

HSBC Global Investment Funds - Managed Solutions - Asia Focused Conservative

Share Class ACOAUD

30 Apr 2021

Fund Objective and Strategy

Investment Objective

The Fund aims to provide long-term capital growth and income by investing in a diversified portfolio of assets related to Asia (including Asia-Pacific excluding Japan).

Investment Policy

In normal market conditions, at least 70% of the Fund's exposure is to bonds and shares related to 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, supranational entities and companies based in developed markets and emerging markets. The Fund may invest up to 20% in onshore Chinese bonds and up to 10% in non-investment grade or unrated bonds. The Fund may invest up to 15% in China A and China B-shares. For China A-shares, up to 15% through the Stock Connect exchanges, and up to 15% in CAAPs. The Fund may invest up to 10% in convertible bonds, up to 10% in contingent convertible securities and up to 10% in non-investment grade bonds issued by a single government issuer. The Fund may invest up to 50% in other funds and up to 10% in REITs. The Fund's primary currency exposure is to Asia-Pacific (excluding Japan) countries. See the Prospectus for a full description of the investment objectives and derivative usage.

Performance (%)	YTD	1M	3M	1Y	3Y ¹	5Y ¹	Since Inception ¹	Vol ³	S.R. ⁴
ACOAUD	-1.04	0.67	-1.43	14.61	5.22	5.60	4.94	5.43	0.57
ACOAUD (Net) ²	-3.93	-2.27	-4.30	11.27	4.18	4.97	4.56		

Calendar Year Performance (%)	2016	2017	2018	2019	2020
ACOAUD	7.42	10.77	-4.61	10.71	10.22
ACOAUD (Net) ²	4.29	7.54	-7.39	7.48	7.01

Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, NAV-to-NAV basis or Bid-to-Bid basis, dividend reinvested.

Source: HSBC Global Asset Management, data as at 30 April 2021

Risk Disclosure

- The Fund's unit value can go up as well as down, and any capital invested in the Fund may be at risk.
- The Fund invests in bonds whose value generally falls when interest rates rise. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality. The issuers of certain bonds, could become unwilling or unable to make payments on their bonds and default. Bonds that are in default may become hard to sell or worthless. The value of investible securities can change over time due to a wide variety of factors, including but not limited to: political and economic news, government policy, changes in demographics, cultures and populations, natural or human-caused disasters etc.
- The Fund may invest in Emerging Markets, these markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.
- Derivatives may be used by the Fund, and these can behave unexpectedly. The pricing and volatility of many derivatives may diverge from strictly reflecting the pricing or volatility of their underlying reference(s), instrument or asset.
- Investment Leverage occurs when the economic exposure is greater than the amount invested, such as when derivatives are used. A Fund that employs leverage may experience greater gains and/or losses due to the amplification effect from a movement in the price of the reference source.
- Further information on the Fund's potential risks can be found in the Prospectus and Product Highlights Sheet, or Information Memorandum, as applicable.

Share Class Details	
UCITS V Compliant	Yes
Subscription Mode	Cash
Distribution Type	Accumulating
Dealing Frequency	Daily
Valuation Time	17:00 Luxembourg
Min. Initial Investment	USD 5,000
Max. Initial Charge	3.10%
Management Fee	0.70%
Share Class Base Currency	AUD
Domicile	Luxembourg
ISIN	LU0854295408
Share Class Inception Date	15 Mar 2013
NAV per Share	AUD 14.80
Fund Size	USD 103,651,546
Bloomberg Ticker	HSBASHA LX
Manager	Denis Gould

¹ Result is annualised when calculation period is over one year.

² Net of relevant prevailing sales charge on a single pricing (NAV) basis.

³ Volatility since inception, a measure of how much a fund's price goes up or down as a percentage of its average performance.

⁴ Sharpe ratio since inception, a measure for calculating risk-adjusted return, and this ratio has become the industry standard for such calculations.

Monthly Performance Commentary

Portfolio Review

There have been widely different virus experiences in countries around Asia and globally in April. For example, while China continued to see very low new case numbers, new case numbers have soared rapidly in India and have also risen in Malaysia and the Philippines. These different experiences are likely to drive economic outcomes in the months ahead, but experiences from countries that have had a successful vaccine rollout, such as Israel, suggest that the virus can be brought under control, and markets are looking through current situations to an extent. On a global basis, economic growth is strong, reported inflation has not yet seen a major pick-up, and policy is generally supportive. This has been a positive background for investment markets in April.

The fund delivered a positive return in April, with the largest contributor being Asian equities. Asian equities ended higher overall, but dispersion of returns was quite wide across markets with Taiwan leading the performance, while there were losses in Indonesia, the Philippines and Thailand. Asian investment grade bond markets were held back by credit problems at a major state-owned distressed asset manager in China, which raised questions over government support for weak bond issuers. Asian and emerging markets local currency bonds entered into positive territory, mainly driven by a generally weaker US dollar over the month. Government bonds recovered thanks to lower US Treasury yields over the month, and global high yield bonds continued to benefit from compression in high yield credit spreads. Looking through the current concerning rate of virus infection in some countries, the overall economic background for the months ahead should be generally positive. Positive performance of stock markets so far this year has been supported by company earnings growth, and hence is not stretching valuations unduly. Nevertheless, we have reduced equity exposure in the portfolio slightly to realize some gains and allow us to take advantage of any price setbacks in the coming weeks. We still believe that equities will likely deliver considerably better total return to investors over the medium term, and hence look to build back up stock market exposure at attractive prices. Bond markets in Asia, particularly following the recent setback driven by credit problems at a major state-owned distressed asset manager, offer significantly higher yields than other regions.

Asset Allocation (%)	Actual	Target	Strategic	Overweight/Underweight between Target & Strategic Asset Allocation
Asia ex Japan Equity	19.27	19.70	18.70	1.00
Global Equities	1.14	0.00	0.00	0.00
Government Bond	10.92	6.20	28.20	-22.00
Global Emerging Market Debt Local Currency	6.28	5.90	5.90	0.00
Asian Investment Grade Bond	42.75	43.64	28.64	15.00
Asian Local Currency Bonds	14.01	14.21	14.21	0.00
Global High Yield Bond	4.47	4.35	4.35	0.00
Liquidity	1.16	0.00	0.00	0.00
Indonesia Government Bond (Hedged)		1.50	0.00	1.50
China Government Bond		4.50	0.00	4.50

The strategic allocation is the portfolio's reference or neutral allocation set by HSBC Global 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 (%)	
HSBC GIF Asia ex Japan Equity	19.27
HSBC GIF Asian Currencies Bond	14.01
HSBC GIF Global EM Local Dbt ZD	6.28
CHINA GOVERNMENT BOND 3.270 19/11/2030	4.68
HSBC GIF Glb Shrt Dur HY Bd ZC	4.47
Hong Kong Government 1.630 22/11/2021	2.54
US Treasury N/B 3.000 15/11/2045	2.22
INDONESIA GOVERNMENT 8.250 15/06/2032	1.49
HSBC GIF Asia Pac ex Jpn Eq HiDiv ZS	1.14
BANK OF CHINA CCB 5.000 13/11/2024 REGS	0.66

Source: HSBC Global Asset Management, data as at 30 April 2021

Important Information

This document does not constitute an offering document and should not be construed as a recommendation, an offer to sell or the solicitation of an offer to purchase or subscribe to any investment.

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Terms of Glossary

Accumulation Share: a type of share where the income earned by the Fund is retained in the Fund

ACD: HSBC Global Asset Management (UK) Limited, the Authorised Corporate Director of the Company

Actively Managed: where the fund manager uses their expertise to pick investments to achieve the fund's objectives

Bond(s): a loan, usually to a company or government, that pays interest

Bond Index Futures: a contract stating that the holder agrees to purchase a bond index at a particular price on a specified future date

Collective Investment Scheme: a fund that more than one person contributes to with the aim of increasing the value of their investments or receiving income from a pooled investment. A fund manager will invest the pooled money into one or more types of asset, such as stocks, bonds or property

Credit Rating: an assessment of the credit risk of a company, government or other organisation. It seeks to measure how likely it is that the issuer of a bond will be able to continue to make interest payments and repay the money loaned to it

Developed Markets: countries with relatively high levels of personal income and established economies

Duration: a measure of how long it takes in years for an investor in a bond to recoup the price they paid for the bond from its interest payments. It provides an indication of how much bond prices are likely to change if and when interest rates change

Emerging Markets (EM): countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body

Equities: shares issued by a company

Futures: a financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price

Growth: the increase in the value of investments

Government Bond or Gilt: a loan to a national government in return for regular payments (known as the coupon) and a promise that the original investment (principal) is paid back at a specified date. Gilts are loans to the UK government

Hedge Funds: an investment fund that pools money from investors and invests in a variety of assets, often with complex investment strategies and risk management techniques

Hedge or Hedging: using derivative type investments as a way to reduce risk

High yield bond: a bond paying a higher level of interest but which has a lower credit rating than investment grade

Income: money generated by a fund, such as interest from a bond or a dividend from a share, which can be paid out to its investors or paid back into the fund and reinvested

Income Share: the type of Share where the income earned by the Fund is paid out to you

Investment Grade: a credit rating that indicates the issuer of a bond has a relatively low risk of being unable to make interest payments and repay the money to it

Market Capitalisation: the total dollar market value of a company's outstanding shares. Commonly referred to as "market cap", it is calculated by multiplying a company's shares outstanding by the current market price of one share

Maturity: the period of time left for a bond or gilt to remain outstanding before the original loan and any final interest is repaid to the lender

Net Asset Value (NAV): the value of the scheme property of a fund less the liabilities of the fund

Ongoing Charges Figure: a measure of what it costs to invest in a fund. It includes the fee paid to the ACD and other operating costs

Option adjusted duration (OAD): a duration value based on the probability of early redemption call by the bond issuer

Option adjusted spread duration (OASD): estimates the price sensitivity of a bond to a 100 basis-point movement (either widening or narrowing) in its spread relative to treasuries, taking into account the likelihood of early redemption

Price Earnings (P/E) Ratio: the price paid for a share divided by the annual profit earned by the firm per share

Preference Shares: shares of a company which entitle the holder to a fixed dividend, whose payment takes priority over that of ordinary share dividends. Preference shares may be convertible to the ordinary shares of a company

Property-related securities: shares of property companies that own, manage or develop property and Real Estate Investment Trusts (REITs), which are investment companies that own buildings and land

Return(s): the money made or lost on an investment

Share(s): an equally valued holding in a fund of a company, representing part ownership of that fund, (including larger denomination shares and smaller denomination shares)

Sharpe ratio: a measure for calculating risk-adjusted return, and this ratio has become the industry standard for such calculations

Volatility: a measure of the size and frequency of changes in the value of an investment over a short space of time

Yield: the income from an investment, usually stated as a percentage of the value of the investment

Yield to Maturity: the total return anticipated on a bond if the bond is held until the end of its lifetime, excluding strategic currency hedges for Portfolio/Benchmark calculations. Number is shown in percentage

Yield to Worst: the lowest potential yield that can be received on a bond without the issuer actually defaulting, excluding strategic currency hedges for Portfolio/Benchmark calculations. Number is shown in percentage

HSBC Global Investment Funds - Managed Solutions - Asia Focused Conservative

Supplement Information Sheet

30 Apr 2021

Performance (%)	Return Currency	YTD	1M	3M	6M	1Y	3Y ¹	5Y ¹	Since Inception ¹
AC	USD	-0.86	0.70	-1.30	5.20	15.39	6.22	6.05	4.37
AC (Net) ²	USD	-3.75	-2.24	-4.17	2.13	12.03	5.18	5.42	4.00
ACOAUD	AUD	-1.04	0.67	-1.43	4.81	14.61	5.22	5.60	4.94
ACOAUD (Net) ²	AUD	-3.93	-2.27	-4.30	1.76	11.27	4.18	4.97	4.56
ACOEUR	EUR	-1.22	0.61	-1.56	4.57	14.11	3.72	3.66	2.72
ACOEUR (Net) ²	EUR	-4.09	-2.32	-4.43	1.52	10.79	2.71	3.05	2.34
ACOSGD	SGD	-0.97	0.69	-1.35	5.03	14.91	5.46	5.35	4.05
ACOSGD (Net) ²	SGD	-3.85	-2.25	-4.22	1.97	11.57	4.42	4.73	3.68

Calendar Year Performance (%)	Return Currency	2016	2017	2018	2019	2020
AC	USD	6.41	10.42	-4.11	12.00	11.44
AC (Net) ²	USD	3.31	7.21	-6.91	8.74	8.20
ACOAUD	AUD	7.42	10.77	-4.61	10.71	10.22
ACOAUD (Net) ²	AUD	4.29	7.54	-7.39	7.48	7.01
ACOEUR	EUR	4.75	8.05	-6.92	8.60	9.66
ACOEUR (Net) ²	EUR	1.70	4.90	-9.63	5.44	6.47
ACOSGD	SGD	6.36	9.79	-5.02	11.09	10.71
ACOSGD (Net) ²	SGD	3.26	6.59	-7.78	7.86	7.49

¹ Result is annualised when calculation period is over one year.

² Net of relevant prevailing sales charge on a single pricing (NAV) basis.

Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, NAV-to-NAV basis or Bid-to-Bid basis, dividend reinvested.

Share Class	Share Class Base Currency	Distribution Frequency	Dividend ex-date	Last Paid Dividend	Annualised Yield
ACOAUD	AUD	-	-	-	-
AC	USD	-	-	-	-
ACOSGD	SGD	-	-	-	-
ACOEUR	EUR	-	-	-	-

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 comprise of distributed income, capital, or both.

The calculation method of annualised yield prior to August 2019 is the simple yield calculation: (dividend amount / NAV per share or units as of ex-dividend date) x n; 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.

Investors and potential investors should refer to the details on dividend distributions of the Fund, which are available on HSBC Global Asset Management (Singapore) Limited website.

Share Class	Share Class Inception Date	ISIN	Share Class Base Currency	Min. Initial Investment	NAV per Share	Annual Management Fee	Distribution Type
ACOAUD	15 Mar 2013	LU0854295408	AUD	USD 5,000	14.80	0.70%	Accumulating
AC	15 Mar 2013	LU0854292488	USD	USD 1,000	14.17	0.70%	Accumulating
ACOSGD	15 Mar 2013	LU0854294427	SGD	SGD 1,000	13.82	0.70%	Accumulating
ACOEUR	15 Mar 2013	LU0854295077	EUR	USD 5,000	12.44	0.70%	Accumulating

Different classes may have different performances, dividend yields and expense ratios. For hedged classes, the effects of hedging will be reflected in the net asset values of such classes. Expenses arising from hedging transactions may be significant and will be borne by the relevant hedged classes. Hedged class performs the required hedging on a best efforts basis.

Source: HSBC Global Asset Management, data as at 30 April 2021