

HSBC Global Investment Funds – RMB Fixed Income



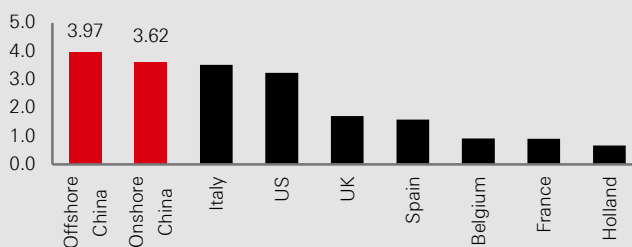
HSBC
Global Asset
Management

Why consider the Fund?

1. Appealing yields of Chinese bonds

- ◆ Onshore and offshore RMB bonds tend to offer higher yields compared to other international markets.
- ◆ In a low interest rate environment, the market provides a much needed boost to average yield levels.

Onshore and offshore China 10Y bond yields are attractive compared to some of the world's largest bond markets¹



2. Portfolio diversification and enhanced risk-adjusted returns

- ◆ The correlation between offshore and onshore RMB bonds and other credit markets around the globe have historically been low.
- ◆ An allocation to this market can help diversify portfolios and improve risk-adjusted returns.

Correlation of RMB bonds vs. global bonds²

	Offshore RMB bond	Onshore RMB bond	Global bond	US bond	EM bond	Asian bond
Offshore RMB bond	1.00					
Onshore RMB bond	0.44	1.00				
Global bond	0.27	0.04	1.00			
US bond	0.15	-0.02	0.75	1.00		
EM bond	0.23	0.09	0.62	0.43	1.00	
Asian bond	0.43	0.14	0.71	0.81	0.62	1.00

3. Steady income potential of the Fund

- ◆ With the current low rate environment, the Fund provides investors the opportunity for a potential steady income stream.
- ◆ The Fund (Class AM3OSGD) has an average dividend yield of 3.77% per annum for the last year, which helps investors who are seeking sustainable income³.

Dividend record of Class AM3OSGD (distribution is not guaranteed and may be paid out of capital)³

Dividend ex-date	Dividend amount (SGD)	Annualised yield
28 Sep 2018	0.0296	3.64%
29 Aug 2018	0.0288	3.49%
26 Jul 2018	0.0345	4.18%
29 Jun 2018	0.0297	3.52%
25 May 2018	0.0314	3.57%
27 Apr 2018	0.0342	3.83%
28 Mar 2018	0.0323	3.60%
28 Feb 2018	0.0320	3.61%
30 Jan 2018	0.0342	3.85%
28 Dec 2017	0.0341	3.95%
30 Nov 2017	0.0348	4.07%
31 Oct 2017	0.0331	3.86%
29 Sep 2017	0.0328	3.82%

4. Managed by an award-winning Asian and RMB fixed income investment team

- ◆ Well-resourced, experienced and integrated Asian fixed income investment team, with a long track record dating back to 1996.
- ◆ The team won the Asia Asset Management's Best of the Best Awards – Asian Bond House award 9 times from 2008 to 2018, and Benchmark Manager of the Year award – Asian Fixed Income in 2016.



Source: 1. Bloomberg, BIS, data as of 8 November 2018. Past performance is not indicative of future performance. 2. Source: Bloomberg, HSBC Global Asset Management; Correlation calculated in base currency, for the period from 30 September 2015 to 30 September 2018. Offshore RMB Bond: Markit iBoxx ALBI China Offshore Index, Onshore RMB bond: ChinaBond New Composite Index, Global Bond: Bloomberg Barclays Global Aggregate Index, US bond: Bloomberg Barclays US Aggregate Index, EM bond: JP Morgan GBI-EM Global Composite Index, Asian bond: JACI Composite Index. 3. HSBC Global Asset Management, data as of 30 September 2018. 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. The calculation method of annualised yield: (dividend value / NAV per share or unit as of ex-dividend date) x n, n depends on the distributing frequency. Annually distribution is 1; semi-annually distribution is 2; quarterly distribution is 4; monthly distribution is 12. The annualised dividend yield is calculated based on the dividend distribution on the relevant date with dividend reinvested, and may be higher or lower than the actual annual dividend yield. Investors and potential investors should refer to the details on dividend distributions of the Fund, which are available on our website.

Investment objective

The Fund aims to provide long term total return by investing in a portfolio of offshore and onshore RMB bonds, as well as USD bonds issued by Chinese issuers (hedged to RMB).

Suitable investors

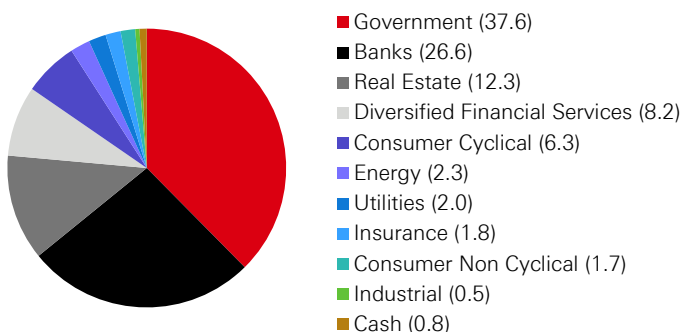
- Investors who seek income potential through the exposure to the Chinese fixed income markets

Typical allocation guidelines

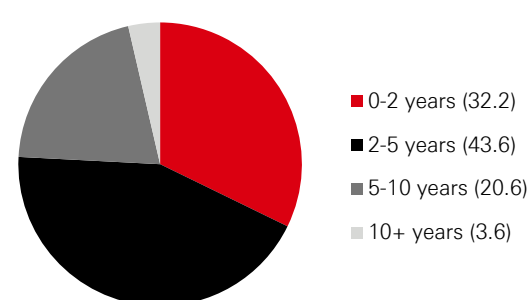
China government bonds	0 – 75%
Onshore RMB corporate bonds	0 – 100%
Offshore RMB corporate bonds	0 – 100%
China global (USD) corporate bonds	0 – 50%
RMB exposure	90 – 100%
Duration	0 – 7 years

Fund exposure⁴

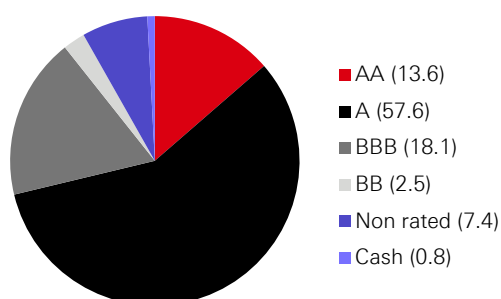
Sector allocation (%)



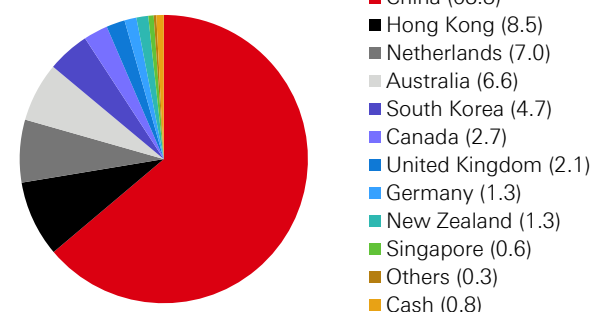
Duration allocation (%)



Credit rating allocation (%)



Country allocation (%)



Key reasons to invest



Access to higher yields



Diversification and enhanced risk-adjusted returns



Steady monthly income potential



Managed by an award-winning investment team

Fund details⁵

Fund size	USD 110.8 million
Fund domicile	UCITS IV Luxembourg SICAV
Reference benchmark	Offshore Renminbi Overnight Deposit Rate
Launch date	Class AC: 25 October 2011 Class AM2 / AM3OSGD: 30 Jun 2017 Class ACOSGD: 28 Feb 2018
Share class	Accumulation: Class AC Accumulation with currency overlay: Class ACOSGD Monthly distribution: Class AM2 Monthly distribution with currency overlay: Class AM3OSGD
Base currency	USD
Share class currency	USD / SGD
Dividend policy⁶	Monthly for AM2 / AM3OSGD
ISIN codes	Class AC: LU0692309627 Class ACOSGD: LU1560771518 Class AM2: LU1560771435 Class AM3OSGD: LU1560771609
Minimum investment	USD 1,000 / SGD 1,000
Sales charge	Up to 3.00%
Management fee	0.75% per annum
Dealing frequency	Daily
Valuation time	17:00 Luxembourg
Lead fund manager	Gregory Suen

Source: 5. HSBC Global Asset Management, data as of 30 September 2018. 6. 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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