

## HSBC Investment Funds

# Monthly Income Fund

Monthly report 31 March 2024 | Share class Acc C



## Investment objective

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



## Investment strategy

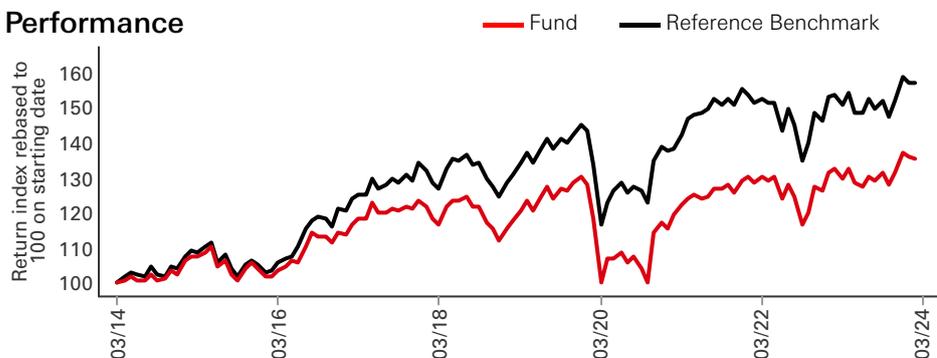
To achieve its objective the Fund will invest at least 80% of its value in a combination of shares (equities) of UK companies and bonds issued by UK companies. UK companies are those that are based in the UK or earn at least 80% of their revenue from the UK. Under normal market conditions, the asset allocation of the Fund is 70% in shares of companies and 30% in bonds. These percentages will fluctuate based upon market movement. The Fund is managed with reference to the FTSE All-Share Index and Markit iBoxx GBP Corporates Index. The FTSE All-Share Index and Markit iBoxx GBP Corporates Index are 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 UK equities market and sterling corporate bond market. The performance of the Fund is therefore shown against the performance of a combined benchmark consisting of a weighting of 70% FTSE All-Share Index and 30% Markit iBoxx GBP Corporates Index.



## 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 3.59</b>
Performance 1 month	<b>4.11%</b>
Sharpe ratio 3 years	<b>0.23</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>Accumulating</b>
Distribution frequency	<b>Monthly</b>
Dividend ex-date	<b>16 January 2020</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>3 December 2012</b>
Fund size	<b>GBP 80,049,830</b>
Reference benchmark	<b>30% Markit iBoxx GBP Corporates Index 70% FTSE All Share Index</b>
Managers	<b>Justin Turner Mohamed Imtiaz Siddeeq</b>
Fees and expenses	
Minimum initial investment <sup>1</sup>	<b>GBP 1,000,000</b>
Ongoing charge figure <sup>2</sup>	<b>0.600%</b>
Codes	
ISIN	<b>GB00B80H8680</b>
Bloomberg ticker	<b>HSMINCA LN</b>
SEDOL	<b>B80H868</b>

<sup>1</sup>Please note that initial minimum subscription may vary across different distributors  
<sup>2</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.

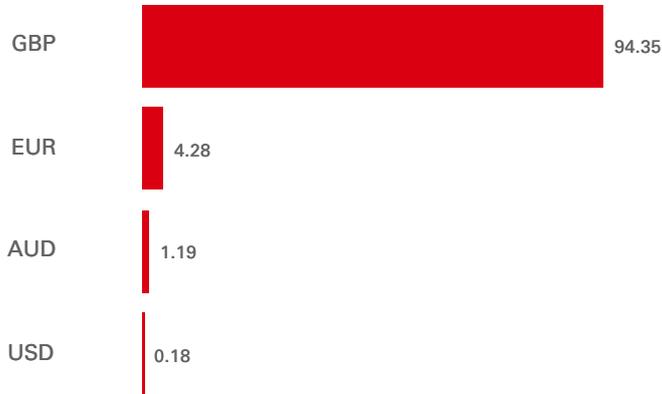
This is a marketing communication. Please refer to the prospectus and to the KID before making any final investment decisions. For definition of terms, please refer to the Glossary QR code and Prospectus.

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
<b>Acc C</b>	<b>2.69</b>	<b>4.11</b>	<b>2.69</b>	<b>7.29</b>	<b>8.45</b>	<b>4.76</b>	<b>3.13</b>	<b>3.50</b>
Reference Benchmark	2.55	3.85	2.55	7.38	8.19	4.64	3.93	5.01

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
<b>Acc C</b>	<b>8.45</b>	<b>-0.02</b>	<b>6.04</b>	<b>22.10</b>	<b>-16.90</b>	<b>3.71</b>	<b>-1.38</b>	<b>14.05</b>	<b>-3.89</b>	<b>7.84</b>
Reference Benchmark	8.19	-1.22	7.22	21.75	-13.08	5.80	1.38	18.49	-2.63	8.66

#### Currency Allocation (%)



■ Fund

#### Asset allocation (%)

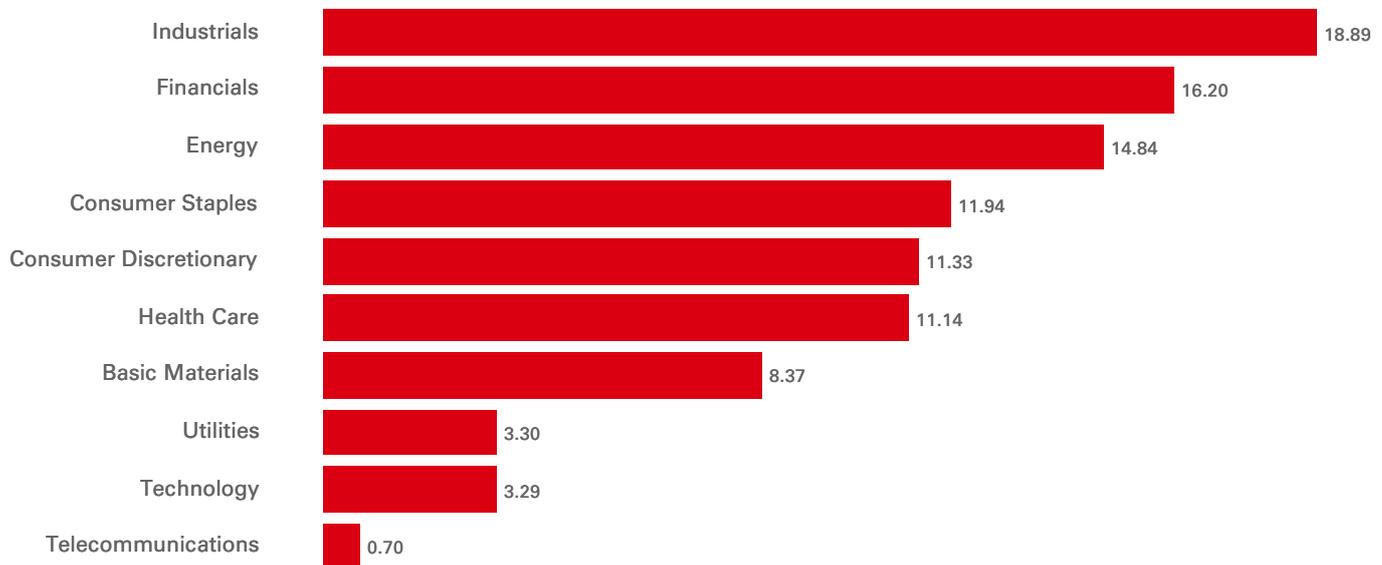
Asset allocation (%)	Fund
<b>Equity</b>	<b>68.49</b>
<b>Fixed Income</b>	<b>24.16</b>
<b>Cash</b>	<b>7.33</b>
<b>Future</b>	<b>1.00</b>
<b>Futures-OFFSET</b>	<b>-0.97</b>

#### Top 10 holdings

#### Weight (%)

Shell PLC	5.92
BP PLC	4.24
GSK PLC	3.92
BAE Systems PLC	3.52
HSBC Holdings PLC	3.24
AstraZeneca PLC	3.10
Rio Tinto PLC	2.70
Compass Group PLC	2.55
Barclays PLC	2.20
Next PLC	2.03

#### Equity sector allocation (%)



■ Fund

<b>Instrument type allocation (%)</b>	<b>Fund</b>	<b>Reference Benchmark</b>	<b>Relative</b>
Corporate Bond	59.49	--	--
Euro Medium Term Note	26.37	--	--
Government Bond	10.59	--	--
Perpetual Bonds	3.54	--	--

## Monthly performance commentary

### Equity

At sector level, stock selection was positive for the month. Positive performance came from Consumer Discretionary and Financials, though this was offset by negative stock selection in Basic Materials and Health Care.

Consumer Staples security, RECKITT BENCKISER GROUP PLC with total effect 0.23% is the top contributor. Additionally, Financials security, NATWEST GROUP PLC was the second largest contributor with total effect 0.18%. Consumer Discretionary security, RELX PLC also contributed with total effect 0.17%.

On the other side, detractors included Basic Materials security GLENORE PLC with total effect -0.23%, Industrials holding, ROLLS-ROYCE HOLDINGS PLC with total effect -0.15%, and Industrials holding, IBSTOCK PLC with total effect -0.13%.

During this period, no positions were opened or were closed.

Sector allocation effects are residual to stock selection. At sector level, effects were positive, given an overweight exposure to Basic Materials.

### Fixed Income

The fixed income assets value increased in March by 1.66%, underperforming the benchmark by 11bps. Global government bond yields rose over the month, as central bankers endeavored to pare back expectations of near-term rate cuts amid unexpectedly strong economic growth. IG, HY and EM credit markets tightened over the month.

### Outlook

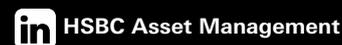
March was another strong month for credit markets with excess returns adding to the positive contribution from rates markets. All spread markets tightened in March. Global investment grade tightened 6.5bp [Bloomberg Global Aggregate Corporate Index] while global high yield tightened 8bp [ICE BofA Global High Yield Index]. Emerging markets performed strongly, with JP Morgan's Emerging Bond Global Government Index tightening 21bp driven by EM HY which tightened 20bp while EM IG tightened 4bp. Asia HY also generated a positive return of around 2%.

We continue to rotate out of securities we consider fully valued and into new investment opportunities. Over the balance of 2024, we consider stock selection supported by fundamental research will be important driver of portfolio resilience and return in a lower spread environment.

## Risk disclosures

- 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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For more information please contact us at E-mail:  
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### Glossary



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

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