

## HSBC Global Investment Funds

# GLOBAL CORPORATE BOND CLIMATE TRANSITION

Marketing communication | Monthly report 31 May 2025 | Share class AC

### Investment objective

The Fund aims to provide long term capital growth and income by investing in a portfolio of corporate bonds while promoting ESG characteristics within the meaning of Article 8 of SFDR. The Fund aims to have a lower carbon intensity than its reference benchmark.

### Investment strategy

The Fund is actively managed. The Fund will invest at least 80% of its assets in investment grade and non-investment grade bonds issued by companies that are based in developed markets and emerging markets. The Fund will invest a minimum of 80% of net assets in fixed income securities issued by issuers that are deemed to be on a clear and measurable path by meeting certain climate transition related criteria ("Climate Transition Criteria"). Companies and/or issuers considered for inclusion within the Fund's portfolio will be subject to excluded activities in accordance with HSBC Asset Management's Responsible Investment Policies. The Fund may invest up to 10% in onshore Chinese bonds through the China Interbank Bond Market (CIBM); up to 10% in non-investment grade bonds; and up to 10% in asset backed securities and mortgage-backed securities. The Fund may invest up to 10% in contingent convertible securities, may invest in bank deposits and money market instruments, and up to 10% in other funds. The Fund's primary currency exposure is to USD. 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>USD 11.46</b> |
| Performance 1 month | <b>0.10%</b>     |
| Yield to maturity   | <b>4.81%</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>USD</b>  |
| Domicile                  | <b>Luxembourg</b>   |
| Inception date            | <b>27 September 2017</b>  |
| Fund Size                 | <b>USD 196,813,741</b>  |
| Reference benchmark       | <b>100% ICE Global Corporate Climate Transition Index Hedged USD</b>  |
| Managers                  | <b>Jerry Samet<br/>Jean Olivier Neyrat<br/>Mohamed Imtiaz Siddeeq</b> |

#### Fees and expenses

|                                    |                  |
|------------------------------------|------------------|
| Minimum Initial Investment         | <b>USD 5,000</b> |
| Ongoing Charge Figure <sup>1</sup> | <b>1.047%</b>    |

#### Codes

|                  |                     |
|------------------|---------------------|
| ISIN             | <b>LU1674672883</b> |
| Bloomberg ticker | <b>HSGLACU LX</b>   |

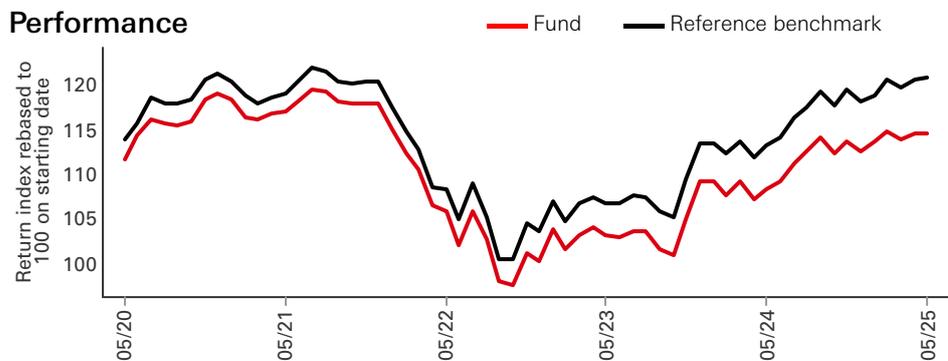
<sup>1</sup>Ongoing Charges Figure is based on expenses over a year. The figure includes annual management charge but not the transaction costs. Such figures may vary from time to time.

Past performance does not predict 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 KID before making any final investment decisions. Prior to 16 May 2025 the name of the sub-fund was HSBC Global Investment Funds – Global Lower Carbon Bond and followed a different investment strategy.

Source: HSBC Asset Management, data as at 31 May 2025

**Performance**



| Performance (%)     | YTD         | 1 month     | 3 months     | 6 months    | 1 year      | 3 years ann | 5 years ann |
|---------------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
| <b>AC</b>           | <b>1.75</b> | <b>0.10</b> | <b>-0.14</b> | <b>0.72</b> | <b>5.86</b> | <b>2.69</b> | <b>0.51</b> |
| Reference benchmark | 2.29        | 0.31        | 0.32         | 1.24        | 6.80        | 3.77        | 1.21        |

| Rolling Performance (%) | 31/05/24-31/05/25 | 31/05/23-31/05/24 | 31/05/22-31/05/23 | 31/05/21-31/05/22 | 31/05/20-31/05/21 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>AC</b>               | <b>5.86</b>       | <b>4.93</b>       | <b>-2.51</b>      | <b>-9.63</b>      | <b>4.83</b>       |
| Reference benchmark     | 6.80              | 6.05              | -1.34             | -9.18             | 4.66              |

| 3-Year Risk Measures | AC    | Reference benchmark | 5-Year Risk Measures | AC    | Reference benchmark |
|----------------------|-------|---------------------|----------------------|-------|---------------------|
| Volatility           | 7.15% | 6.97%               | Volatility           | 6.38% | 6.29%               |
| Sharpe ratio         | -0.26 | -0.11               | Sharpe ratio         | -0.35 | -0.25               |
| Tracking error       | 0.87% | --                  | Tracking error       | 0.90% | --                  |
| Information ratio    | -1.25 | --                  | Information ratio    | -0.78 | --                  |

| Fixed Income Characteristics    | Fund    | Reference benchmark | Relative |
|---------------------------------|---------|---------------------|----------|
| No. of holdings ex cash         | 292     | 13,870              | --       |
| Average coupon rate             | 4.56    | 3.92                | 0.65     |
| Yield to worst                  | 4.69%   | 4.54%               | 0.15%    |
| Option Adjusted Duration        | 5.95    | 5.65                | 0.30     |
| Modified Duration to Worst      | 5.87    | 5.61                | 0.25     |
| Option Adjusted Spread Duration | 6.17    | 5.67                | 0.50     |
| Average maturity                | 8.66    | 7.97                | 0.69     |
| Average Credit Quality          | A-/BBB+ | A-/BBB+             | --       |

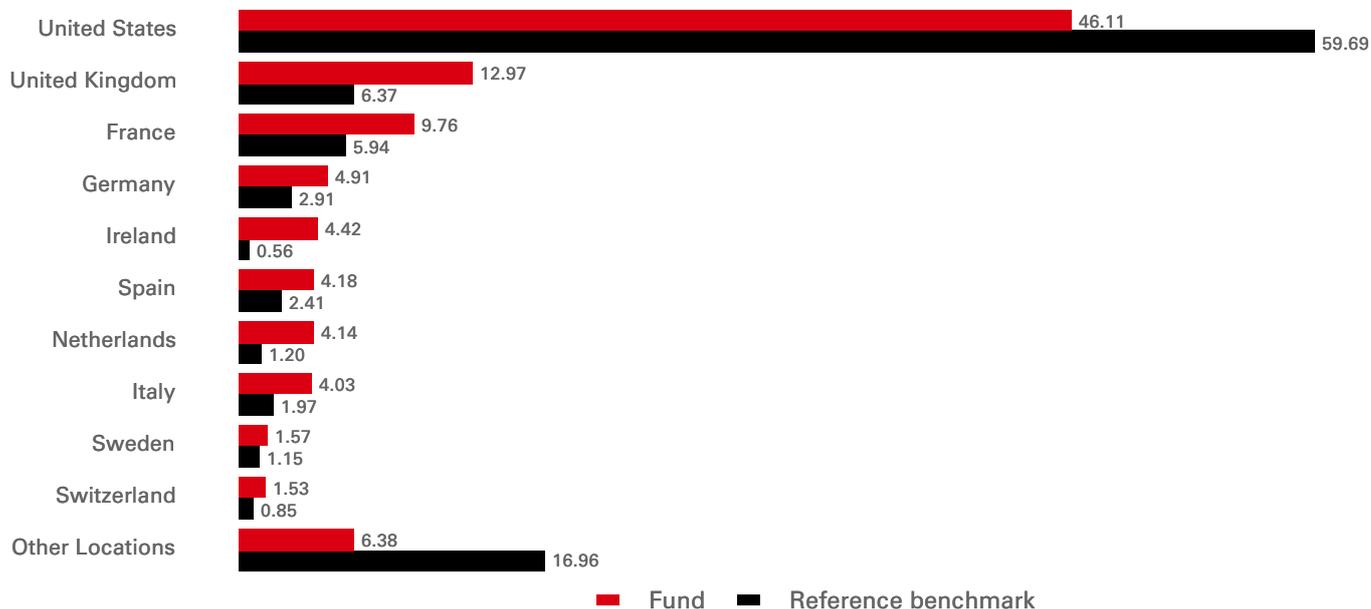
| Credit rating (%) | Fund  | Reference benchmark | Relative | Maturity Breakdown (Option Adjusted Duration) | Fund        | Reference benchmark | Relative    |
|-------------------|-------|---------------------|----------|---|-------------|---------------------|-------------|
| AAA               | --    | 0.52                | -0.52    | 0-2 years                                     | 0.06        | 0.22                | -0.15       |
| AA                | 7.70  | 7.85                | -0.14    | 2-5 years                                     | 1.41        | 1.12                | 0.29        |
| A                 | 33.68 | 45.65               | -11.97   | 5-10 years                                    | 2.19        | 1.76                | 0.43        |
| BBB               | 57.28 | 45.49               | 11.79    | 10+ years                                     | 2.29        | 2.56                | -0.27       |
| BB                | 0.78  | 0.18                | 0.60     | <b>Total</b>                                  | <b>5.95</b> | <b>5.65</b>         | <b>0.30</b> |
| NR                | 0.07  | --                  | 0.07     |   |             |                     |             |
| Cash              | 0.49  | 0.32                | 0.17     |   |             |                     |             |

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

Source: HSBC Asset Management, data as at 31 May 2025

| Currency Allocation (%) | Fund  | Reference benchmark | Relative |
|-------------------------|-------|---------------------|----------|
| USD                     | 99.61 | 100.00              | -0.39    |
| EUR                     | 0.36  | --                  | 0.36     |
| GBP                     | 0.02  | --                  | 0.02     |
| HKD                     | 0.00  | --                  | 0.00     |
| CHF                     | 0.00  | --                  | 0.00     |
| AUD                     | 0.00  | --                  | 0.00     |
| SGD                     | 0.00  | --                  | 0.00     |

**Geographical Allocation (%)**



| Sector Allocation (%)  | Fund  | Reference benchmark | Relative |
|------------------------|-------|---------------------|----------|
| Financial Institutions | 46.92 | 45.33               | 1.59     |
| Consumer Non cyclical  | 10.43 | 13.84               | -3.41    |
| Utility                | 9.19  | 4.23                | 4.96     |
| Communications         | 8.69  | 9.41                | -0.72    |
| Technology             | 7.11  | 9.58                | -2.47    |
| Consumer Cyclical      | 4.96  | 5.44                | -0.48    |
| Capital Goods          | 3.94  | 2.61                | 1.33     |
| Treasuries             | 2.42  | --                  | 2.42     |
| Agencies               | 1.98  | 2.33                | -0.35    |
| Transportation         | 1.86  | 1.69                | 0.18     |
| Other Sectors          | 2.02  | 5.23                | -3.21    |
| Cash                   | 0.49  | 0.32                | 0.17     |

| <b>Top 10 Holdings</b>          | <b>Weight (%)</b> |
|---------------------------------|-------------------|
| APPLE INC 4.500 12/05/32        | 1.79              |
| KRAFT HEINZ FOOD 5.400 15/03/35 | 1.67              |
| AIB GROUP PLC 5.320 15/05/31    | 1.37              |
| MARSH & MCLENNAN 4.650 15/03/30 | 1.30              |
| CITIGROUP INC 4.952 07/05/31    | 1.29              |
| US TREASURY N/B 4.500 15/11/54  | 1.24              |
| ABBVIE INC 5.400 15/03/54       | 1.21              |
| PRINCIPAL LFE II 5.100 25/01/29 | 1.06              |
| FORD MOTOR CRED 6.798 07/11/28  | 1.05              |
| AMERICAN TOWER 5.350 15/03/35   | 1.04              |

| Sustainability indicators | Fund   | Reference benchmark |
|---------------------------|--------|---------------------|
| UNGC breaches             | 0.00%  | 0.01%               |
| Transition alignment      | 89.65% | 75.51%              |
| Minimum ESG standards     | 97.01% | --                  |
| Carbon footprint by EVIC  | --     | --                  |

**UNGC breaches** - All investments are assessed against the ten principles of the UNGC and the OECD. Companies that are flagged as having violated one of the ten principles of the UNGC or OECD guidelines are systematically excluded, unless they have gone through an ESG due diligence assessment, undertaken by HSBC, and are determined not to be in breach of the principles or guidelines.

**Transition alignment** - Companies that are positively categorised within the HSBC Asset Management proprietary climate transition assessment as either, Aligned, Aligning, or Committed to Aligning.

**Minimum ESG standards** - The percentage for which the companies that the sub-fund invests in meet minimum ESG and E, and S and G score levels.

**Carbon footprint by EVIC** - Carbon Intensity by EVIC measures the quantity of carbon emission of a company (tonnes CO<sub>2</sub>e/USD million EVIC) Source: S&P Global Trucost; Bloomberg.

## 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.
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- 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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## 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 relative to the benchmark is monitored, but not constrained, to a defined range.

**Source: HSBC Asset Management, data as at 31 May 2025**

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### Glossary



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