

## HSBC Global Investment Funds

# SINGAPORE DOLLAR INCOME BOND

Marketing communication | Monthly report 28 February 2025 | Share class AM2



### Investment objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of bonds denominated in or hedged to Singapore dollars (SGD).



### Investment strategy

The Fund is actively managed.

In normal market conditions, the Fund will invest at least 90% of its assets in investment grade bonds, non-investment grade bonds, unrated bonds and other similar securities issued or guaranteed by governments, government agencies, supranational entities or issued by companies that are based in or carry out the larger part of their business in Asia, either denominated in SGD or non-SGD currencies that are hedged back to SGD.

Companies and/or issuers considered for inclusion within the Fund's portfolio will be subject to excluded activities in accordance with HSBC Asset Management's Responsible Investment Policies, which may change from time to time.

The Fund may invest up to 30% in non-investment grade bonds and similar securities and up to 10% in asset-backed securities and mortgage-backed securities. The Fund may invest up to 10% in convertible bonds and up to 10% in contingent convertible securities.

The Fund may invest up to 10% in other funds, including HSBC funds and may invest in bank deposits, money market instruments or money market funds for treasury purposes.

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       | <b>SGD 7.98</b> |
| Performance 1 month | <b>0.53%</b>    |
| Yield to maturity   | <b>4.89%</b>    |

#### Fund facts

|                   |   |
|-------------------|---|
| UCITS V compliant | <b>Yes</b>  |
| Subscription mode | <b>Cash / SRS<br/>(Supplementary Retirement Scheme)</b> |

|                    |                     |
|--------------------|---------------------|
| Dividend treatment | <b>Distributing</b> |
|--------------------|---------------------|

|                        |                |
|------------------------|----------------|
| Distribution Frequency | <b>Monthly</b> |
|------------------------|----------------|

|                  |                         |
|------------------|-------------------------|
| Dividend ex-date | <b>28 February 2025</b> |
|------------------|-------------------------|

|                           |              |
|---------------------------|--------------|
| Dividend annualised yield | <b>4.74%</b> |
|---------------------------|--------------|

|                    |                 |
|--------------------|-----------------|
| Last Paid Dividend | <b>0.030878</b> |
|--------------------|-----------------|

|                   |              |
|-------------------|--------------|
| Dealing frequency | <b>Daily</b> |
|-------------------|--------------|

|                |                         |
|----------------|-------------------------|
| Valuation Time | <b>17:00 Luxembourg</b> |
|----------------|-------------------------|

|                           |            |
|---------------------------|------------|
| Share Class Base Currency | <b>SGD</b> |
|---------------------------|------------|

|          |                   |
|----------|-------------------|
| Domicile | <b>Luxembourg</b> |
|----------|-------------------|

|                |                     |
|----------------|---------------------|
| Inception date | <b>2 March 2018</b> |
|----------------|---------------------|

|           |                        |
|-----------|------------------------|
| Fund Size | <b>SGD 352,062,886</b> |
|-----------|------------------------|

|                     |  |
|---------------------|--|
| Reference benchmark | <b>20% JP Morgan Asia Credit High Yield SGD Hedged<br/>25% JP Morgan Asia Credit Investment Grade SGD Hedged<br/>55% Markit iBoxx SGD Non-Sovereign Total Return Index</b> |
|---------------------|--|

|          |   |
|----------|---|
| Managers | <b>William GOH<br/>Alex CHOI<br/>Daniel Lam</b> |
|----------|---|

#### Fees and expenses

|  |                  |
|--|------------------|
| Minimum initial investment (SG) <sup>1</sup> | <b>SGD 1,000</b> |
| Maximum initial charge (SG)                  | <b>3.000%</b>    |
| Management fee                               | <b>0.800%</b>    |

#### Codes

Performance is annualised when calculation period is over one year. Past performance does not predict future returns. Fund return: NAV-to-NAV basis. For comparison with Reference Benchmark.

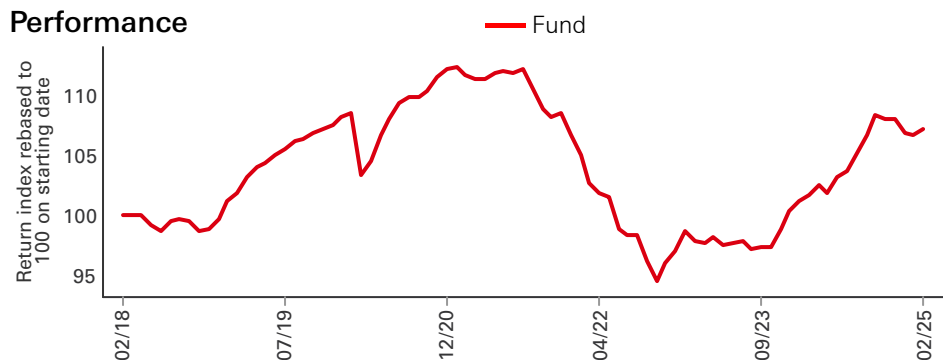
\*Share class denoted with "(Net)" refers to fund return net of maximum initial charge (SG) on a single pricing (NAV) basis. No redemption charge is levied.

This is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions.

Reference Performance Benchmark: 20% JP Morgan Asia Credit High Yield SGD Hedged 25% JP Morgan Asia Credit Investment Grade SGD Hedged 55% Markit iBoxx SGD Non-Sovereign Total Return Index since 28 May 2024. Since inception - 28 May 2024, there was no benchmark.

Source: HSBC Asset Management, data as at 28 February 2025

## Performance



| Performance (%)     | YTD         | 1 month     | 3 months     | 6 months    | 1 year      | 3 years ann | 5 years ann  |
|---------------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|
| <b>AM2</b>          | <b>0.35</b> | <b>0.53</b> | <b>-0.83</b> | <b>0.41</b> | <b>5.48</b> | <b>0.69</b> | <b>-0.26</b> |
| AM2 (Net)*          | -2.57       | -2.40       | -3.72        | -2.52       | 2.40        | -0.30       | -0.84        |
| Reference benchmark | 1.32        | 1.30        | 0.98         | 2.20        | --          | --          | --           |

| Calendar year performance (%) | 2020        | 2021         | 2022          | 2023        | 2024        |
|-------------------------------|-------------|--------------|---------------|-------------|-------------|
| <b>AM2</b>                    | <b>4.30</b> | <b>-3.31</b> | <b>-10.71</b> | <b>3.54</b> | <b>6.47</b> |
| AM2 (Net)*                    | 1.27        | -6.13        | -13.31        | 0.52        | 3.36        |
| Reference benchmark           | --          | --           | --            | --          | --          |

| 3-Year Risk Measures | AM2   | Reference benchmark | 5-Year Risk Measures | AM2   | Reference benchmark |
|----------------------|-------|---------------------|----------------------|-------|---------------------|
| Volatility           | 3.93% | --                  | Volatility           | 4.27% | --                  |
| Sharpe ratio         | -0.71 | --                  | Sharpe ratio         | -0.59 | --                  |
| Tracking error       | --    | --                  | Tracking error       | --    | --                  |
| Information ratio    | --    | --                  | Information ratio    | --    | --                  |

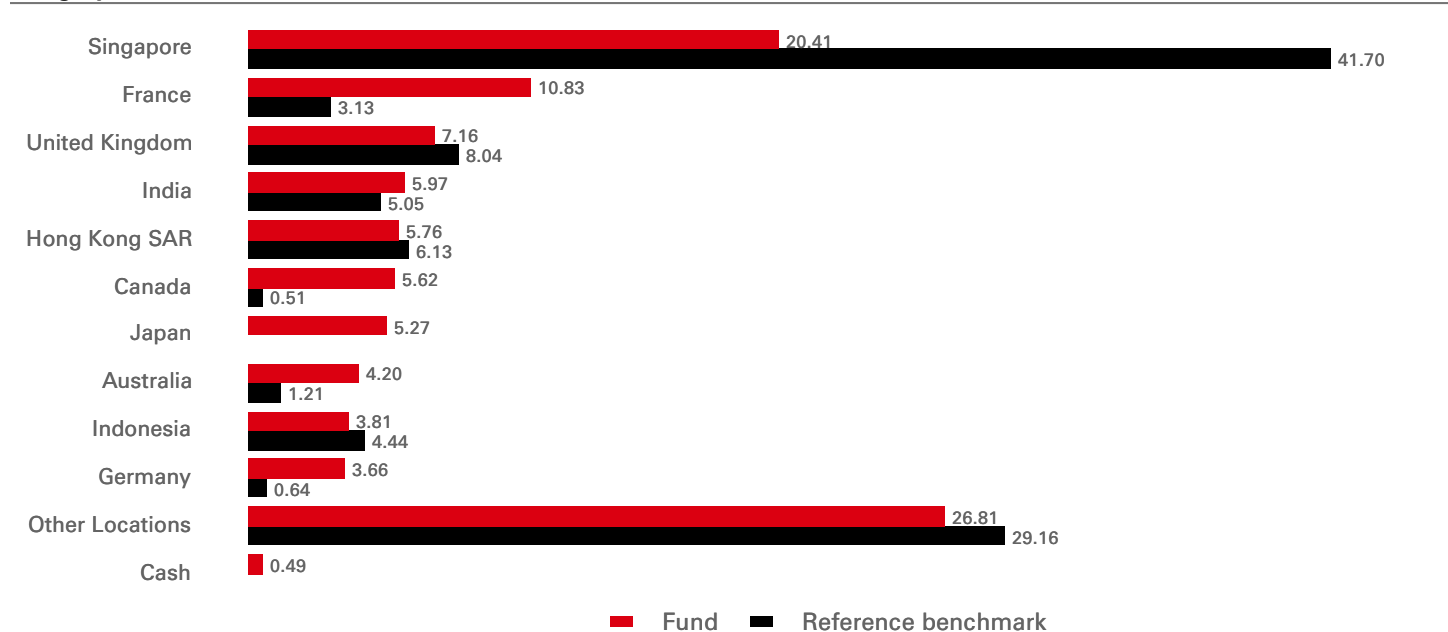
| Fixed Income Characteristics    | Fund     | Reference benchmark | Relative |
|---------------------------------|----------|---------------------|----------|
| No. of holdings ex cash         | 165      | 1,699               | --       |
| Average coupon rate             | 5.26     | 4.13                | 1.13     |
| Yield to worst                  | 4.70%    | 4.75%               | -0.05%   |
| Current yield                   | 5.26%    | 4.28%               | 0.98%    |
| Option Adjusted Duration        | 3.44     | 4.43                | -0.99    |
| Option Adjusted Spread Duration | 5.10     | 4.64                | 0.46     |
| Average maturity                | 4.42     | 6.19                | -1.78    |
| Rating average                  | BBB/BBB- | A-/BBB+             | --       |

| Credit rating (%) | Fund  | Reference benchmark | Relative |
|-------------------|-------|---------------------|----------|
| AAA               | 3.07  | 19.88               | -16.81   |
| AA                | 0.23  | 4.94                | -4.71    |
| A                 | 22.82 | 15.16               | 7.66     |
| BBB               | 37.13 | 25.00               | 12.13    |
| BB                | 12.34 | 12.29               | 0.06     |
| B                 | 10.09 | 2.61                | 7.48     |
| CCC               | 5.24  | 2.62                | 2.61     |
| CC                | 0.21  | --                  | 0.21     |
| C                 | --    | 0.04                | -0.04    |
| D                 | --    | 0.02                | -0.02    |
| NR                | 8.37  | 17.44               | -9.07    |
| Cash              | 0.49  | --                  | 0.49     |

| Maturity Breakdown (Option Adjusted Duration) | Fund        | Reference benchmark | Relative     |
|---|-------------|---------------------|--------------|
| 0-2 years                                     | 0.17        | 0.29                | -0.12        |
| 2-5 years                                     | 1.56        | 1.38                | 0.18         |
| 5-10 years                                    | 1.77        | 0.99                | 0.79         |
| 10+ years                                     | -0.07       | 1.77                | -1.84        |
| <b>Total</b>                                  | <b>3.44</b> | <b>4.43</b>         | <b>-0.99</b> |

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Source: HSBC Asset Management, data as at 28 February 2025

## Geographical Allocation (%)



| Sector Allocation (%) | Fund  | Reference benchmark | Relative |
|-----------------------|-------|---------------------|----------|
| Banks                 | 36.73 | 23.23               | 13.50    |
| Insurance             | 12.46 | 3.08                | 9.38     |
| Government            | 8.17  | 29.49               | -21.32   |
| Industrial            | 7.61  | 3.02                | 4.59     |
| Utilities             | 6.60  | 4.29                | 2.31     |
| Reits                 | 5.94  | 4.59                | 1.36     |
| Basic Materials       | 4.55  | 2.23                | 2.32     |
| Communications        | 4.42  | 3.37                | 1.05     |
| Consumer Cyclical     | 4.13  | 4.90                | -0.77    |
| Energy                | 3.38  | 3.22                | 0.16     |
| Other Sectors         | 5.51  | 18.58               | -13.07   |
| Cash                  | 0.49  | --                  | 0.49     |

| Top 10 Holdings                 | Weight (%) |
|---------------------------------|------------|
| TORONTO DOM BANK 5.700          | 3.25       |
| AIA GROUP 2.900                 | 2.66       |
| MANULIFE FIN COR 4.275 19/06/34 | 2.37       |
| STANDARD CHART 4.500 14/06/33   | 2.36       |
| LLOYDS BK GR PLC 5.250 22/08/33 | 2.07       |
| KEPPEL LTD 2.900                | 2.07       |
| COMMERZBANK AG 6.500 24/04/34   | 1.88       |
| BPCE 5.000 08/03/34             | 1.79       |
| SINGTEL GROUP TR 3.300          | 1.77       |
| ABN AMRO BANK NV 5.500 05/10/32 | 1.74       |

Top 10 holdings exclude holdings in cash and cash equivalents and money market funds.

## 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.
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- Investment involves risk. Past performance figures shown are not indicative of future performance. Investors should read the prospectus (including the risk warnings) and the product highlights sheets, before investing. Daily price change percentage is based on bid-bid price.

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## 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.

**Source: HSBC Asset Management, data as at 28 February 2025**

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### Glossary



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