

HSBC Investment Funds

Corporate Bond Fund

Monthly report 31 March 2024 | Share class Inst Acc



Investment objective

The Fund aims to provide higher returns (before charges and tax are deducted from the Fund) than the Markit iBoxx GBP Corporates Index plus 1% per year, over three-year periods.



Investment strategy

To achieve its objective the Fund will invest at least 80% of its value in bonds that have a credit rating of investment grade and are issued in sterling or are hedged back to sterling. The bonds may be issued by companies and supranational or government-backed organisations which may be located anywhere in the world. The types of bond the Fund may invest in include covered bonds and asset backed securities. The Fund is managed with reference to the Markit iBoxx GBP Corporates Index. The fund manager is not limited to investing in bonds that are part of the Markit iBoxx GBP Corporates Index. The fund manager aims to generate returns in excess of the Markit iBoxx GBP Corporates Index plus 1% per year, over three-year periods, before charges and tax are deducted from the Fund. This is based on our current view of returns the Fund may potentially achieve, which may change. The Markit iBoxx GBP Corporates Index is also considered as part of our investment risk monitoring process, to check that the overall level of risk taken by the fund manager is not inconsistent with the sterling corporate bond market. The performance of the Fund is shown against the performance of the Markit iBoxx GBP Corporates Index plus 1% per year.



Main risks

- The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.
- Where overseas investments are held the rate of currency exchange may cause the value of such investments to go down as well as up.
- 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.

Share class details

Key metrics

NAV per share	GBP 3.58
Performance 1 month	2.46%
Yield to maturity	5.99%

Fund facts

UCITS V compliant	Yes
UK reporting fund status (UKRS)	Yes
ISA eligible	Yes
Dividend treatment	Accumulating
Dividend ex-date	16 January 2020
Dealing frequency	Daily
Valuation time	12:00 United Kingdom

Share class base currency	GBP
Domicile	United Kingdom
Inception date	6 April 2001
Fund size	GBP 178,589,324
Reference benchmark	100% Markit iBoxx GBP Corporates Index plus 1% per year
Managers	Mohamed Imtiaz Siddeeq Oliver Boulind

Fees and expenses

Minimum initial investment ¹	GBP 10,000,000
Ongoing charge figure ²	0.050%

Codes

ISIN	GB0030339732
Bloomberg ticker	HSCPBI LN
SEDOL	3033973

¹Please note that initial minimum subscription may vary across different distributors

²Ongoing Charges Figure is an estimate due to a change of fee structure.

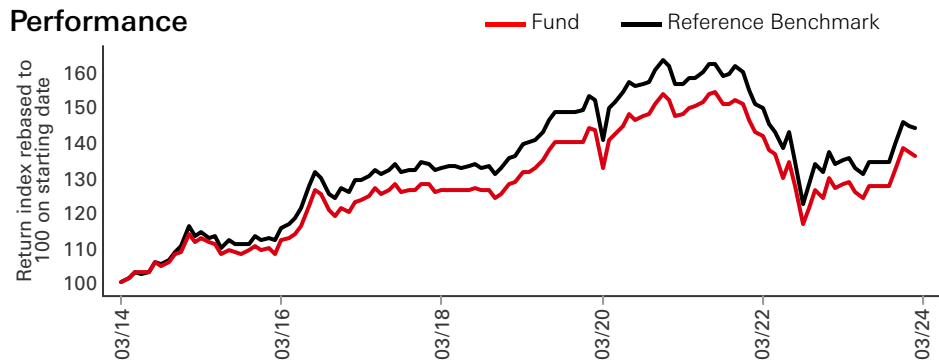
Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

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

For definition of terms, please refer to the Glossary QR code and Prospectus.

Source: HSBC Asset Management, data as at 31 March 2024

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	10 years ann
Inst Acc	0.83	2.46	0.83	9.64	9.09	-1.94	1.23	3.39
Reference Benchmark	0.94	1.85	0.46	8.96	8.56	-2.17	0.99	3.90

Rolling performance (%)	31/03/23-31/03/24	31/03/22-31/03/23	31/03/21-31/03/22	31/03/20-31/03/21	31/03/19-31/03/20	31/03/18-31/03/19	31/03/17-31/03/18	31/03/16-31/03/17	31/03/15-31/03/16	31/03/14-31/03/15
Inst Acc	9.09	-9.62	-4.38	11.64	1.01	3.80	2.55	10.16	-0.74	12.81
Reference Benchmark	8.56	-9.66	-4.54	11.18	0.94	5.10	2.59	11.76	1.10	14.54

3-Year Risk Measures	Inst Acc	Reference Benchmark	5-Year Risk Measures	Inst Acc	Reference Benchmark
Volatility	9.69%	9.93%	Volatility	9.17%	9.37%
Sharpe ratio	-0.48	-0.50	Sharpe ratio	-0.06	-0.09
Tracking error	1.26%	--	Tracking error	1.09%	--
Information ratio	0.19	--	Information ratio	0.22	--

Fixed Income Characteristics	Fund	Reference Benchmark	Relative
No. of holdings ex cash	165	861	--
Average coupon rate	4.87	4.29	0.58
Yield to worst	5.69%	5.26%	0.44%
Current yield	4.82%	4.39%	0.43%
Option adjusted duration	6.24	5.86	0.38
Option adjusted spread duration	5.68	5.92	-0.23
Average maturity	9.14	8.38	0.76
Rating average	BBB+	A-/BBB+	--

Credit rating (%)	Fund	Reference Benchmark	Relative
AAA	--	1.16	-1.16
AA	4.59	8.80	-4.20
A	22.30	37.69	-15.38
BBB	67.04	52.17	14.87
BB	3.86	0.19	3.67
B	1.11	--	1.11
NR	-0.19	--	-0.19
Cash	1.28	--	1.28

Geographical allocation (Option adjusted duration)	Fund	Reference Benchmark	Relative
UK	4.42	3.06	1.36
Europe-ex UK	1.27	1.47	-0.19
North America	0.49	1.16	-0.67
Asia	0.06	0.13	-0.07
Latam	--	0.04	-0.04
Other Locations	0.00	--	0.00
Cash	0.00	--	0.00
Total	6.24	5.86	0.38

Maturity Breakdown (Option adjusted duration)	Fund	Reference Benchmark	Relative
0-2 years	0.21	0.17	0.04
2-5 years	0.93	1.08	-0.16
5-10 years	1.19	1.61	-0.41
10+ years	3.92	3.01	0.91
Total	6.24	5.86	0.38

Sector allocation (%)	Fund	Reference Benchmark	Relative
Financials	50.13	45.82	4.31
Utilities	23.45	19.67	3.79
Telecommunications	5.20	6.19	-0.99
Consumer Services	4.40	8.07	-3.68
Gilts	4.29	--	4.29
Consumer Goods	3.12	7.16	-4.04
Mbs	2.63	--	2.63
Industrials	1.75	3.72	-1.97
Health Care	1.28	2.25	-0.96
Oil & gas	1.03	2.10	-1.07
Other Sectors	1.43	5.03	-3.60
Cash	1.28	--	1.28

Top 10 holdings	Weight (%)
NATWEST GROUP 3.125 28/03/27	2.02
BARCLAYS PLC 3.750 22/11/30	1.90
M&G PLC 3.875 20/07/49	1.62
AT&T INC 2.900 04/12/26	1.61
UK TSY GILT 1.250 31/07/51	1.59
SCOTTISH & SOUTH 8.375 20/11/28	1.52
SANTANDER UK GRP 2.920 08/05/26	1.50
BARCLAYS PLC 8.407 14/11/32	1.50
ROTHESAY LIFE 5.500 17/09/29	1.49
NATWEST GROUP 3.619 29/03/29	1.37

Risk disclosures

- 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.
- Liquidity is a measure of how easily the Fund’s holdings can be quickly converted to cash. The value of the Fund’s holdings may be significantly impacted by liquidity risk during adverse market conditions.
- Further information on the potential risks can be found in the Key Information Document (KID) and/or the Prospectus or Offering Memorandum.

Index disclaimer

Neither Markit, its Affiliates or any third party data provider makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data. Neither Markit, its Affiliates nor any data provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the Markit data, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom. Markit has no obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate. Without limiting the foregoing, Markit, its Affiliates, or any third party data provider shall have no liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgments, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein. Copyright © 2023, Markit Indices Limited.

Source: HSBC Asset Management, data as at 31 March 2024

Follow us on:

 **HSBC Asset Management**

For more information please contact us at E-mail:
Wholesale.clientservices@hsbc.com.
www.assetmanagement.hsbc.com/uk
To help improve our service and in the interests of security we may record and/or monitor your communication with us.

Glossary



Important information

The material contained herein is for marketing purposes and is for your information only. This document is not contractually binding nor are we required to provide this to you by any legislative provision. It does not constitute legal, tax or investment advice or a recommendation to any reader of this material to buy or sell investments. You must not, therefore, rely on the content of this document when making any investment decisions.

This material is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. This material is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe to any investment.

Any views expressed were held at the time of preparation and are subject to change without notice. While any forecast, projection or target where provided is indicative only and not guaranteed in any way. HSBC Global Asset Management (UK) Limited accepts no liability for any failure to meet such forecast, projection or target.

This fund is a sub-fund of HSBC Investment Funds, an Open Ended Investment Company that is authorised in the UK by the Financial Conduct Authority. The Authorised Corporate Director and Investment Manager is HSBC Global Asset Management (UK) Limited. All applications are made on the basis of the HSBC Investment Funds prospectus, Key Investor Information Document (KIID), Supplementary Information Document (SID) and most recent annual and semi annual report, which can be obtained upon request free of charge from HSBC Global Asset Management (UK) Limited, 8, Canada Square, Canary Wharf, London, E14 5HQ, UK, or the local distributors. Investors and potential investors should read and note the risk warnings in the prospectus and relevant KIID and additionally, in the case of retail clients, the information contained in the supporting SID. To help improve our service and in the interests of security we may record and/or monitor your communication with us. HSBC Global Asset Management (UK) Limited provides information to Institutions, Professional Advisers and their clients on the investment products and services of the HSBC Group.

Approved for issue in the UK by HSBC Global Asset Management (UK) Limited, who are authorised and regulated by the Financial Conduct Authority. www.assetmanagement.hsbc.co.uk

Copyright © HSBC Global Asset Management (UK) Limited 2024. All rights reserved.

Further Information can be found in the prospectus and in our Key Investor Information Documents published in our Fund Centre at www.assetmanagement.hsbc.co.uk