

HSBC Global Investment Funds

GLOBAL HIGH YIELD BOND

Monthly report 30 September 2022 | Share class EC



Investment objective

The Fund aims to provide capital growth and income by investing in a portfolio of non-investment grade bonds (denominated in US dollars).



Investment strategy

The Fund is actively managed. In normal market conditions, the Fund will invest at least 90% of its assets in non-investment grade bonds and unrated bonds issued by governments, government-related entities, supranational entities and companies that are based in developed and emerging markets. The Fund may invest up to 30% in investment Grade bonds to manage liquidity and up to 10% in asset-backed securities. The Fund may invest up to 10% in onshore Chinese bonds which are issued within the People's Republic of China and traded on the China Interbank Bond Market. The Fund may invest up to 10% in securities issued by or guaranteed by any single government issuer with a credit rating below investment grade. The Fund may invest up to 10% in convertible bonds and up to 15% in contingent convertible securities. The Fund may invest up to 10% in other funds, including HSBC funds. The Fund will normally hedge non-USD exposures into USD. The exposure to non-USD currencies will be up to 20% of assets. See the Prospectus for a full description of the investment objectives and derivative usage.



Main risks

- 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 typically 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 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.

Share Class Details

Key metrics

| | |
|---------------------|------------------|
| NAV per Share | USD 10.78 |
| Performance 1 month | -4.85% |
| Yield to maturity | 9.70% |

Fund facts

| | |
|---------------------------|--|
| UCITS V compliant | Yes |
| Dividend treatment | Accumulating |
| Dealing frequency | Daily |
| Valuation Time | 17:00 Luxembourg |
| Share Class Base Currency | USD |
| Domicile | Luxembourg |
| Inception date | 5 August 2015 |
| Fund Size | USD 1,389,418,340 |
| Reference benchmark | 100% ICE BofA Global High Yield BB-B Constrained (USD Hedged; net of transaction costs) |

Managers **Mary Gottshall Bowers**

Fees and expenses

Ongoing Charge Figure¹ **1.644%**

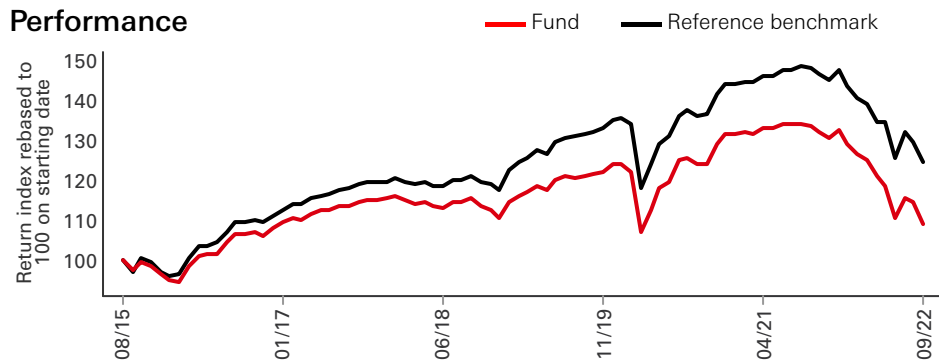
Codes

ISIN **LU0780246152**

Bloomberg ticker **HSDUECA LX**

¹Ongoing Charges Figure, is based on expenses over a year. The figure includes annual management charge but not the transaction costs. Such figures may vary from time to time.

Performance



| Performance (%) | YTD | 1 month | 3 months | 6 months | 1 year | 3 years ann | 5 years ann | 10 years ann | Since inception ann |
|---------------------|--------|---------|----------|----------|--------|-------------|-------------|--------------|---------------------|
| EC | -17.64 | -4.85 | -1.37 | -12.80 | -18.30 | -3.41 | -0.94 | -- | 1.05 |
| Reference benchmark | -15.67 | -4.15 | -1.10 | -10.60 | -15.89 | -1.86 | 0.88 | -- | 2.90 |

| Calendar year performance (%) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|------|-------|------|-------|-------|------|------|
| EC | -- | -- | -- | -- | 11.52 | 6.86 | -4.02 | 11.98 | 5.95 | 0.89 |
| Reference benchmark | -- | -- | -- | -- | 14.32 | 7.77 | -1.67 | 14.72 | 6.52 | 2.40 |

| 3-Year Risk Measures | EC | Reference benchmark | 5-Year Risk Measures | EC | Reference benchmark |
|----------------------|--------|---------------------|----------------------|-------|---------------------|
| Volatility | 11.01% | 10.62% | Volatility | 8.93% | 8.65% |
| Sharpe ratio | -0.36 | -0.23 | Sharpe ratio | -0.25 | -0.05 |
| Tracking error | 1.67% | -- | Tracking error | 1.36% | -- |
| Information ratio | -0.93 | -- | Information ratio | -1.34 | -- |

| Fixed Income Characteristics | Fund | Reference benchmark | Relative |
|---------------------------------|--------|---------------------|----------|
| No. of holdings ex cash | 512 | 3,126 | -- |
| Average coupon rate | 5.26 | 5.11 | 0.14 |
| Yield to worst | 9.43% | 8.95% | 0.48% |
| Option Adjusted Duration | 3.72 | 3.99 | -0.27 |
| Modified Duration to Worst | 4.07 | 4.12 | -0.04 |
| Option Adjusted Spread Duration | 4.06 | 4.26 | -0.19 |
| Average maturity | 5.59 | 5.66 | -0.07 |
| Rating average | BB/BB- | BB-/B+ | -- |
| Number of issuers | 354 | 1425 | -- |

| Credit rating (%) | Fund | Reference benchmark | Relative | Sleeve Maturity Breakdown (%) | Fund | Reference benchmark | Relative |
|-------------------|-------|---------------------|----------|-------------------------------|-------|---------------------|----------|
| AAA | 0.39 | -- | 0.39 | USD | 69.06 | 60.32 | 8.73 |
| A | 0.26 | -- | 0.26 | Emerging Markets | 12.37 | 17.78 | -5.40 |
| BBB | 3.17 | 0.45 | 2.72 | EUR | 11.48 | 21.90 | -10.41 |
| BB | 45.96 | 63.03 | -17.07 | Overlay | 7.08 | -- | 7.08 |
| B | 34.88 | 35.12 | -0.25 | | | | |
| CCC | 7.57 | 0.88 | 6.69 | | | | |
| CC | 0.25 | -- | 0.25 | | | | |
| C | 0.03 | -- | 0.03 | | | | |
| D | 0.04 | -- | 0.04 | | | | |
| NR | 0.09 | -- | 0.09 | | | | |
| Cash | 7.36 | 0.52 | 6.84 | | | | |

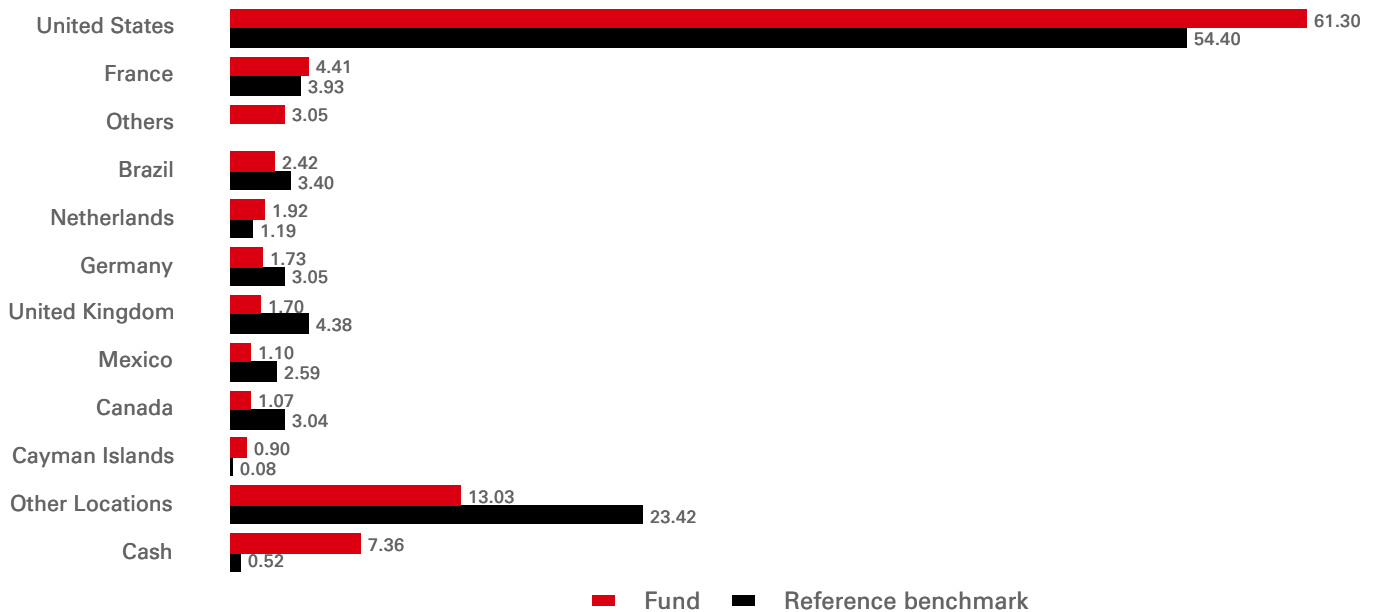
Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

Source: HSBC Asset Management, data as at 30 September 2022

| Maturity Breakdown (Option Adjusted Duration) | Fund | Reference benchmark | Relative |
|---|-------------|------------------------|--------------|
| 0-2 years | 0.06 | 0.12 | -0.07 |
| 2-5 years | 0.88 | 1.24 | -0.36 |
| 5-10 years | 2.48 | 2.18 | 0.30 |
| 10+ years | 0.29 | 0.44 | -0.15 |
| Total | 3.72 | 3.99 | -0.27 |

| Currency Allocation (%) | Fund | Reference benchmark | Relative |
|----------------------------|--------|------------------------|----------|
| USD | 100.17 | 100.00 | 0.17 |
| GBP | 0.00 | -- | 0.00 |
| HKD | 0.00 | -- | 0.00 |
| MXN | 0.00 | -- | 0.00 |
| ZAR | 0.00 | -- | 0.00 |
| AUD | 0.00 | -- | 0.00 |
| CAD | 0.00 | -- | 0.00 |
| JPY | 0.00 | -- | 0.00 |
| SGD | 0.00 | -- | 0.00 |
| EUR | -0.18 | -- | -0.18 |

Geographical Allocation (%)



| Sector Allocation (%) | Fund | Reference benchmark | Relative |
|------------------------|-------|------------------------|----------|
| Consumer Cyclical | 15.61 | 17.17 | -1.56 |
| Communications | 14.98 | 15.66 | -0.68 |
| Energy | 12.04 | 9.95 | 2.09 |
| Financial Institutions | 10.74 | 13.42 | -2.68 |
| Consumer Non cyclical | 8.97 | 10.31 | -1.34 |
| Capital Goods | 6.51 | 7.64 | -1.13 |
| Basic Industry | 6.21 | 5.68 | 0.53 |
| Technology | 4.72 | 4.40 | 0.32 |
| Agencies | 4.21 | 6.81 | -2.61 |
| Mutual Fund | 3.05 | -- | 3.05 |
| Other Sectors | 5.60 | 8.43 | -2.83 |
| Cash | 7.36 | 0.52 | 6.84 |

| Top 10 Holdings | Weight (%) |
|---------------------------------|------------|
| AMERICAN AIRLINE 5.750 20/04/29 | 1.16 |
| SPRINT CAP CORP 6.875 15/11/28 | 1.01 |
| MACY'S RETAIL 5.875 01/04/29 | 0.94 |
| GLB AIR LEASE CO 6.500 15/09/24 | 0.90 |
| OCCIDENTAL PETE 8.875 15/07/30 | 0.89 |
| ALTICE FRANCE 5.125 15/07/29 | 0.82 |
| DAVE & BUSTER'S 7.625 01/11/25 | 0.82 |
| AMER AXLE & MFG 6.875 01/07/28 | 0.79 |
| CROWNROCK LP/CR 5.000 01/05/29 | 0.68 |
| WASH MULT ACQ 5.750 15/04/26 | 0.65 |

Risk Disclosure

- 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 potential risks can be found in the Key Investor Information Document (KID) and/or the Prospectus or Offering Memorandum.

Follow us on:



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Glossary



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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 and underlying investments' weightings relative to the benchmark are monitored, but not constrained, to a defined range.

Source: HSBC Asset Management, data as at 30 September 2022

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