

**HSBC Global Investment Funds**

# MANAGED SOLUTIONS - ASIA FOCUSED INCOME

Monthly report 31 August 2022 | Share class AM2

Fund center



**Risk Disclosure**

- The Fund invests mainly in Asia Pacific (excluding Japan) equities and bonds, and may invest in other funds to achieve its investment objectives.
- 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, interest rate, valuation, general equity market, general debt securities, sovereign debt, non-investment grade and unrated debt securities, asset allocation strategy, geographic concentration and emerging market risks, risk associated with small/mid-capitalisation companies, risk of investment in other collective investment schemes, tax and political risks. Investors may suffer substantial loss of their investments in the Fund.
- Base 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 income and some capital growth by investing in a diversified portfolio of assets related to Asia (including Asia-Pacific excluding Japan).


**Investment strategy**

The Fund is actively managed and is not constrained by a benchmark. In normal market conditions, at least 70% of the Fund's exposure is to bonds and shares related to companies based in Asia-Pacific excluding Japan. The Fund may invest in non-Asian based assets. The Fund may invest in bonds that are investment grade, non-investment grade and unrated issued by governments, government-related entities, supranational entities and companies based in developed markets and emerging markets. The Fund may invest up to 25% in China A and China B-shares. For China A-shares, up to 25% through the Stock Connect exchanges, up to 25% in CAAPs and up to 10% in CAAPs issued by any single issuer. The Fund may invest up to 20% in onshore Chinese bonds and up to 10% in bonds which are non-investment grade or unrated. The Fund may invest up to 10% in convertible bonds and up to 10% in contingent convertible securities. The Fund may invest up to 50% in other funds and up to 10% in REITs. The Fund's primary currency exposure is to currencies of Asia-Pacific (excluding Japan) countries. See the Prospectus for a full description of the investment objectives and derivative usage.

**Share Class Details**
**Key metrics**

NAV per Share	<b>USD 8.36</b>
Performance 1 month	<b>-0.75%</b>
Sharpe ratio 3 years	<b>-0.31</b>

**Fund facts**

UCITS V compliant	<b>Yes</b>
Dividend treatment	<b>Distributing</b>
Distribution Frequency	<b>Monthly</b>
Dividend ex-date	<b>26 August 2022</b>
Dividend annualised yield*	<b>5.88%</b>
Dividend Amount	<b>0.040192</b>
Dealing frequency	<b>Daily</b>
Share Class Base Currency	<b>USD</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>25 May 2012</b>
Fund Size	<b>USD 416,877,318</b>
Managers	<b>Emin Yigit Onat Mathew Ng</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>1.250%</b>

**Codes**

ISIN	<b>LU0762541174</b>
Bloomberg ticker	<b>HSMSAAM LX</b>

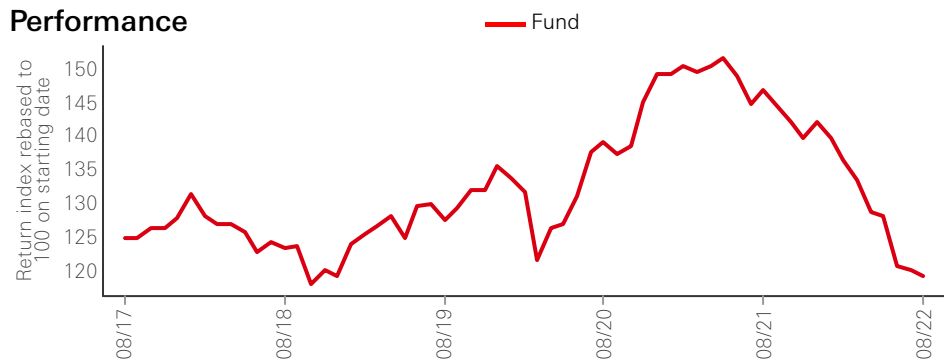
<sup>1</sup>Please note that initial minimum subscription may vary across different distributors

**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.**

**Fund change that may have material impact on performance: 20 Jun 2016 – investment objective changed. 16 Nov 2018 - Change in the manner of charging sales charge / switching charge.**

**For definition of terms, please refer to the Glossary QR code.  
Source: HSBC Asset Management, data as at 31 August 2022**

## Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years	5 years
<b>AM2</b>	<b>-16.02</b>	<b>-0.75</b>	<b>-6.86</b>	<b>-12.57</b>	<b>-18.71</b>	<b>-6.57</b>	<b>-4.51</b>

Calendar year performance (%)	2017	2018	2019	2020	2021
<b>AM2</b>	<b>14.33</b>	<b>-6.78</b>	<b>13.59</b>	<b>10.04</b>	<b>-4.70</b>

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

Asset allocation (%)	Actual	Target	Strategic	Overweight/Underweight between Target & Strategic Asset Allocation
Asia ex Japan Equity	31.88	33.50	37.50	-4.00
Asian High Yield Bond	16.11	17.50	12.50	5.00
Asian Investment Grade Bond	33.71	34.00	18.75	15.25
Asian Local Currency Bonds	15.04	15.00	12.50	2.50
Hong Kong Government Bond	--	0.00	18.75	-18.75
Liquidity	3.27	0.00	0.00	0.00

The strategic allocation is the portfolio's reference or neutral allocation set by HSBC Asset Management. The management team also adjusts target exposure higher (overweight) or lower (underweight) to an asset type - relative to the strategic asset allocation - depending on the team's current market outlook. Positive values (overweights) in the chart reflect asset types the portfolio management team have a positive outlook on. Negative values (underweights) reflect asset types the portfolio management team have a negative outlook on. The actual exposure is a screen shot of the portfolio at the end of the month based on market value in each asset type.

Top 10 Holdings	Weight (%)
Taiwan Semiconductor Co Ltd	3.72
HSBC US Dollar Liquidity Y	2.80
AIA Group Ltd	2.13
TELKOM INDONESIA PERSERO TBK	1.71
MEDIATEK INC	1.64
DBS GROUP HOLDINGS LTD	1.62
NEW WORLD DEVELOPMENT	1.44
KB FINANCIAL GROUP INC	1.43
UNITED TRACTORS TBK PT	1.43
SK TELECOM	1.41

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## Monthly performance commentary

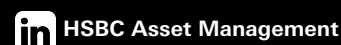
### Portfolio Review

After posting an impressive return in previous month, global equities fell in August. This coincided with rise in the measures of implied volatility across global equity markets, as major central banks continued their hawkish monetary policy stance to tame high inflation. Risks of rate hikes seemed to have raised recession fears and dented investors' confidence. Regionally, the global sell-off was driven by developed markets as both the Europe and the US underperformed. On the other hand, the emerging markets index rallied, as the key emerging markets of Brazil, Indonesia, India, Taiwan, and Mainland China, posted positive returns in August. Bond yields rose as central banks continued their hawkish narrative, typified by the Jackson Hole conference in the US. Jerome Powell reinforced the hawkish stance seen from the Fed in recent months by stating that interest rates are heading higher and will remain there for some time. Amid cooling recessionary fears, he also reiterated that the 2% inflation target is their overarching focus right now. In contrast to most other economies, China saw a surprise RRR cut and mid-term lending rate cut, with the PBoC on an alternative path to much of the world due to the deteriorating economic picture, particularly the fragile property market. CGB yields remained fairly stable, while central banks in the rest of EM Asia are priced in to continue hiking rates meaning only limited moves higher in most yields. The US dollar (DXY) ended August higher after reiteration of hawkish stance from the Fed. Fearing a global recession, oil prices fell 12.3% in August (Brent crude) as concerns of a global recession intensified.

The fund posted negative return over the month, with fixed income detracting more than equities. Asian equities closed lower along with global markets amidst rising recession risks from the hawkish tones from central banks in developed markets in order to combat elevated inflation. On the fixed income front, yields went up following the reiteration of hawkish stance which led to negative returns over markets. Asian investment grade bonds and Asian local currency bonds both lost ground, while Asian high yield bonds were up due to potential bailout plans from Chinese government towards property developers.

Central banks have shown a commitment to continued policy tightening, raising the likelihood that inflation will begin to cool towards the end of the year. Tighter monetary policy opens up the possibility of a recession in the US, while the prospect of a winter energy crisis raises possibility of a recession in Europe. It should be noted that the depth and duration of any recession may be limited by healthy private sector balance sheets and moderate fiscal support. We expect a total of 325bps of Fed rate hikes in 2022, leaving policy moderately restrictive. Further rate hikes are likely in early 2023 with policy makers adopting a 'hike-and-see' approach. Market expectations for European rates have also moved materially higher over the last month. In China, growth risks imply further policy stimulus being implemented, including infrastructure investment, and targeted monetary easing. However, policy divergence with the US will act as a constraint.

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Website:  
[www.assetmanagement.hsbc.com/hk](http://www.assetmanagement.hsbc.com/hk)

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#### Glossary



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**Source: HSBC Asset Management, data as at 31 August 2022**

## Supplemental information sheet

Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Dividend Amount	Annualised Yield based on ex-dividend date
AM2	USD	Monthly	26 August 2022	0.040192	5.88%
AM2	USD	Monthly	27 July 2022	0.040393	5.91%
AM2	USD	Monthly	30 June 2022	0.041480	5.98%
AM2	USD	Monthly	25 May 2022	0.041051	5.65%
AM2	USD	Monthly	28 April 2022	0.038916	5.24%
AM2	USD	Monthly	30 March 2022	0.038485	4.93%
AM2	USD	Monthly	25 February 2022	0.037618	4.68%
AM2	USD	Monthly	28 January 2022	0.039734	4.84%
AM2	USD	Monthly	30 December 2021	0.039440	4.70%
AM2	USD	Monthly	30 November 2021	0.038814	4.68%
AM2	USD	Monthly	29 October 2021	0.035880	4.22%
AM2	USD	Monthly	30 September 2021	0.033777	3.89%
AM2HKD	HKD	Monthly	26 August 2022	0.040619	5.88%
AM2HKD	HKD	Monthly	27 July 2022	0.040835	5.91%
AM2HKD	HKD	Monthly	30 June 2022	0.041918	5.98%
AM2HKD	HKD	Monthly	25 May 2022	0.041484	5.64%
AM2HKD	HKD	Monthly	28 April 2022	0.039253	5.23%
AM2HKD	HKD	Monthly	30 March 2022	0.038728	4.92%
AM2HKD	HKD	Monthly	25 February 2022	0.037778	4.67%
AM2HKD	HKD	Monthly	28 January 2022	0.039900	4.84%
AM2HKD	HKD	Monthly	30 December 2021	0.039599	4.70%
AM2HKD	HKD	Monthly	30 November 2021	0.038885	4.67%
AM2HKD	HKD	Monthly	29 October 2021	0.035972	4.23%
AM2HKD	HKD	Monthly	30 September 2021	0.033830	3.89%
AM30AUD	AUD	Monthly	26 August 2022	0.031112	5.19%
AM30AUD	AUD	Monthly	27 July 2022	0.033318	5.58%
AM30AUD	AUD	Monthly	30 June 2022	0.031773	5.22%
AM30AUD	AUD	Monthly	25 May 2022	0.031270	4.90%
AM30AUD	AUD	Monthly	28 April 2022	0.030304	4.66%
AM30AUD	AUD	Monthly	30 March 2022	0.030960	4.52%
AM30AUD	AUD	Monthly	25 February 2022	0.031066	4.41%
AM30AUD	AUD	Monthly	28 January 2022	0.031973	4.44%
AM30AUD	AUD	Monthly	30 December 2021	0.031760	4.31%
AM30AUD	AUD	Monthly	30 November 2021	0.032255	4.43%
AM30AUD	AUD	Monthly	29 October 2021	0.029767	3.99%
AM30AUD	AUD	Monthly	30 September 2021	0.027364	3.59%
AM30EUR	EUR	Monthly	26 August 2022	0.018316	3.02%
AM30EUR	EUR	Monthly	27 July 2022	0.019577	3.23%
AM30EUR	EUR	Monthly	30 June 2022	0.023180	3.77%
AM30EUR	EUR	Monthly	25 May 2022	0.024898	3.87%
AM30EUR	EUR	Monthly	28 April 2022	0.024780	3.78%
AM30EUR	EUR	Monthly	30 March 2022	0.026486	3.85%
AM30EUR	EUR	Monthly	25 February 2022	0.026662	3.76%
AM30EUR	EUR	Monthly	28 January 2022	0.025065	3.45%
AM30EUR	EUR	Monthly	30 December 2021	0.024949	3.36%
AM30EUR	EUR	Monthly	30 November 2021	0.028295	3.86%
AM30EUR	EUR	Monthly	29 October 2021	0.025265	3.37%

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.

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Source: HSBC Asset Management, data as at 31 August 2022

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Share class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Dividend Amount	Annualised Yield based on ex-dividend date
AM3OEUR	EUR	Monthly	30 September 2021	0.023614	3.09%
AM3ORMB	CNH	Monthly	26 August 2022	0.034842	5.52%
AM3ORMB	CNH	Monthly	27 July 2022	0.041690	6.64%
AM3ORMB	CNH	Monthly	30 June 2022	0.045759	7.19%
AM3ORMB	CNH	Monthly	25 May 2022	0.055365	8.35%
AM3ORMB	CNH	Monthly	28 April 2022	0.051592	7.61%
AM3ORMB	CNH	Monthly	30 March 2022	0.059377	8.37%
AM3ORMB	CNH	Monthly	25 February 2022	0.050690	6.89%
AM3ORMB	CNH	Monthly	28 January 2022	0.057744	7.71%
AM3ORMB	CNH	Monthly	30 December 2021	0.057123	7.46%
AM3ORMB	CNH	Monthly	30 November 2021	0.057912	7.66%
AM3ORMB	CNH	Monthly	29 October 2021	0.062324	8.08%
AM3ORMB	CNH	Monthly	30 September 2021	0.053434	6.74%

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

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