

## HSBC Global Investment Funds

# EURO HIGH YIELD BOND

Monthly report 31 July 2023 | Share class AC

### Investment objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of High Yield bonds (denominated in Euro), while promoting environmental, social and governance (ESG) characteristics. The Fund also aims to achieve a higher ESG rating than the weighted average of the constituents of its reference benchmark. The Fund qualifies under Article 8 of SFDR.

### Investment strategy

The Fund is actively managed and is not constrained by a benchmark.

In normal market conditions, the Fund will invest at least 90% of its assets in non-investment grade bonds and other higher yielding securities (including unrated bonds), issued by companies or by governments, government-related entities, supranational entities, that are based in developed markets and emerging markets.

The Fund will not invest in bonds issued by companies with involvement in specific excluded activities, such as: companies involved in the production of controversial weapons and tobacco; companies with more than 10% revenue generated from thermal coal extraction; and companies with more than 10% revenue generated from coal-fired power generation.

The Fund may invest up to 15% in contingent convertible securities and up to 10% in other funds.

The Fund's primary currency exposure is to Euro.

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>EUR 41.88</b>
Performance 1 month	<b>2.08%</b>
Yield to maturity	<b>6.49%</b>

#### Fund facts

UCITS V compliant	<b>Yes</b>
Dividend treatment	<b>Accumulating</b>
Dealing frequency	<b>Daily</b>
Valuation Time	<b>17:00 Luxembourg</b>
Share Class Base Currency	<b>EUR</b>
Domicile	<b>Luxembourg</b>
Inception date	<b>4 April 2003</b>
Fund Size	<b>EUR 945,176,856</b>
Reference benchmark	<b>100% ICE BofA Euro High Yield BB-B Constrained (net of transaction costs)</b>
Managers	<b>Philippe Igigabel Sophie Sentilhes</b>

#### Fees and expenses

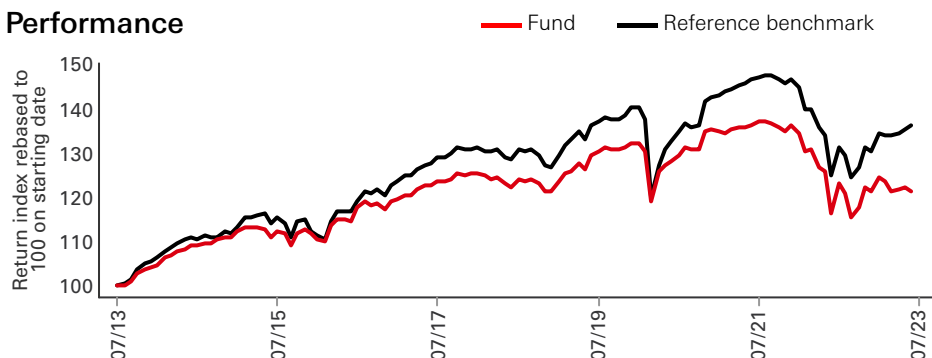
Ongoing Charge Figure <sup>1</sup>	<b>1.350%</b>
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#### Codes

ISIN	<b>LU0165128348</b>
Bloomberg ticker	<b>HSBECUA LX</b>

<sup>1</sup>Ongoing 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.

### Performance



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

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

Source: HSBC Asset Management, data as at 31 July 2023

Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	10 years ann
<b>AC</b>	<b>2.04</b>	<b>2.08</b>	<b>1.72</b>	<b>-0.59</b>	<b>0.60</b>	<b>-1.48</b>	<b>-0.07</b>	<b>2.15</b>
Reference benchmark	5.90	1.26	2.51	2.72	5.08	0.72	1.09	3.26

Calendar year performance (%)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>AC</b>	<b>7.86</b>	<b>6.35</b>	<b>0.80</b>	<b>6.39</b>	<b>5.22</b>	<b>-3.23</b>	<b>9.18</b>	<b>2.20</b>	<b>0.92</b>	<b>-11.08</b>
Reference benchmark	9.68	5.99	0.47	9.37	6.40	-3.19	10.71	1.92	2.85	-11.33

Carbon footprint	Fund	Reference benchmark	MSCI ESG Score	ESG score	E	S	G
Carbon intensity emissions	146.58	204.66	Fund	7.0	7.8	5.1	5.7
			Reference benchmark	5.9	6.8	4.7	5.3

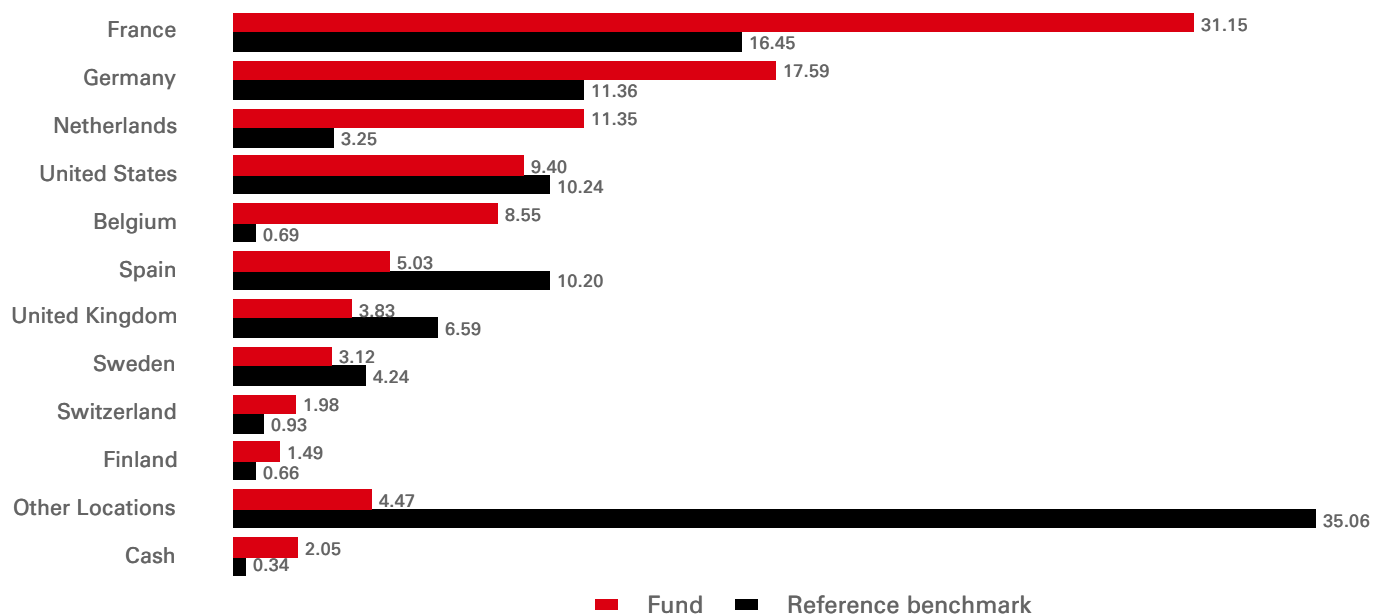
Carbon Intensity measures the quantity of carbon emission of a company (tonnes CO<sub>2</sub>e/USD million)  
Source of analytics: Trucost

3-Year Risk Measures	AC	Reference benchmark	5-Year Risk Measures	AC	Reference benchmark
Volatility	7.79%	7.43%	Volatility	7.98%	9.03%
Sharpe ratio	-0.23	0.06	Sharpe ratio	-0.01	0.12
Tracking error	1.77%	--	Tracking error	2.58%	--
Information ratio	-1.24	--	Information ratio	-0.45	--

Fixed Income Characteristics	Fund	Reference benchmark	Relative
No. of holdings ex cash	131	673	--
Yield to worst	6.21%	6.63%	-0.42%
Yield to maturity	6.49%	6.79%	-0.31%
Option Adjusted Duration	2.95	2.96	-0.01
Modified Duration to Worst	3.09	3.06	0.03
Option Adjusted Spread Duration	4.18	3.58	0.60
Average maturity	5.13	4.21	0.92
Rating average	BB+/BB	BB/BB-	--
Minimum rating	BB+/BB	BB/BB-	--
Number of issuers	83	328	--

Credit rating (%)	Fund	Reference benchmark	Relative	Maturity Breakdown (Option Adjusted Duration)	Fund	Reference benchmark	Relative
A	3.96	--	3.96	0-2 years	0.17	0.26	-0.09
BBB	21.90	--	21.90	2-5 years	1.38	1.73	-0.35
BB	57.04	64.14	-7.10	5-10 years	0.87	0.78	0.09
B	10.83	33.24	-22.41	10+ years	0.54	0.19	0.35
CCC	3.89	2.21	1.69	<b>Total</b>	<b>2.95</b>	<b>2.96</b>	<b>-0.01</b>
CC	0.27	0.08	0.20				
C	0.06	--	0.06				
Cash	2.05	0.34	1.71				

**Geographical Allocation (%)**



Sector Allocation (%)	Fund	Reference benchmark	Relative
Banking	22.71	13.37	9.34
Automotive	13.50	10.59	2.90
Telecommunications	9.94	12.92	-2.99
Utility	8.95	5.97	2.98
Basic Industry	8.42	7.47	0.95
Insurance	6.47	0.58	5.89
Services	4.49	5.77	-1.27
Real Estate	3.53	3.76	-0.24
Media	3.20	2.18	1.02
Transportation	3.04	4.27	-1.22
Other Sectors	13.71	32.79	-19.07
Cash	2.05	0.34	1.71

Top 10 Holdings	Weight (%)
TENNET HLD BV 2.995	2.98
TECHEM VERWLTG 6.000 30/07/26	2.81
VEOLIA ENVRNMT 2.500	2.55
CRDT AGR ASSR 4.250	2.13
EC FINANCE 3.000 15/10/26	2.07
LKQ EURO BV 4.125 01/04/28	1.87
KBC GROUP NV 4.250	1.83
ORANGE 5.000	1.83
LA BANQUE POSTAL 3.875	1.78
LA POSTE SA 3.125	1.70

## 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.
- Further information on the potential risks can be found in the Key Information Document (KID) and/or the Prospectus or Offering Memorandum.

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### Glossary



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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. The deviation of the Fund's performance and underlying investments' weightings relative to the benchmark are monitored, but not constrained, to a defined range.

**Source: HSBC Asset Management, data as at 31 July 2023**

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