

## HSBC Investment Funds

# Balanced Fund

Monthly report 31 March 2024 | Share class Inc C



## Investment objective

The Fund aims to provide growth in the long term, which is a period of five years or more, together with income.



## Investment strategy

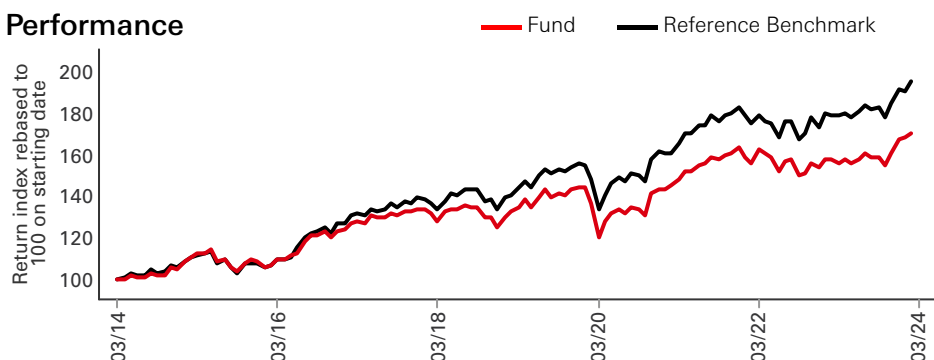
To achieve its objective the Fund will invest in a range of asset types such as shares of companies (equities), bonds, property, hedge funds and cash. The portfolio will be invested across global markets. The Fund will invest at least 70% and up to 100% of its value in other funds that in turn invest in a range of asset types, including funds which aim to track an index. Under normal market conditions, the Fund will have the following asset allocation: equities: 50% - 80%, bonds: 15% - 50%, Other asset types, including cash: 0% - 30%. These percentages will fluctuate based upon market movement and adjustments to the asset allocation to enable the Fund to meet its aim. The Fund is actively managed and is not managed with reference to a specific benchmark. The performance of the Fund is shown against the performance of the Investment Association Mixed Investment 40-85% Shares sector for comparison purposes.



## 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 generally 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 value of investible securities can change over time due to a wide variety of factors, including but not limited to: political and economic news, government policy, changes in demographics, cultures and populations, natural or human-caused disasters etc.

## Performance



## Share class details

### Key metrics

|                      |                 |
|----------------------|-----------------|
| NAV per share        | <b>GBP 1.68</b> |
| Performance 1 month  | <b>3.31%</b>    |
| Sharpe ratio 3 years | <b>0.41</b>     |

### Fund facts

|                                 |                             |
|---------------------------------|-----------------------------|
| UCITS V compliant               | <b>Yes</b>                  |
| UK reporting fund status (UKRS) | <b>Yes</b>                  |
| ISA eligible                    | <b>Yes</b>                  |
| Dividend treatment              | <b>Distributing</b>         |
| Distribution frequency          | <b>Semi-Annually</b>        |
| Dividend ex-date                | <b>16 January 2024</b>      |
| Dividend yield <sup>1</sup>     | <b>2.30%</b>                |
| Last paid dividend              | <b>0.017853</b>             |
| Dealing frequency               | <b>Daily</b>                |
| Valuation time                  | <b>12:00 United Kingdom</b> |

|                           |  |
|---------------------------|--|
| Share class base currency | <b>GBP</b>   |
| Domicile                  | <b>United Kingdom</b>  |
| Inception date            | <b>10 December 2013</b>  |
| Fund size                 | <b>GBP 340,978,351</b>   |
| Reference benchmark       | <b>100% Investment Association Mixed Investment 40-85% Shares sector</b> |
| Managers                  | <b>Justin Turner<br/>Ed Gurung<br/>Paul Denham</b>                       |

### Fees and expenses

|   |                      |
|---|----------------------|
| Minimum initial investment <sup>2</sup> | <b>GBP 1,000,000</b> |
| Ongoing charge figure <sup>3</sup>      | <b>0.690%</b>        |

### Codes

|                  |                     |
|------------------|---------------------|
| ISIN             | <b>GB00BG0R4Z55</b> |
| Bloomberg ticker | <b>HSBBACI LN</b>   |
| SEDOL            | <b>BG0R4Z5</b>      |

<sup>1</sup>Dividend Yield: represents the ratio of distributed income over the last 12 months to the fund's current Net Asset Value.

<sup>2</sup>Please note that initial minimum subscription may vary across different distributors

<sup>3</sup>Ongoing 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.

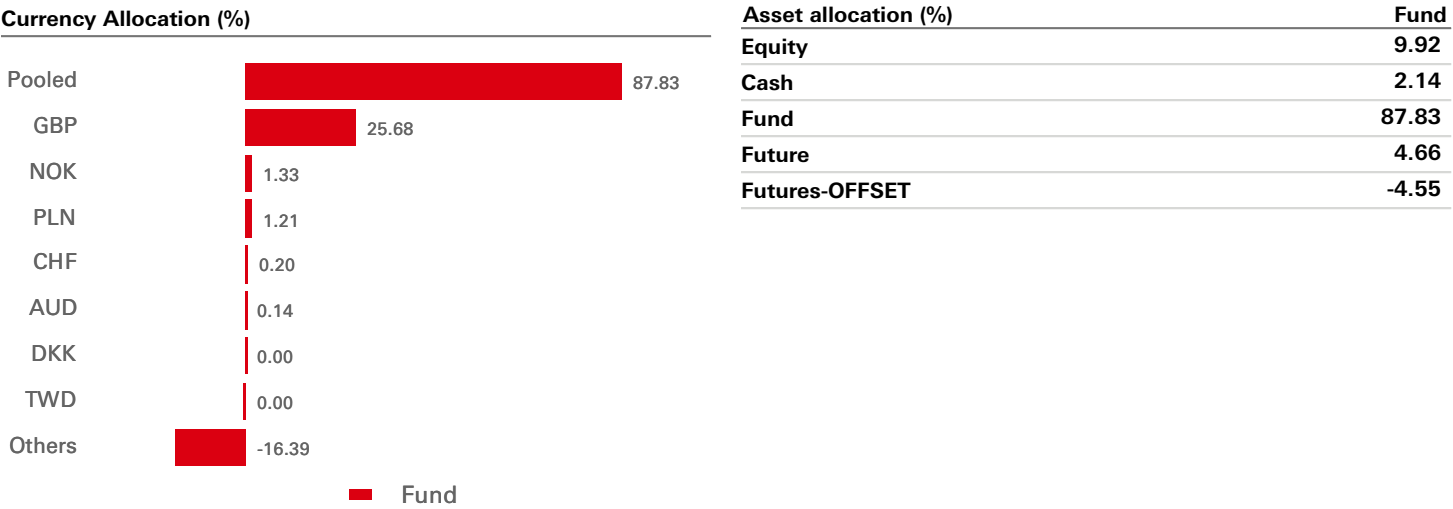
This is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions.

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

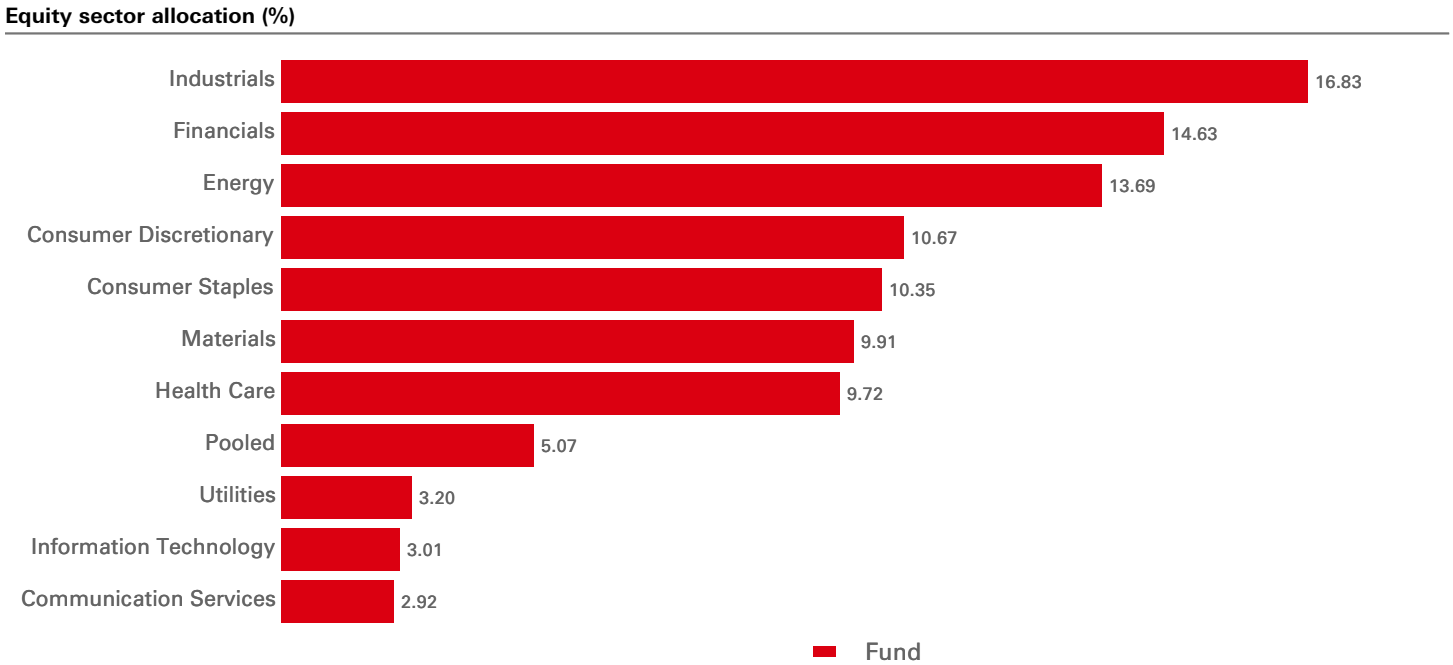
Source: HSBC Asset Management, data as at 31 March 2024

| Performance (%)     | YTD  | 1 month | 3 months | 6 months | 1 year | 3 years ann | 5 years ann | 10 years ann |
|---------------------|------|---------|----------|----------|--------|-------------|-------------|--------------|
| Inc C               | 5.18 | 3.31    | 5.18     | 10.94    | 12.48  | 5.91        | 5.43        | 5.80         |
| Reference Benchmark | 4.15 | 2.79    | 4.15     | 10.23    | 10.23  | 3.58        | 5.41        | 5.79         |

| 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 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Inc C                   | 12.48             | -4.06             | 10.08             | 23.46             | -11.16            | 5.44              | -0.26             | 16.95             | -2.37             | 12.30             |
| Reference Benchmark     | 10.23             | -4.59             | 5.72              | 27.27             | -7.87             | 4.26              | 1.95              | 18.23             | -2.51             | 11.35             |



| Top 10 holdings                           | Weight (%) |
|---|------------|
| HSBC American Index Institutional Inc     | 12.93      |
| HSBC Multi-Factor Worldwide Eq ZQ Inc     | 7.55       |
| HSBC US Multi-Factor Eq Instl Inc         | 5.72       |
| HSBC FTSE All-World Index Inst Inc        | 5.58       |
| HSBC FTSE All Share Index Inst Inc        | 4.94       |
| HSBC UK Gilt Index Institutional Inc      | 3.91       |
| HSBC GIF Global Infrastructure Equity ZD  | 3.55       |
| HSBC GIF Global EM Local Dbt ZQ1          | 2.97       |
| iShares Edge MSCI USA Qual Fac ETF \$Dist | 2.96       |
| HSBC Japan Index Instl Acc                | 2.86       |



# Monthly performance commentary

## Portfolio Performance and Activity

All major asset classes experienced positive returns during March, which also resulted in positive absolute returns for the HSBC Balanced fund.

The fund is actively positioned against a long-term asset allocation. During March, our active positioning added value. The biggest positive contribution came from our allocation to alternative asset classes, including Trend Following Hedge Funds and Gold. In addition, our tilt towards Spanish equity and European Banks also added value. Conversely, our tilt away from Global High Yield and our preference for Brazil and India equity lost some value, while our tilt towards to US Quality sector also detracted slightly.

## Risk disclosures

- Investing in other funds involves certain risks an investor would not face if investing in markets directly. Governance of underlying assets can be the responsibility of third-party managers.
- 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.
- 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

© Morningstar. All Rights Reserved. The information, data, analyses and opinions ("Information") contained herein: (1) include the proprietary information of Morningstar and its content providers; (2) may not be copied or redistributed except as specifically authorised; (3) do not constitute investment advice; (4) are provided solely for informational purposes; (5) are not warranted to be complete, accurate or timely; and (6) may be drawn from fund data published on various dates. Morningstar is not responsible for any trading decisions, damages or other losses related to the Information or its use. Please verify all of the Information before using it and don't make any investment decision except upon the advice of a professional financial adviser. Past performance is no guarantee of future results. The value and income derived from investments may go down as well as up.

## 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.

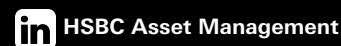
[www.assetmanagement.hsbc.co.uk](http://www.assetmanagement.hsbc.co.uk)

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](http://www.assetmanagement.hsbc.co.uk)

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

Follow us on:



For more information please contact us at E-mail:

[Wholesale.clientservices@hsbc.com](mailto:Wholesale.clientservices@hsbc.com).

[www.assetmanagement.hsbc.com/uk](http://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

