

HSBC Investment Funds

Corporate Bond Fund

Monthly report 30 June 2024 | Share class Acc C



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 3.10
Performance 1 month	1.30%
Yield to maturity	6.12%

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	3 December 2012
Fund size	GBP 172,665,078
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 1,000,000
Ongoing charge figure ²	0.370%

Codes

ISIN	GB00B85KC152
Bloomberg ticker	HSCPAC LN
SEDOL	B85KC15

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

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

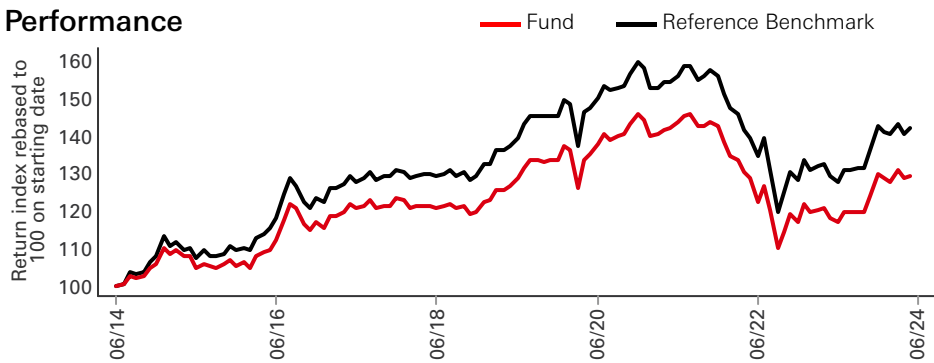
Past performance does not predict future returns. The figures are calculated in the share class base currency, dividend reinvested, net of fees.

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 30 June 2024

Performance



Performance (%)	YTD	1 month	3 months	6 months	1 year	3 years ann	5 years ann	10 years ann
Acc C	0.95	1.30	0.21	0.95	12.13	-2.98	0.36	2.74
Reference Benchmark	7.56	0.85	0.04	0.50	12.01	-2.86	0.49	3.64

Rolling performance (%)	30/06/23-30/06/24	30/06/22-30/06/23	30/06/21-30/06/22	30/06/20-30/06/21	30/06/19-30/06/20	30/06/18-30/06/19	30/06/17-30/06/18	30/06/16-30/06/17	30/06/15-30/06/16	30/06/14-30/06/15
Acc C	12.13	-4.51	-14.71	4.26	6.95	6.52	0.27	7.43	7.12	4.66
Reference Benchmark	12.01	-5.20	-13.68	3.94	7.56	7.92	1.38	7.91	10.20	7.26

3-Year Risk Measures	Acc C	Reference Benchmark	5-Year Risk Measures	Acc C	Reference Benchmark
Volatility	9.71%	9.96%	Volatility	9.18%	9.39%
Sharpe ratio	-0.63	-0.61	Sharpe ratio	-0.18	-0.17
Tracking error	1.32%	--	Tracking error	1.14%	--
Information ratio	-0.08	--	Information ratio	-0.11	--

Fixed Income Characteristics	Fund	Reference Benchmark	Relative
No. of holdings ex cash	161	864	--
Average coupon rate	4.98	4.34	0.64
Yield to worst	5.86%	5.51%	0.35%
Current yield	4.98%	4.51%	0.47%
Option adjusted duration	5.98	5.70	0.29
Option adjusted spread duration	5.63	5.74	-0.11
Average maturity	8.92	8.18	0.74
Rating average	A-/BBB+	A-/BBB+	--

Credit rating (%)	Fund	Reference Benchmark	Relative
AAA	--	1.25	-1.25
AA	2.69	9.09	-6.40
A	23.27	37.42	-14.15
BBB	68.71	52.04	16.67
BB	2.81	0.21	2.60
B	0.99	--	0.99
NR	-0.16	--	-0.16
Cash	1.69	--	1.69

Geographical allocation (Option adjusted duration)	Fund	Reference Benchmark	Relative
UK	4.06	2.95	1.11
Europe-ex UK	1.14	1.39	-0.25
North America	0.59	1.19	-0.60
Middle East	0.12	--	0.12
Asia	0.08	0.13	-0.05
Latam	--	0.04	-0.04
Other Locations	0.00	--	0.00
Cash	0.00	--	0.00
Total	5.98	5.70	0.29

Maturity Breakdown (Option adjusted duration)	Fund	Reference Benchmark	Relative
0-2 years	0.18	0.18	0.00
2-5 years	0.73	1.07	-0.34
5-10 years	1.38	1.57	-0.20
10+ years	3.70	2.88	0.82
Total	5.98	5.70	0.29

Sector allocation (%)	Fund	Reference Benchmark	Relative
Financials	48.70	46.15	2.54
Utilities	21.64	19.14	2.49
Consumer Services	5.41	8.01	-2.60
Telecommunications	4.68	6.12	-1.44
Consumer Goods	4.47	7.23	-2.76
Mbs	3.47	--	3.47
Gilts	2.38	--	2.38
Industrials	1.82	3.80	-1.98
Oil & gas	1.41	2.49	-1.08
Agencies	1.39	--	1.39
Other Sectors	2.94	7.05	-4.10
Cash	1.69	--	1.69

Top 10 holdings	Weight (%)
NATWEST GROUP 3.125 28/03/27	2.12
BARCLAYS PLC 3.750 22/11/30	2.00
M&G PLC 3.875 20/07/49	1.71
UK TSY GILT 1.250 31/07/51	1.58
BARCLAYS PLC 8.407 14/11/32	1.57
SCOTTISH & SOUTH 8.375 20/11/28	1.57
ROTHESAY LIFE 5.500 17/09/29	1.56
SANTANDER UK GRP 2.920 08/05/26	1.54
NATWEST GROUP 3.619 29/03/29	1.43
HSBC HOLDINGS 8.201 16/11/34	1.32

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.

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Source: HSBC Asset Management, data as at 30 June 2024

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Glossary



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