

**Important information:**

- The Fund invests mainly in fixed income securities.
- The Fund is subject to the risks of investing in emerging markets.
- Debt instruments with loss-absorption features, non-investment grade bonds and asset backed securities may subject to additional risks and volatility.
- Because the Fund's base currency, investments and classes may be denominated in different currencies, investors may be affected adversely by exchange controls and exchange rate fluctuations. There is no guarantee that the currency hedging strategy applied to the relevant classes will achieve its desired result.
- 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, currency, volatility, liquidity, interest rate, tax and political risks. Investors may suffer substantial loss of their investments in the Fund.
- Unit trusts are NOT equivalent to time deposits. 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.

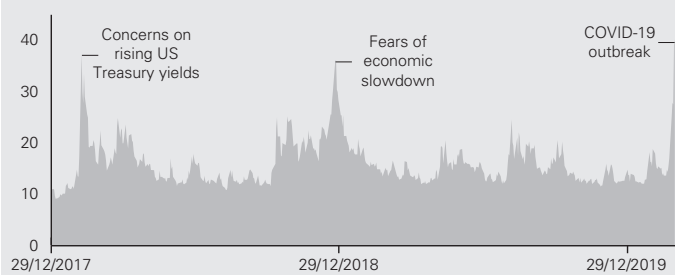
## HSBC Global Investment Funds – Global Short Duration Bond

# Why consider the Fund?

## 1. Uncertainty related to the COVID-19 outbreak led to a spike in risk aversion

- ◆ Volatility has increased and risk management is key
- ◆ Investing in short duration securities can potentially offer a less volatile investment via reducing the overall interest rate risk and increasing the diversification of bond holdings

### CBOE Volatility Index since 2018<sup>1</sup>

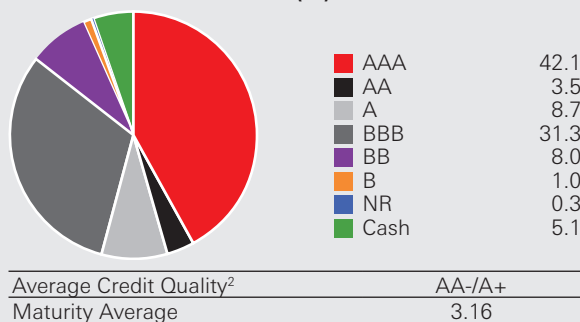


1. Source: HSBC Global Asset Management, DataStream as at 29 February 2020.

## 2. Short duration bonds\* provide a less volatile investment option

- ◆ The Fund aims to provide diversification in asset classes and countries
- ◆ High quality assets to help achieve a relatively low volatility level (average credit rating<sup>2</sup>: AA-/A+)
- ◆ Lower duration\* exposure reduces the risk to interest rate fluctuations

### Credit allocation of the Fund (%)<sup>2</sup>

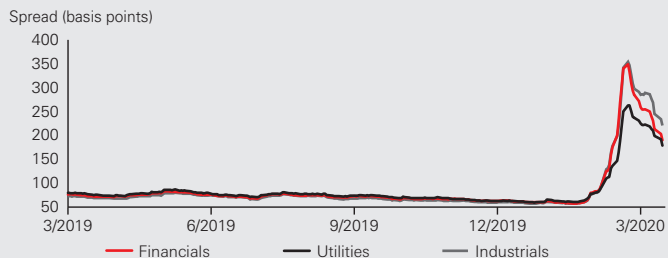


\* Short duration bonds typically refer to bonds that mature in 1-3 years. 2. Source: HSBC Global Asset Management, as at 31 March 2020. Average credit rating uses 'Index rating' which is an average of S&P, Fitch, Moody's. The average fund and benchmark rating does not include securities rated NR or NA.

## 3. Take advantage of the potentially attractive yields in short term credit markets

- ◆ The indiscriminate nature of recent market turbulence has resulted in widened spreads across sectors, creating attractive investment opportunities
- ◆ Significant policy easing from central banks worldwide also provides immense support to the credit markets

### Global corporates 1-3 years investment grade spreads by main sectors<sup>3</sup>

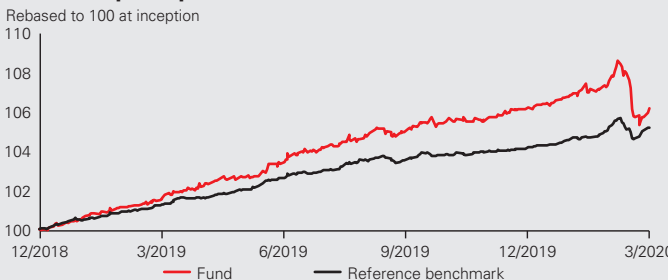


3. Source: Bloomberg, data as of 16 April 2020.

## 4. Yield potential and solid performance

- ◆ The Fund has outperformed its benchmark since inception and seeks to offer a potential monthly income stream for investors (AM class only<sup>5</sup>; distribution is not guaranteed and may be paid out of capital)
- ◆ Suitable for investors interested in generating positive potential returns and looking to manage risk on the downside

### Since inception performance<sup>4</sup>



4. Source: HSBC Global Asset Management, data refers to AM2-USD share class, as at 31 March 2020. Calendar year performance: -0.09% (2020YTD); 5.81% (2019); 0.40% (2018). Past performance is not an indicator of 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. 5. 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.



# Investment objective

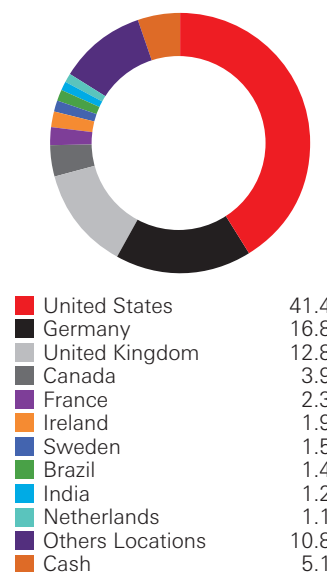
The Fund aims to provide long term total return by investing in a portfolio of bonds with an average duration expected to be between 6 months and 3 years

## Potential risks

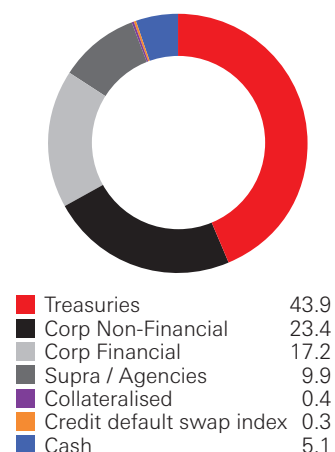
- ◆ Investment risk: the Fund is an investment fund. The Fund's investment portfolio may fall in value and therefore your investment in the Fund may suffer losses.
- ◆ General liquidity risk: The Fund's investment portfolio will be exposed to liquidity risks – meaning it may take time to sell assets and/or assets may need to be sold at a discount.
- ◆ Interest rate risk: generally, the price of fixed income instruments decreases when interest rates rise, whilst their prices increase when interest rates fall.
- ◆ Credit risk: when the issuer of a fixed income security defaults, the Fund may suffer a loss amounting to the value of such investment.
- ◆ Sovereign debt risk: The Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks.
- ◆ Risks relating to debt securities: the Fund is subject to downgrading risk, volatility risks, liquidity risk, valuation risk, credit rating risk, sovereign debt risk, and emerging market fixed income risk.
- ◆ Foreign exchange risk: because the Fund's assets and liabilities and classes of shares may be denominated in currencies different from the base currency, the Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the base currency and other currencies.
- ◆ Derivative instrument risk: exposure to financial derivatives instruments may lead to a high risk of significant loss by the Fund.
- ◆ Risks relating to hedging and the currency hedged share classes: investors who choose to convert their home currency to the reference currency of a currency hedged share class and subsequently invest in such a share class should be aware that they may be exposed to higher currency risks and may suffer material losses as a result of exchange rate fluctuations between the reference currency of the currency hedged share class and their home currency.
- ◆ Risks associated with distributions out of capital: any payment of dividends out of capital or effectively out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to the original investment. Such distributions will result in an immediate decrease in the net asset value per share of the Fund RMB. Currency conversion will be conducted at the applicable exchange rate and subject to the applicable spread.
- ◆ RMB denominated class risk: The Fund offers RMB denominated share classes. Subscriptions and redemptions for the Fund may involve conversion of currency from/into RMB. Currency conversion will be conducted at the applicable exchange rate and subject to the applicable spread.

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

## Geographical allocation (%)<sup>6</sup>



## Sector allocation (%)<sup>6</sup>



# Fund details

<b>Launch date of the share class:</b>	6 December 2018 (Class AM2 / AM2HKD / AM3HAUD) 12 December 2018 (Class AM3HRMB) 27 February 2015 (Class AC)	<b>Initial charge:</b>	Up to 3% of the total subscription amount
<b>Share class:</b>	Class AM2 / AM2HKD / AM3HAUD / AM3HRMB / AC	<b>Management fee:</b>	0.50% 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 / RMB	<b>Dealing:</b>	Daily
<b>Minimum investment:</b>	USD1,000 / HKD10,000 / AUD1,500 / RMB10,000	<b>Dividend policy<sup>7</sup>:</b>	Monthly, if any
		<b>Fund Manager:</b>	Ernst Osiander
		<b>Reference benchmark:</b>	Bloomberg Barclays Global Aggregate 1-3 Years Hedged USD

6. Source: HSBC Global Asset Management, data as at 31 March 2020. 7. Source: 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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