HSBC Asset Management

HSBC Global Investment Funds

GLOBAL EMERGING MARKETS LOCAL DEBT

Monthly report 30 September 2023 | Share class ICOGBP

Investment objective

The Fund aims to provide capital growth and income by investing in a portfolio of emerging market bonds (denominated in local currencies).

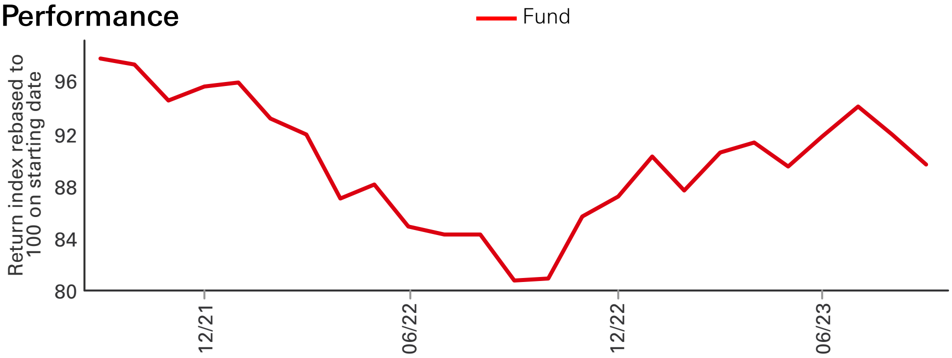
Investment strategy

The Fund is actively managed.In normal market conditions, the Fund will primarily invest its assets in investment grade bonds and non-investment grade bonds issued by governments, government-related entities, supranational entities and companies that are based in emerging markets, as well as currency forwards and non-deliverable forwards.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 convertible bonds, up to 10% in other funds and up to 10% in total return swaps.The Fund's primary currency exposure is to US dollars and currencies of other OECD (Organisation for Economic Co-operation and Development) countries.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.

Performance



Share Class Details

Key metrics	
NAV per Share	**GBP 8.97**
Performance 1 month	**-2.42%**
Yield to maturity	**7.22%**
Fund facts	
UCITS V compliant	**Yes**
Dividend treatment	**Accumulating**
Dealing frequency	**Daily**
Valuation Time	**17:00 Luxembourg**
Share Class Base Currency	**GBP**
Domicile	**Luxembourg**
Inception date	**15 September 2021**
Fund Size	**USD 1,065,190,341**
Managers	**Hugo Novaro** **Tadashi Sueyoshi**
Fees and expenses	
Ongoing Charge Figure[1]	**0.885%**
Codes	
ISIN	**LU0955571806**
Bloomberg ticker	**HELICHG LX**

[1]Ongoing 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.

Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.
This is a marketing communication. Please refer to the prospectus and to the KIID before making any final investment decisions.
Source: HSBC Asset Management, data as at 30 September 2023

Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	Since inception ann
ICOGBP	**2.77**	**-2.42**	**-2.31**	**-1.05**	**10.86**	**--**	**--**	**-5.21**

Calendar year performance (%)	2018	2019	2020	2021	2022
ICOGBP	**--**	**--**	**--**	**--**	**-8.71**

3-Year Risk Measures	ICOGBP	Reference benchmark
Volatility	--	--
Sharpe ratio	--	--

5-Year Risk Measures	ICOGBP	Reference benchmark
Volatility	--	--
Sharpe ratio	--	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	91	345	--
Average coupon rate	3.22	2.58	0.63
Yield to worst	7.07%	7.79%	-0.73%
Option Adjusted Duration	2.66	2.47	0.20
Modified Duration to Worst	2.90	2.42	0.48
Option Adjusted Spread Duration	-0.35	0.00	-0.35
Average maturity	4.09	3.47	0.62
Rating average	A/A-	AA-/A+	--

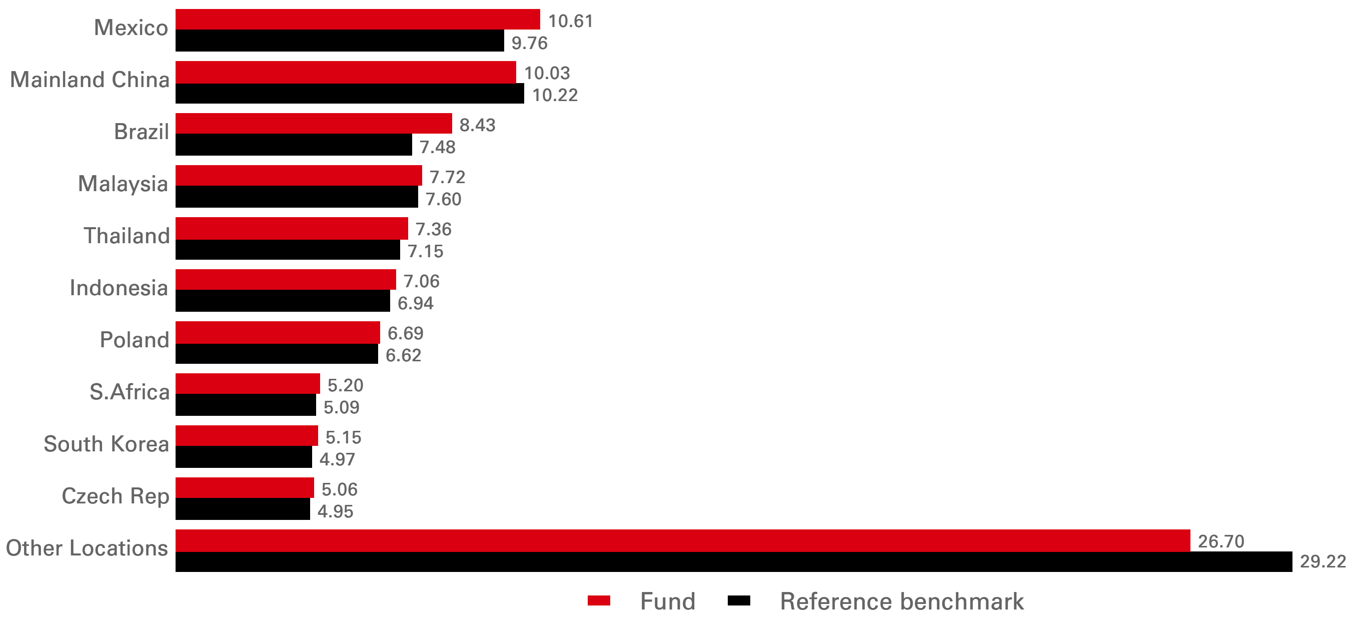
Credit rating (%)	Fund	Reference benchmark	Relative
AAA	7.13	--	7.13
AA	3.25	3.05	0.21
A	16.25	16.91	-0.66
BBB	23.52	19.47	4.05
BB	18.76	9.48	9.28
B	0.32	0.86	-0.54
NR	--	0.24	-0.24
Cash	38.00	50.00	-12.00
Cash Offset	-7.25	--	-7.25

Maturity Breakdown (%)	Fund	Reference benchmark	Relative
0-2 years	44.93	58.39	-13.46
2-5 years	25.55	15.76	9.79
5-10 years	13.91	15.36	-1.45
10+ years	15.61	10.49	5.12

Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.
The benchmark data is that of the reference benchmark of the fund, as this data is calculated at fund level rather than share class level. The reference benchmark of the fund is 50% JP Morgan Emerging Local Market Index+ 50% JP Morgan Government Bond Index Emerging Market Global Diversified
Source: HSBC Asset Management, data as at 30 September 2023

Currency Allocation (%)	Fund	Reference benchmark	Relative
MXN	10.96	9.76	1.20
CNY	10.03	10.22	-0.20
BRL	7.93	7.48	0.45
MYR	7.72	7.60	0.13
THB	7.36	7.15	0.20
IDR	7.06	6.94	0.12
PLN	6.57	6.62	-0.05
ZAR	5.20	5.09	0.10
KRW	5.15	4.97	0.18
CZK	5.08	4.95	0.13
Other Currencies	26.95	29.22	-2.27

Geographical Allocation (%)



Sector Allocation (%)	Fund	Reference benchmark	Relative
Government	69.13	50.00	19.13
Over The counter	0.11	--	0.11
Cash	38.00	50.00	-12.00
Cash Offset	-7.25	--	-7.25

The benchmark data is that of the reference benchmark of the fund, as this data is calculated at fund level rather than share class level. The reference benchmark of the fund is 50% JP Morgan Emerging Local Market Index+ 50% JP Morgan Government Bond Index Emerging Market Global Diversified
Source: HSBC Asset Management, data as at 30 September 2023

Top 10 Holdings	Weight (%)
BRAZIL-LTN 0.000 01/04/24	5.34
MEXICAN BONOS 7.500 03/06/27	4.61
POLAND GOVT BOND 2.500 25/07/27	4.24
BRAZIL-LTN 0.000 01/01/24	3.56
POLAND GOVT BOND 0.250 25/10/26	2.31
MEXICAN BONOS 8.500 18/11/38	1.91
INDONESIA GOV'T 7.500 15/06/35	1.87
REP SOUTH AFRICA 6.250 31/03/36	1.77
POLAND GOVT BOND 1.750 25/04/32	1.66
MEXICAN BONOS 8.500 31/05/29	1.65

The benchmark data is that of the reference benchmark of the fund, as this data is calculated at fund level rather than share class level. The reference benchmark of the fund is 50% JP Morgan Emerging Local Market Index+ 50% JP Morgan Government Bond Index Emerging Market Global Diversified
Source: HSBC Asset Management, data as at 30 September 2023

Monthly performance commentary

Market review
Volatility continued in September as a higher-for-longer narrative drove a US Treasury sell-off. The negative returns in hard and local currency bonds were driven by higher UST rates, which also aided to a stronger dollar putting pressure on EM currencies. Higher oil prices were able to provide some support for EM countries. The September sell-off can be characterized by the Fed's higher-for-longer narrative which puts a dampening on the EM outlook and pushed the dollar stronger and US rates to the highest we've seen since the GFC. Developed markets central banks continue to hold rates steady, with an overall tone they will stay more restrictive as inflation remain sticky and easing is not imminent. The Fed at their September meeting left rates unchanged but gave off a hawkish tone as they continue to project one possible rate hike before the end of the year. In EM, central banks in parts of Latin America and CEEMEA continue their cutting cycles with some central banks realizing the risk of upward trending inflation globally which may lead to a pause in monetary policy. Meanwhile, data out of China was mixed over the month giving some reprieve to markets, however sentiment around China remains low in light of recent policy measures. On a technical standpoint, net new issuance was robust in September with both sovereigns and corporates issuing more bonds than bonds maturing after a few months of net negative issuance. Finally, flows into EMD were negative on the month; with both hard and local currency funds seeing declines.

Performance
EMD local assets posted negative performance for the month of September. The selloff in US treasuries was again the main factor driving EM local currency yields higher. Higher US rates also led to a stronger dollar which in turn lead to weakness in EMFX. The fund performed in-line with the benchmark over the period. Over the month, the overweight to high carry EMFX currency such as the Chilean peso and Mexican peso hurt relative returns as they underperformed the benchmark given a stronger US dollar. Within our rates positioning, receivers in Mexico and Chile detracted from relative performance as those curves are sensitive to US treasury yield moves and were hurt by the move higher in core rates. In addition, we also hold a small overweight to US 5year rates which contributed to negative performance on the month. In terms of contributors, the underweight to China bonds added to relative returns as China bond yields moved higher with the move in core rates. Additionally, on a more idiosyncratic note, Turkey rates continued to go higher through the month and our underweight to Turkish local bonds added to relative performance. With this move, we took profit and were able to purchase bonds with yields that hovered near 25%. The underweight to Thailand rates added to relative returns as the country underperformed the broader universe given higher rates in the US. Within EMFX, we started off the month with an underweight to the Polish zloty which added to relative returns as the currency was the worst performer. We marginally increased our position during the month.

Positioning
We maintain overweight positions in select LatAm countries, both currency and rates, as inflation has come down and the central banks are ready to cut interest rates, while remaining underweight to THB and CNY rates as rates remain anchored there and those positions moved in line with UST. We ended the month with a small overweight to duration of 0.20 years relative to the benchmark, while decreasing our overweight to EMFX over the month to a 2.7% overweight.

Outlook
We see the fourth quarter of 2023 as when the US economic data will finally begin to reflect the very tight financial conditions after 18 months of Federal Reserve tightening. Consumer savings are dwindling, and the job market is weaker, which together should spell an end to the consumer engine for this cycle. Data in Europe and China already reflect a weaker environment and should weigh decisively on global demand. Disinflation is well entrenched and key components such as rents inflation and labor costs are showing clear deceleration. As a result, we are highly convicted in the view that global interest rates are peaking and that adding duration in both local markets and hard currencies makes sense as we head into year-end. We have high confidence that yield curves will steepen and that the US dollar will begin to weaken again as economic indicators become clearer on a slowdown. In general, spreads should demonstrate a tendency to widen, and we tilt back towards a preference for IG credit and for quasi-sovereigns in such an environment. We are willing to take duration again in some markets especially where spread curves have steepened. We also like countries that stand poised for upgrade to IG in our investment horizon. In terms of sectors, we maintain a preference for renewable energy which should benefit from higher oil prices and weather disruptions related to El Nino. Our top picks in currency space are in Latin America where inflation has come down quickly and carry remains in the double digits for many markets.

The stocks mentioned are for illustrative purposes only and are not investment advice, investments have risks.
Source: HSBC Asset Management, data as at 30 September 2023

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 Information Document (KID) and/or the Prospectus or Offering Memorandum.

Follow us on:

HSBC Asset Management

For more information please contact us at Tel: +352404646767.
www.assetmanagement.hsbc.com/uk
amgtransferagency@lu.hsbc.com
To help improve our service and in the interests of security we may record and/or monitor your communication with us.

Glossary

Index Disclaimer

Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval.

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 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 2023

Important Information

The material contained herein is for marketing purposes and is for your information only. This document is not contractually binding nor are we required to provide this to you by any legislative provision. It does not constitute legal, tax or investment advice or a recommendation to any reader of this material to buy or sell investments. You must not, therefore, rely on the content of this document when making any investment decisions.
This document is distributed in France, Italy, Spain and Sweden by HSBC Asset Management (France) and is only intended for professional investors as defined by MIFID.
The information contained herein is subject to change without notice.
The information provided herein is simplified and therefore incomplete.
The material contained herein is for information purposes only and does not constitute investment advice or a recommendation to any reader of this material to buy or sell investments. Care has been taken to ensure the accuracy of this document, but HSBC Asset Management accepts no responsibility for any errors or omissions contained herein. All non-authorised reproduction or use of this commentary and analysis will be the responsibility of the user and will be likely to lead to legal proceedings. This document has no contractual value and is not by any means intended as a solicitation, nor a recommendation for the purchase or sale of any financial instrument in any jurisdiction in which such an offer is not lawful. The commentary and analysis presented in this document reflect the opinion of HSBC Asset Management on the markets, according to the information available to date. They do not constitute any kind of commitment from HSBC Asset Management. Consequently, HSBC Asset Management will not be held responsible for any investment or disinvestment decision taken on the basis of the commentary and/or analysis in this document. All data from HSBC Asset Management unless otherwise specified. Any third party information has been obtained from sources we believe to be reliable, but which we have not independently verified.
The fund is a sub-fund of HSBC Global Investment Funds, a Luxemburg domiciled SICAV.
Before subscription, investors should refer to Key investor document (KID) of the fund as well as its complete prospectus. For more detailed information on the risks associated with this fund, investors should refer to the complete prospectus of the fund
The shares of HSBC Global Investment Funds have not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons.
Shares of the Company may not be offered or sold for sale or sold to any "U.S. Person within the meaning of the Articles of Incorporation, i.e. a citizen or resident of the United States of America (the "United States"), a partnership organised or existing under the laws of any state, territory or possession of the United States, or a corporation organised or existing under the laws of the United States or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States is not includible in gross income for purposes of computing United States income tax payable by it.
Please note that funds included in this material may be covered by regulations outside of the European Economic Area (The EEA). Local regulations may vary, and can potentially impact your right to funds.
HSBC Asset Management is the brand name for the asset management business of HSBC Group. The above document has been produced by HSBC Asset Management (France) and has been approved for distribution/issue by the following entities :
In France by HSBC Asset Management (France), a Portfolio Management Company authorised by the French regulatory authority AMF (no. GP99026); in Italy and Spain through the Milan and Madrid branches of HSBC Asset Management (France), regulated by Banca d'Italia and Commissione Nazionale per le Società e la Borsa (Consob) in Italy, and the Comisión Nacional del Mercado de Valores (CNMV) in Spain. In Sweden, through the Stockholm branch of HSBC Asset Management (France), regulated by the Swedish Financial Supervisory Authority Finansinspektionen).
HSBC Asset Management (France) - 421 345 489 RCS Nanterre. Portfolio management company authorised by the French regulatory authority AMF (no. GP99026) with capital of 8.050.320 euros. Postal address: 75419 Paris cedex 08, France. Offices: Immeuble Coeur Défense, 110, esplanade du Général Charles de Gaulle, 92400 Courbevoie - La Défense 4 . (Website: www.assetmanagement.hsbc.lu).

Important information for Luxembourg investors: HSBC entities in Luxembourg are regulated and authorised by the Commission de Surveillance du Secteur Financier (CSSF).
Further Information can be found in the prospectus.