

HSBC Global Investment Funds - US Dollar Bond

Share Class AC

28 Feb 2021

Fund Objective and Strategy

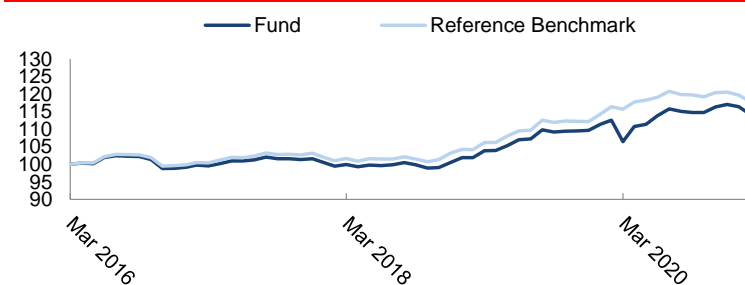
Investment Objective

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

Investment Policy

In normal market conditions, the Fund will primarily invest its assets in USD denominated investment grade rated bonds issued in developed markets. The Fund may invest up to 50% in asset-backed securities and mortgage-backed securities. The Fund may invest up to 10% in contingent convertible securities. See the Prospectus for a full description of the investment objectives and derivative usage.

Performance (%)



Performance (%)	YTD	1M	3M	1Y	3Y ¹	5Y ¹
AC	-2.30	-1.75	-1.72	1.59	4.76	2.86
Reference Benchmark	-2.15	-1.44	-2.02	1.38	5.32	3.55

Rolling Performance (%)	29 Feb 2020- 28 Feb 2021	28 Feb 2019- 29 Feb 2020	28 Feb 2018- 28 Feb 2019	28 Feb 2017- 28 Feb 2018	29 Feb 2016- 28 Feb 2017
AC	1.59	10.50	2.43	-0.35	0.50
Reference Benchmark	1.38	11.68	3.17	0.51	1.42

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

UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE THE FUTURE ONES

Source: HSBC Global Asset Management, data as at 28 February 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 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.
- 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 Key Investor Information Document and Prospectus.
- UCITS HAVE NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE THE FUTURE ONES.

Share Class Details

UCITS V Compliant	Yes
Distribution Type	Accumulating
Dealing Frequency	Daily
Valuation Time	17:00 Luxembourg
Min. Initial Investment	USD 5,000
Ongoing Charge Figure ²	1.001%
Share Class Base Currency	USD
Domicile	Luxembourg
ISIN	LU0165076018
Share Class Inception Date	23 Oct 2003
NAV per Share	USD 18.15
Fund Size	USD 148,277,929
Bloomberg Ticker	HSBUSAC LX
Reference Benchmark	BofA Merrill Lynch Global High Yield BB-B Constrained Hedged USD
Manager	Jerry Samet

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

²Ongoing 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.

3-Year Risk Measures	AC	Reference Benchmark	5-Year Risk Measures	AC	Reference Benchmark
Volatility	5.13%	3.38%	Volatility	4.41%	3.23%
Sharpe Ratio	0.59	1.07	Sharpe Ratio	0.31	0.64
Tracking Error	3.34%	-	Tracking Error	2.60%	-
Information Ratio	-0.17	-	Information Ratio	-0.27	-

Characteristics	Fund	Reference Benchmark	Relative	Characteristics	Fund	Reference Benchmark	Relative
Number of Holdings ex Cash	159	12,007	-	Current Yield (Gross)	2.09	1.68	0.42
Average Coupon	3.29	2.81	0.49	Option Adjusted Spread	6.16	6.32	-0.17
Option Adjusted Duration (OAD)	5.79	6.23	-0.44	Duration (OASD) ³			
Yield to Worst (Gross)	2.03	1.41	0.61	Rating Average ⁴	A+/A	AA+/AA	-
				Maturity Average	7.84	8.16	-0.32

Credit Quality Rating Allocation (Market Value %)	Fund	Reference Benchmark	Relative	Sector Allocation (Market Value %)	Fund	Reference Benchmark	Relative
AAA	42.99	70.29	-27.30	US Agency Mbs	27.35	27.60	-0.25
AA	0.66	3.31	-2.66	Corp Non-fin	27.16	18.65	8.51
A	15.91	11.84	4.07	Corp Fin	25.58	8.23	17.36
BBB	36.22	14.56	21.66	Treasuries	15.63	36.79	-21.16
BB	5.08	-	5.08	Collateralised	4.32	2.52	1.80
NR	-0.85	-	-0.85	Supra/agencies	0.80	6.20	-5.40
				credit default swap index	-0.85	-	-0.85

Sorted from highest to lowest rating. Cash is not included in any rating.

Sorted from largest to smallest per market values of weight.

Maturity Breakdown (Option Adjusted Duration)	Fund	Reference Benchmark	Relative	Geographical Allocation (Option Adjusted Duration)	Fund	Reference Benchmark	Relative
0-2 years	0.09	0.15	-0.07	United States	5.23	5.71	-0.47
2-5 years	1.34	1.44	-0.10	Ireland	0.12	0.00	0.12
5-10 years	1.83	1.54	0.29	United Kingdom	0.12	0.08	0.04
10+ years	2.54	3.10	-0.56	France	0.07	0.01	0.06
Total	5.79	6.23	-0.44	Australia	0.06	0.01	0.05
				Netherlands	0.06	0.03	0.03
				Germany	0.05	0.02	0.03
				Canada	0.03	0.07	-0.04
				Spain	0.02	0.01	0.01
				Switzerland	0.02	0.01	0.01
				Other Locations	0.01	0.29	-0.29
				Cash	0.01	-	0.01
				Total	5.79	6.23	-0.44

Sorted from shortest to longest per the length of maturity.

Top 10 Holdings (%)	Weight (%)
FNCL 3 3/21 3.000	5.25
FNCL 3.5 3/21 3.500	3.88
US TREASURY N/B 1.375 15/08/50	3.82
US TREASURY N/B 0.875 15/11/30	3.60
US TREASURY N/B 0.250 15/06/23	3.38
US TREASURY N/B 0.625 31/12/27	3.35
FNCL 2 3/21 2.000	2.99
FNCL 4 3/21 4.000	2.65
G2SF 3 3/21 3.000	2.63
FNCL 2.5 3/21 2.500	2.19

Only top 10 breakdowns are displayed. Other breakdowns are included in Others.

³Spread duration excludes interest rate futures and bond futures. We can force the local government spread duration to zero for certain funds on request.

⁴Average credit rating uses 'Index rating' which is an average of S&P, Fitch, Moody's. The average fund and benchmark rating does not include securities rated NR or NA.

Monthly Performance Commentary

Fund Review

With vaccine rollouts continuing and a strong likelihood of a larger stimulus package investor focus shifted to the rates market where a rise in inflation expectations saw a large move in 5, 10 and 30 year treasuries. Credit spreads tightened over the month but IG credit saw a negative total return in the face of the rates move while HY remained positive. IG supply remained robust in February with \$118 billion issued while HY saw \$38 billion. IG flows continued to be positive with \$21 billion while HY saw outflows of \$2.4 billion through both ETFs and funds flows. US IG saw spreads tighten 8 bps while the US Treasury curve steepened over the month with a pronounced rise in intermediate and long end yields. The US 2, 5, 10 and 30 year moved +2, +31, +34 and +32 bps respectively to finish the month with a yield of 0.13%, 0.73%, 1.40% and 2.15% respectively. In this market context the strategies benchmark delivered -1.44% over the month

Sector positioning contributed positively to performance with an overweight to corporates which outperformed Treasuries as rates moved higher over the month. The overweight to lower rated bonds detracted from performance as lower rated bonds underperformed over the month.

From a sector perspective the strategy remains underweight Treasuries and supranational/agencies and overweight financial corporates, non-financial corporates. The strategy duration at 5.79 years is 0.4 years underweight the benchmark on an option adjusted basis with an underweight to the 0-2 and 10+ year segments and overweight to the 2-5 and 5-10 year segments. With regards to ratings, the strategy is below the benchmark on an average rating basis at A+/A vs AA+/AA with an underweight to AAA and AA rated bonds and an overweight to A and BBB rated bonds. The fund also has an off benchmark exposure to BB rated bonds.

Outlook

While the spike in rates at the end of February surprised investors, the long end of the curve has been seeing upward pressure since Q3 of last year. Given the recent move we would believe rates to be more range bound going forward in 2021 but sensitivity remains to changing market expectations which could cause additional volatility. Credit fundamentals remain stable and should improve through the course of the year as the economic recovery continues but credit spreads are already at or close to historically tight levels offering less potential for tightening and a smaller cushion should we see more volatility. While vaccinations continue to be administered, focus has turned to the rate inoculation and disparity between regions as well as the impact of variant strains of the virus and what this means for the lifting of restrictions and the pace of recovery.

For Investment Grade portfolios we have continued to reduce beta, selling into market strength as valuations are historically tight but remain comfortable with a positioning above 1. We balance this with an emphasis on issuer selection focusing on credits and sectors that are more cyclical in nature where we see the potential for further compression. We remain underweight duration with a steepening bias. While rates have already seen a large moved up this year we believe the longer term cyclical trend will continue albeit at a more moderate pace.

In High Yield credit fundamentals are also improving and default rates are less of a concern as the economy continues to recover but spreads are now also close to historically tight levels and we expect them to be somewhat range bound near term. We continue to rotate out of names that have performed well in order to create additional capacity should markets sell off so we can move into names that have lagged in the recovery so far. We are also looking at credits which we believe are potential candidates to be upgraded into IG.

Index Disclaimer

Bloomberg® is a trademark and service mark of Bloomberg Finance L.P. (collectively with its affiliates, "Bloomberg"). Barclays® is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under license. Bloomberg or Bloomberg's licensors, including Barclays, own all proprietary rights in the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays approve or endorse this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

Important Information

This document is produced and distributed by HSBC Global Asset Management (France) and is only intended for non professional investors as defined by MIFID. The information contained herein is subject to change without notice. All non-authorized 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 an investment advice 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 Global Asset Management (France) on the markets, according to the information available to date. They do not constitute any kind of commitment from HSBC Global Asset Management (France). For illustrative purpose only, the fund manager commentary and analysis are a global view of the recent evolution of the economic conditions. This is a support which does not constitute neither an investment advice nor a recommendation to buy or sell investment. This commentary is not the result of investment research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. HSBC Global Asset Management (France) accepts no liability for any failure to meet such forecast, projection or target. Consequently, HSBC Global Asset Management (France) 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 Global Asset Management (France) unless otherwise specified. Any third party information has been obtained from sources we believe to be reliable, but which we have not independently verified.

This fund is a sub fund of HSBC Global Investment Funds, a Luxembourg domiciled SICAV.

Before subscription, investors should refer to Key Investor Document (KIID) 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.

UCITS OFFER NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE THE FUTURE ONE. HSBC Global Asset Management (France) - RCS n°421 345 489 (Nanterre). Portfolio Management Company authorised by the French regulatory body AMF (n° GP-99026). Postal address: 75419 Paris cedex 08 - France. Offices: Immeuble Coeur Défense - 110, esplanade du Général de Gaulle - La Défense 4 - France

Any subscription to any fund described in this document must be made on the basis of the information notice currently in force, which is available upon request from HSBC Global Asset Management (France), the centralising agent or your usual financial service provider or representative or our Web site.

www.assetmanagement.hsbc.com/fr.

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 □

Beta: an historical measure of volatility to measure how a fund moves versus its benchmark (i.e. an Index)

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

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

Information Ratio: a measure of the risk-adjusted return of a fund against its benchmark

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

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

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