

# HSBC Global Investment Funds – China Multi Asset Income



**HSBC**  
Global Asset  
Management

# Why consider the Fund?

## 1. Captures attractive opportunities across asset classes and markets in China

- ◆ The Fund can invest across Chinese asset classes and markets to seize opportunities where the most attractive relative value lies.
- ◆ With a flexible asset allocation approach, it can capture opportunities in different phases of the economic cycle in China, with lower volatility.

### Exposure to full investable opportunity set in China

	Equity	Fixed Income
<b>Onshore</b>	<ul style="list-style-type: none"> <li>◆ A-Shares</li> <li>◆ B-Shares</li> </ul>	<ul style="list-style-type: none"> <li>◆ CNY bonds</li> </ul>
<b>Offshore</b>	<ul style="list-style-type: none"> <li>◆ H-shares</li> <li>◆ Red Chips</li> <li>◆ P Chips</li> <li>◆ China ADRs*</li> </ul>	<ul style="list-style-type: none"> <li>◆ CNH bonds</li> <li>◆ USD Chinese bonds</li> </ul>

\*American Depository Receipts

## 2. Portfolio diversification and enhanced risk-adjusted returns

- ◆ The correlation between different Chinese asset classes is very low. Asset class performance can be very different from one year to the next.
- ◆ A diversified multi-asset investment approach to the market may lead to better risk-adjusted returns.

### Correlation between different Chinese asset classes is low<sup>1</sup>

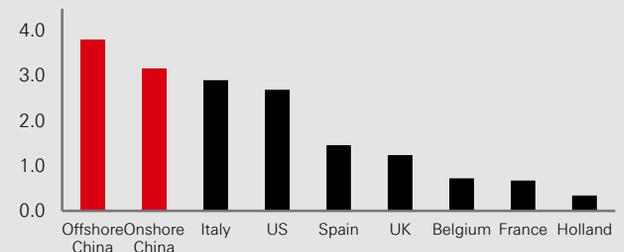
	Onshore equity	Offshore equity	Onshore CNY bond	Offshore CNH bond	Offshore USD bond
<b>Onshore equity</b>	1.00				
<b>Offshore equity</b>	0.67	1.00			
<b>Onshore CNY bond</b>	-0.13	-0.21	1.00		
<b>Offshore CNH bond</b>	0.06	0.20	0.65	1.00	
<b>Offshore USD bond</b>	0.03	0.34	-0.11	0.15	1.00

## 3. Steady income potential of the Fund

- ◆ Chinese bonds offer relatively high yields, while the Fund also captures income from high dividend stocks.
- ◆ Investors can receive a stable monthly income in either USD (AMUSD) or SGD (AM3OSGD)<sup>2</sup>

### China's bond yields are higher compared to the world's largest bond markets<sup>3</sup>

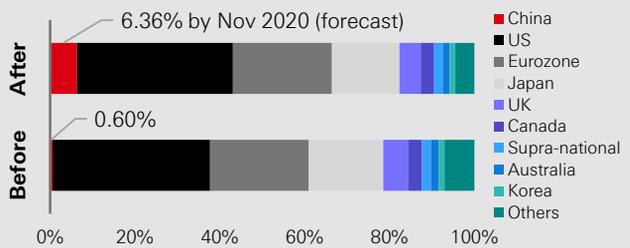
10y government bond yields



## 4. Rides on the ongoing opening up of the Chinese markets

- ◆ Foreign investment in the Chinese market has been growing as market liberalisation, driven by the Chinese government, continues to speed up.
- ◆ With an increasing amount of onshore Chinese securities being added to global mainstream bond and equity indices, we expect foreign demand to rise even further in the near future.

### Inclusion of Chinese onshore bonds into the Bloomberg Barclays Global Aggregate index, starting April 2019<sup>4</sup>



**Notes:** 1. Source: HSBC Global Asset Management, Bloomberg, monthly correlation calculated in local currency using 10-year data, as of December 2018. 2. Dividend is not guaranteed and may be paid out of distributable income, capital or both, which could result in capital erosion and reduction in net asset value. A positive distribution yield does not imply a positive return. Past payout yields and payments do not represent future payout yields and payments. 3. Source: Bloomberg, data as of 10 January 2019. Past performance is no guarantee of future results. 4. Source: Barclays Point, HSBC Global Asset Management, data as of October 2018. Any forecast, projection or target contained in this presentation is for information purposes only and is not guaranteed in any way. HSBC accepts no liability for any failure to meet such forecasts, projections or targets. For illustrative purposes only.

## Investment objective

The Fund aims to provide income and moderate capital growth through an active asset allocation in a diversified portfolio of fixed income and equity securities, money market, cash instruments and other instruments related to China.

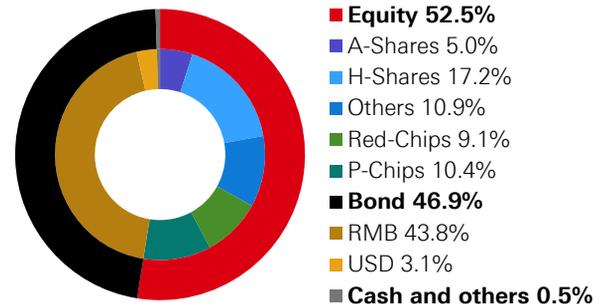
### Suitable investors

- ◆ Investors who seek income and capital growth potential through the Chinese fixed income and equity markets

### Typical allocation guidelines

Asset class	Indicative range	
Equity	A-Shares	
	B-Shares	
	H-Shares and other China-related securities	20 – 80%
	China ADRs	
Fixed income	Onshore and offshore fixed income/ debt securities denominated in RMB and other currencies	20 – 80%

### Indicative asset allocation<sup>1</sup>



### Benefit from our strong Chinese investment capabilities

- ◆ We have been managing one of the **longest-running and largest** China Multi-Asset strategy in the market since 2014<sup>2</sup>
- ◆ The Fund employs the same strategy as an existing product with over USD560 million assets under management and a **stellar four-year track record**<sup>3</sup>
- ◆ The Fund is managed in Hong Kong by **Denis Gould**, CIO of the Hong Kong Multi-Asset and Wealth team with over 36 years of industry experience
- ◆ Integrated approach allows our Multi-Asset team to leverage the **specialised expertise** of our well-resourced Chinese equity and fixed income teams



#### Best RMB Manager<sup>4</sup>

Asia Asset Management Best of the Best Awards 2019 (Asia)

## Key reasons to invest



Access to full opportunity set



Diversification and enhanced risk-adjusted returns



Stable monthly income potential



Opportunity for growth

**Notes:** 1. This is an indication of potential portfolio allocation of the fund for reference only, and it is by no means definitive or restrictive. Actual allocation at time of investment may vary according to market movements. 2. Source: HSBC Global Asset Management, Morningstar, data based on Morningstar peer group as of 31 December 2018. 3. Source: HSBC Global Asset Management, data as of 31 January 2018. Past performance is no guarantee of future results. 4. Issued by Asia Asset Management, 2019 award. Best RMB Manager award was based on demonstrated ability to deliver service, performance, and innovative solution with its RMB offerings globally in 2018.

## Fund details<sup>1</sup>

<b>Fund domicile</b>	UCITS IV Luxembourg SICAV
<b>Launch date</b>	Class ACUSD / AMUSD / AM3OSGD: 8 Jan 2019
<b>Reference benchmark</b>	50% MSCI China Net + 50% Markit iBoxx Asia Local Bond Index China Offshore
<b>Share class</b>	Accumulation: Class ACUSD Monthly distribution: Class AMUSD Monthly distribution with currency overlay: Class AM3OSGD
<b>Base currency</b>	USD
<b>Share class currency</b>	USD / SGD-hedged
<b>Dividend policy<sup>2</sup></b>	Monthly for AMUSD / AM3OSGD
<b>ISIN codes</b>	Class ACUSD: LU1903292677 Class AM2USD: LU1903292750 Class AM3OSGD: LU1903292321
<b>Minimum investment</b>	USD 1,000 / SGD 1,000
<b>Subscription mode</b>	Cash / Supplementary Retirement Scheme (AM3OSGD only)
<b>Sales charge</b>	Up to 3.00% of the offer price
<b>Management fee</b>	1.35% per annum
<b>Dealing frequency</b>	Daily
<b>Valuation time</b>	17:00 Luxembourg
<b>Lead fund manager</b>	Denis Gould

**Notes:** 1. HSBC Global Asset Management, data as of 31 January 2019. 2. Dividend is not guaranteed and may be paid out of distributable income, capital or both, which could result in capital erosion and reduction in net asset value. A positive distribution yield does not imply a positive return. Past payout yields and payments do not represent future payout yields and payments.

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