HSBC Global Asset Management

HSBC GIF Global Bond Total Return Fund

Fund Overview

★★★★ Morningstar Rating™

For professional clients only

February 2021

Why use a global bond total return strategy?

- Fixed income investors need to look for innovative solutions to achieve their investment objectives; employing a core allocation which dynamically exploits the best ideas across all environments and economic cycles will prove invaluable
- A multi-sector, flexible approach that breaks away from traditional benchmark constraints and maximises the full fixed income investment toolkit
- Dynamically managing duration and credit exposures provides the versatility to generate attractive return and income regardless of the ever-changing economic environment

Why allocate now?

- An unconstrained, total return strategy is the optimal expression of global fixed income investing in the current uncertain and low yield environment
- Investors are not being adequately compensated for taking traditional fixed income long maturity/duration exposure, and need to break away from the limitations of a benchmark
- With the compression in fixed income yields and with income becoming harder to deliver, investors should look towards incorporating a total return solution to achieve their income goals

Portfolio Managers

Oliver Boulind

Head of Global Credit Strategy
28 years industry experience

Ernst Osiander

Head of Global Rates Strategy
26 years industry experience

Fund Snapshot

- Lower-for-longer rates and recent credit market rally pushing reassessment of fixed income allocations
- A dynamic multi-sector fixed income strategy can be an efficient diversifier for broader fixed income allocations
- A global flexible investment with controlled volatility has a place in a balanced 'core' fixed income solution
- Unique, uncorrelated, differentiated strategy that captures upside opportunities and protects capital
- Strong track record which delivers complementary results versus peers

Any performance information shown refers to the past and should not be seen as an indication of future returns. The figures are calculated in the IC share class base currency, dividend reinvested, net of fees. Source: HSBC Global Asset Management, as at 31 December 2020. The fund has no benchmark. Source: Morningstar, as at 31 December 2020. The peer group considers the funds in the category Morningstar "OE Global Flexible Bond".

Why choose this fund?

1 Investors are significantly allocating to the flexible bond universe, growing to +$516bn

2 A dynamic multi-sector fixed income strategy can be an efficient diversifier for broader fixed income allocations

3 A global flexible investment with controlled volatility has a place in a balanced 'core' Fixed Income solution

4 Unique, uncorrelated, differentiated strategy that captures upside opportunities and protects capital

5 Strong track record with complementary results versus peers

Why HSBC?

- The Fund is managed by our highly experienced Global Bond team backed by our extensive global resources comprising 164 bond investment professionals over 13 countries and a global credit research team of 44 credit analysts
- The London based Global Bond team has extensive expert knowledge across the main sectors within global bonds and sources the best investment ideas from across HSBC's expertise in Rates, IG and High Yield Credit, Emerging markets, Asia Fixed Income, Securitised Credit and FX

HSBC credentials

- A long history of investing in global bond markets. HSBC Global Asset Management is HSBC's dedicated investment business. It is a multi-specialist asset management firm offering broad, highly diverse strategies and as of end-September 2020, managed over USD571 billion in assets for institutional and individual investors around the world. Within this total, over USD165 billion is in fixed income

Fund Details

Fund Domicile	UCITS IV Luxembourg SICAV
Inception Date	27 February 2015
Ongoing charge[1]	A share: 1.15% I share: 0.65% X share: 0.55%[2]
Minimum Initial Investment	A share: USD5,000 I share: USD1,000,000 X share: USD 10,000,000[2]
ISIN	AC: LU1163225284 IC: LU1163225441 XC: LU1163225870[2]
Dealing	Daily by 10.00 (CET)
Valuation	Daily at 17.00 (CET)
Management Company	HSBC Investment Fund (Luxembourg) SA
Investment Advisor	HSBC Global Asset Management (UK) Ltd

1. Prospectus Management Fee plus Operating Administrative and Servicing Expenses
2. X share class for institutional investors only. This is a maximum charge.
3. Other share classes are also available including distributing and currency hedged share classes.

The information provided is for informational purposes only and should not be construed as a recommendation or solicitation for any investment strategy or product, nor securities in the regions and countries referenced.

Key Risks

The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested

- **Exchange rate risk.** Investing in assets denominated in a currency other than that of the investor's own currency perspective exposes the value of the investment to exchange rate fluctuations
- **Derivative risk (leverage).** The value of derivative contracts is dependent on the performance of an underlying asset. A small movement in the value of the underlying can cause a large movement in the value of the derivative. Over-the-counter (OTC) derivatives have credit risk associated with the counterparty or institution facilitating the trade. Investing in derivatives involves leverage (sometimes known as gearing). High degrees of leverage can present risks to sub-funds by magnifying the impact of asset price or rate movements
- **Asset backed securities (ABS) risk.** ABS are typically constructed from pools of assets (e.g. mortgages) that individually have an option for early settlement or extension, and have potential for default. Cash flow terms of the ABS may change and significantly impact both the value and liquidity of the contract
- **Emerging market fixed income risk.** As interest rates rise, debt securities will fall in value. Emerging economies typically exhibit higher levels of investment risk. Higher yielding securities are more likely to default
- **Contingent Convertible Security (CoCo) risk.** Hybrid capital securities that absorb losses when the capital of the issuer falls below a certain level. Under certain circumstances CoCos can be converted into shares of the issuing company, potentially at a discounted price, or the principal amount invested may be lost
- **Operational risk.** The main risks are related to systems and process failures. Investment processes are overseen by independent risk functions which are subject to independent audit and supervised by regulators
- **Counterparty Risk** The possibility that the counterparty to a transaction may be unwilling or unable to meet its obligations.
- **Credit Risk** A bond or money market security could lose value if the issuer's financial health deteriorates.
- **Interest Rate Risk** When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality
- **Default Risk** The issuers of certain bonds could become unwilling or unable to make payments on their bonds

For more detailed information on the risks associated with this fund, investors should refer to the prospectus of this fund

Important Information

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Synthetic Risk and Reward Indicator (SRRI) * : 3/7. The rating is based on price volatility over the last five years, and is an indicator of absolute risk. Historical data may not be a reliable indication for the future. The rating is not guaranteed to remain unchanged and the categorisation may shift over time. The lowest rating does not mean a risk-free investment. The value of investments and any income from them can go down as well as up and investors may not get back the amount originally invested. Where overseas investments are held the rate of currency exchange may also cause the value of such investments to fluctuate. Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. Stock market investments should be viewed as a medium to long term investment and should be held for at least five years. Any performance information shown refers to the past and should not be seen as an indication of future returns.

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