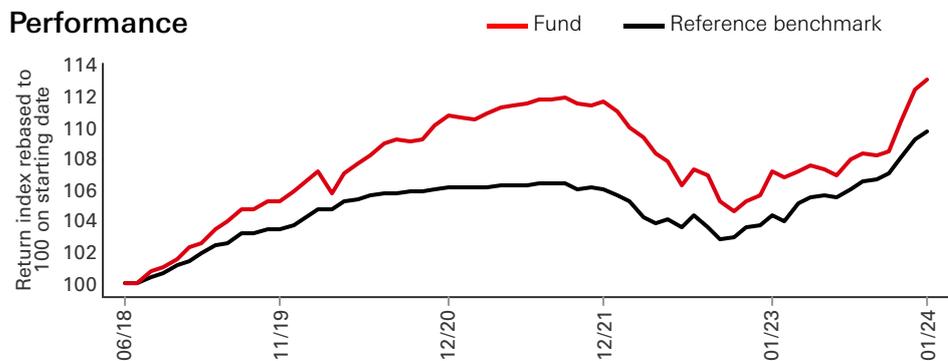
Minimum initial investment (HK) <sup>1</sup>	<b>USD 1,000</b>
Maximum initial charge (HK)	<b>3.000%</b>
Management fee	<b>0.500%</b>

#### Codes

ISIN	<b>LU1819532174</b>
Bloomberg ticker	<b>HGSDAM2 LX</b>

<sup>1</sup>Please 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
<b>AM2</b>	<b>0.59</b>	<b>0.59</b>	<b>4.21</b>	<b>4.78</b>	<b>5.51</b>	<b>2.19</b>	<b>12.23</b>
Reference benchmark	0.41	0.41	2.49	3.46	5.08	3.32	9.28

Calendar year performance (%)	2019	2020	2021	2022	2023
<b>AM2</b>	<b>5.81</b>	<b>4.63</b>	<b>0.82</b>	<b>-5.38</b>	<b>6.39</b>
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	145.04	271.41	Fund	6.7	6.6	5.9	6.0
			Reference benchmark	6.0	5.2	6.6	6.0

Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO<sub>2</sub>e/USD million)

Source of analytics: Trucost

3-Year Risk Measures	AM2	Reference benchmark	5-Year Risk Measures	AM2	Reference benchmark
Volatility	2.57%	1.68%	Volatility	2.32%	1.39%
Sharpe ratio	-0.60	-0.69	Sharpe ratio	0.18	-0.09
Tracking error	1.52%	--	Tracking error	1.49%	--
Information ratio	-0.24	--	Information ratio	0.36	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	357	7,841	--
Average coupon rate	4.07	2.33	1.74
Portfolio yield	4.84%	3.53%	1.31%
Effective duration	2.62	1.79	0.83
Average maturity	3.28	1.88	1.40
Average Credit Quality	A+/A	AA-/A+	--

Credit rating (%)	Fund	Reference benchmark	Relative	Maturity Breakdown (Effective duration)	Fund	Reference benchmark	Relative
AAA	17.18	14.17	3.01	0-1 year	0.02	0.00	0.02
AA	17.05	39.29	-22.24	1-3 years	1.64	1.79	-0.15
A	24.90	33.08	-8.18	3-5 years	0.99	--	0.99
BBB	31.56	13.45	18.11	5+ years	-0.02	--	-0.02
BB	5.80	--	5.80	<b>Total</b>	<b>2.62</b>	<b>1.79</b>	<b>0.83</b>
B	0.50	--	0.50				
NR	0.89	--	0.89				
Cash	2.12	--	2.12				

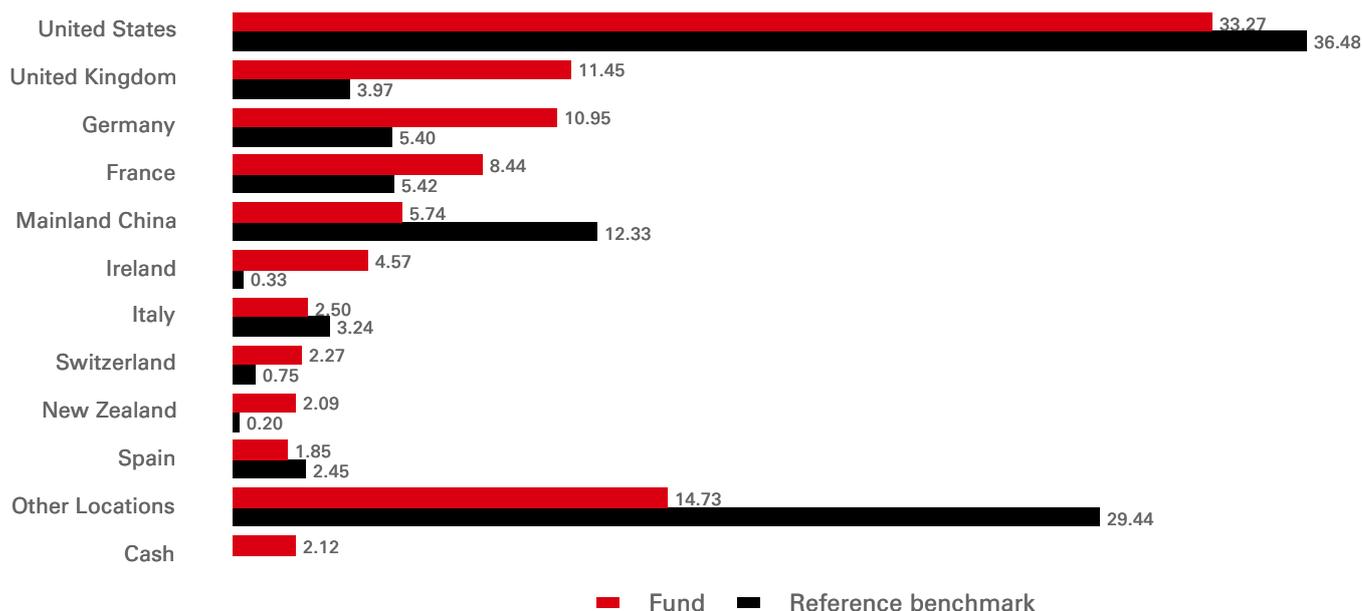
Past performance does not predict future returns. The figures are calculated in the share class base currency, NAV to NAV basis with dividend reinvested, net of fees. If investment performance is not denominated in HKD or USD, HKD or USD based investors are exposed to exchange rate fluctuations. \*The 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 31 January 2024

Currency bloc allocation (Effective duration)	Fund	Reference benchmark	Relative	Currency Allocation (%)	Fund	Reference benchmark	Relative
Dollar	1.46	0.85	0.61	USD	95.38	100.00	-4.62
Euro	0.69	0.45	0.24	CNY	5.74	--	5.74
EM Local Currency	0.26	0.25	0.01	JPY	1.96	--	1.96
UK	0.18	0.07	0.11	AUD	0.99	--	0.99
Japan	0.03	0.17	-0.15	INR	0.95	--	0.95
<b>Total</b>	<b>2.62</b>	<b>1.79</b>	<b>0.83</b>	IDR	0.48	--	0.48
				EUR	0.11	--	0.11
				GBP	0.07	--	0.07
				NZD	0.05	--	0.05
				PLN	0.03	--	0.03
				Other Currencies	-5.75	--	-5.75

**Geographical Allocation (%)**



Sector Allocation (%)	Fund	Reference benchmark	Relative
Treasuries	31.69	56.11	-24.42
Corp Fin	27.29	9.98	17.31
Corp Non-fin	20.71	9.43	11.29
Collateralised	14.77	4.51	10.26
Supra/agencies	5.54	18.25	-12.71
US Agency Mbs	--	1.72	-1.72

<b>Top 10 Holdings</b>	<b>Weight (%)</b>
US TREASURY N/B 4.375 15/12/26	5.09
BUNDESUBL-184 0.000 09/10/26	4.08
DEUTSCHLAND REP 0.000 15/08/26	2.64
US TREASURY N/B 1.500 31/01/27	2.63
US TREASURY N/B 1.250 30/11/26	2.27
US TREASURY N/B 4.000 15/01/27	2.27
CHINA GOVT BOND 3.010 13/05/28	1.69
CHINA GOVT BOND 2.400 15/07/28	1.52
NATWEST GROUP 3.622 14/08/30	1.14
NEW ZEALAND GVT 4.500 15/04/27	1.14

## Monthly performance commentary

### Performance review

For the month, the fund outperformed its benchmark. On an absolute basis, performance was positive. Short maturity interest rates were marginally lower in the US. Short maturity UK rates were wider by 27bp. Overall, the rates movements produced a flat performance contribution given the benefit of a larger overweight in the US offset the cost of a moderate overweight in the UK. Credit market spreads were tighter on the month in general 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 rebounded sharply as the market priced out a March rate cut, given Fed speakers pushing back on that front and a very resilient US economy.

### Strategy

Over January, we added a US 10s30s steepener. We cut our UK 10s30s flattener position and short ITL vs Germany 10yr. We continued to invest cash from the continuous inflows into the fund, the fund AUM stands around \$1.98bn. 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.

In FX, we closed out our short GBP versus USD and long EUR vs USD.

### Ten lowest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)
PHOENIX GRP HLD PLC	0.42	CNPFP V4.25 06/05/45	0.08
LB BADEN-WUERTEMBERG	0.46	FRLBP 0.25 07/12/26 EMTN	0.08
SYNCHRONY BANK	0.64	LBPSFH 0.5 01/30/26 EMTN	0.08
ALD SA	0.71	FRPTT 0.625 10/21/26 EMTN	0.08
HISCOX LTD	0.77	SRBANK 0.25 11/09/26 EMTN	0.09
QBE INSURANCE GROUP LTD	1.29	SRBANK 0.01 10/08/26 EMTN	0.09
CREDIT SUISSE AG LONDON	1.82	JUSTLN V7 04/15/31	0.11
JACKSON NATL LIFE GLOBAL	2.13	SAGAX 1.125 01/30/27 EMTN	0.18
AMERICAN EXPRESS CO	2.29	SAGAX 1.625 02/24/26 EMTN	0.18
CREDIT AGRICOLE LONDON	2.30	HANRUE V3.375 PERP	0.18

### Ten highest carbon intensity issuers

Fund	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)	Reference benchmark	Carbon intensity emissions (tonnes CO <sup>2</sup> e/USD million)
COLUMBIA PIPELINE HOLDCO	2,019.07	NTPCIN 4.25 02/26/26 EMTN	17,616.66
VEOLIA ENVIRONNEMENT SA	754.61	ZJENGI 1.737 07/20/26 EMTN	12,645.03
DIGITAL DUTCH FINCO BV	741.14	HNINTL 2.25 02/20/25	10,250.80
OCCIDENTAL PETROLEUM COR	612.95	KALLPA 4.875 05/24/26 REGS	7,276.37
ENERGIAN ISRAEL FINANCE	611.42	CPXCN 4.986 01/23/26 MTN	7,088.87
ENEL FINANCE INTL NV	392.81	VST 3.7 01/30/27 144A	6,920.55
PETROBRAS GLOBAL FINANCE	384.29	GDHJIN 1.875 06/23/25	6,812.49
NATIONAL GRID NA INC	329.48	CNL 3.743 05/01/26	5,516.85
EUROGRID GMBH	319.78	GZGETH 2.85 01/19/27	5,485.99
MOHAWK INDUSTRIES INC	248.09	HKE 2.875 05/03/26 EMTN	4,913.81

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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.

## Important Information

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Investors should not invest in the Fund solely based on the information provided in this document and should read the offering document of the Fund for details.

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**For definition of terms, please refer to the Glossary QR code.**  
**Source: HSBC Asset Management, data as at 31 January 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	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%
AM2	USD	Monthly	28 February 2023	0.047764	6.12%
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%
AM2HKD	HKD	Monthly	28 February 2023	0.047997	6.12%
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%
AM3HAUD	AUD	Monthly	28 February 2023	0.034899	4.46%
AM3HCAD	CAD	Monthly	31 January 2024	0.047499	5.67%
AM3HCAD	CAD	Monthly	28 December 2023	0.048176	5.75%
AM3HEUR	EUR	Monthly	31 January 2024	0.037433	4.45%
AM3HEUR	EUR	Monthly	28 December 2023	0.038108	4.53%
AM3HGBP	GBP	Monthly	31 January 2024	0.049753	5.94%
AM3HGBP	GBP	Monthly	28 December 2023	0.050427	6.02%
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%

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 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.

For definition of terms, please refer to the Glossary QR code.

Source: HSBC Asset Management, data as at 31 January 2024

## Supplemental information sheet

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Dividend Amount	Annualised Yield based on ex-dividend date
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%
AM3HRMB	CNH	Monthly	28 February 2023	0.028870	3.67%

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

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