

# HSBC Global Investment Funds - Turkey Equity

Share Class AC

30 Nov 2018

## Fund Objective and Strategy

### Investment Objective

The Fund seeks long-term returns from capital growth and income by investing primarily in a diversified portfolio of shares (or securities that are similar to shares) of Turkish companies. The companies issuing these shares have a registered office and official stock-market listing in Turkey, or carry out most of their business there.

### Investment Strategy

There aren't restrictions on the market values of the companies held in the Fund. The Fund may also invest in index futures to gain market exposure. See the Prospectus for a full description of the investment objectives and derivative usage.

| Performance (%)           | YTD    | 1M    | 3M    | 1Y     | 3Y <sup>1</sup> | 5Y <sup>1</sup> | Since Inception <sup>1</sup> |
|---------------------------|--------|-------|-------|--------|-----------------|-----------------|------------------------------|
| AC EUR                    | -27.67 | 12.76 | 30.75 | -17.87 | -5.86           | -4.48           | 4.76                         |
| AC EUR (Net) <sup>2</sup> | -31.46 | 6.84  | 23.88 | -22.18 | -7.54           | -5.50           | 4.35                         |
| Reference Benchmark EUR   | -36.86 | 12.18 | 31.99 | -28.65 | -12.68          | -8.60           | 2.46                         |

| Calendar Year Performance (%) | 2013   | 2014  | 2015   | 2016   | 2017  |
|-------------------------------|--------|-------|--------|--------|-------|
| AC EUR                        | -33.10 | 39.48 | -22.44 | -5.36  | 31.40 |
| AC EUR (Net) <sup>2</sup>     | -36.62 | 32.16 | -26.51 | -10.33 | 24.51 |
| Reference Benchmark EUR       | -29.69 | 35.59 | -22.99 | -7.54  | 24.81 |

| 3-Year Risk Measures | AC    | Reference Benchmark |
|----------------------|-------|---------------------|
| Volatility           | 28.0% | 29.7%               |
| Tracking Error       | 3.4%  | -                   |
| Information Ratio    | 2.01  | -                   |
| Beta                 | 0.94  | -                   |

| Characteristics            | Fund  | Reference Benchmark |
|----------------------------|-------|---------------------|
| Number of Holdings ex Cash | 35    | 25                  |
| Avg Market Cap (EUR mil)   | 3,640 | 3,817               |

| Share Class Details     |  |
|-------------------------|--|
| UCITS V Compliant       | Yes  |
| Subscription Mode       | Cash / SRS (Supplementary Retirement Scheme) |
| Distribution Type       | Accumulating                                 |
| Dealing Frequency       | Daily  |
| Valuation Time          | 17:00 Luxembourg                             |
| Min. Initial Investment | EUR 1,000                                    |
| Annual Management Fee   | 1.75%  |
| Max. Initial Charge     | 5.00%  |
| Base Currency           | EUR  |
| Domicile                | Luxembourg                                   |
| ISIN                    | LU0213961682                                 |
| Inception Date          | 29 Mar 2005                                  |
| NAV per Share           | EUR 18.61                                    |
| Fund Size               | EUR 65,661,641                               |
| Bloomberg Ticker        | HSHTKLC LX                                   |
| Reference Benchmark     | MSCI Turkey 10/40 Net                        |
| Manager                 | Emin Yigit Onat                              |

Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividend reinvested.

Source: HSBC Global Asset Management, data as at 30 November 2018

<sup>1</sup>Result is annualised when calculation period is over one year.

<sup>2</sup>Net of relevant prevailing sales charge

## Risk Disclosure

**General Risk:** The Fund's unit value can go up as well as down, and any capital invested in the Fund may be at risk.

**Market Risk:** 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.

**Emerging Markets Risk:** 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.

**Concentration Risk:** The Fund may be concentrated in a limited number of securities, economic sectors and/or countries and as a result, may be more volatile and have a greater risk of loss than more broadly diversified funds.

**Derivatives Risk:** Derivatives may be used by the Fund, and these can behave unexpectedly.

**Hedging Risk:** 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 Risk:** 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.

**Documentation Statement:** Further information on the Fund's potential risks can be found in the Key Investor Information Document and Prospectus.

## Monthly Performance Commentary

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### Review

In November, MSCI Turkey Index outperformed the MSCI EM Index by 9.0%. The Lira gained 7.5% against the basket (0.5 EUR + 0.5 USD). We saw short end bond yields coming off by 3.8 basis points (bps) to 19.3%, while long end came down by 1.5 bps to 16.2%.

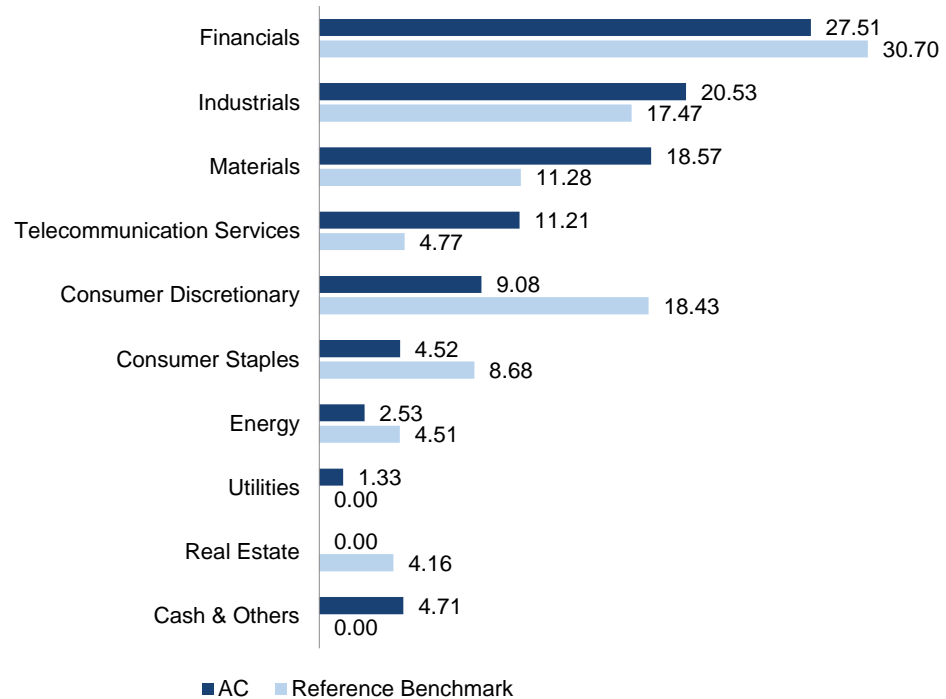
Looking at the sector breakdown, Telecoms and Financials outperformed the broader market, while Materials and Consumer Discretionary lagged.

Leading positive contributors of the month were overweight position in Tekfen Holding and Soda Sanayi and underweight in TAV and THY. On the downside, overweight in Trakya Cam and Odas and underweight in BIM were the top negative contributors.

### Outlook

The fund gained over the month and outperformed its benchmark index. The Lira (TRL) remained strong, which has supported the performance of Turkish equities. Sectors benefitting from stronger TRL such as Telecoms and Financials were supportive of the broader market. Concerns related to banking sectors refinancing needs has eased for now, as major banks have rolled over their syndications without any significant cost increase. The market has started focusing to 2019 prospects, which looks to be a challenging year. We remain invested in companies with strong earnings outlook, cash generation ability and financial visibility. Though we have added some TRY sensitive names to our portfolio, given recent stabilization in TRY, we remain mostly invested in companies with strong cash position and long FX position.

## Sector Allocation (%)



| Top 10 Holdings (%)       | Location | Sector                 | Weight (%) |
|---------------------------|----------|------------------------|------------|
| TURKCELL ILETISM HIZMET   | Turkey   | Communication Services | 8.04       |
| AKBANK                    | Turkey   | Financials             | 7.77       |
| EREGLI DEMIR CELIK FABRIK | Turkey   | Materials              | 7.21       |
| ASELSAN ELEKTRONIK SANAYI | Turkey   | Industrials            | 7.11       |
| GARANTI BANKASI           | Turkey   | Financials             | 6.50       |
| BIM BIRLESIK MAGAZALAR    | Turkey   | Consumer Staples       | 4.50       |
| TURK HAVA YOLLARI         | Turkey   | Industrials            | 4.31       |
| KOZA ALTIN ISLETMELERI    | Turkey   | Materials              | 4.26       |
| TURKIYE HALK BANKASI      | Turkey   | Financials             | 4.02       |
| SODA SANAYII              | Turkey   | Materials              | 3.62       |

Source: HSBC Global Asset Management, data as at 30 November 2018

## Index Disclaimer

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Should there be any discrepancy, the English version shall prevail. This document has not been reviewed by the Monetary Authority of Singapore.

# HSBC Global Investment Funds - Turkey Equity

Supplement Information Sheet

30 Nov 2018

| Performance (%)           | Return Currency | YTD    | 1M    | 3M    | 6M     | 1Y     | 3Y <sup>1</sup> | 5Y <sup>1</sup> | Since Inception <sup>1</sup> |
|---------------------------|-----------------|--------|-------|-------|--------|--------|-----------------|-----------------|------------------------------|
| AC EUR                    | EUR             | -27.67 | 12.76 | 30.75 | -11.62 | -17.87 | -5.86           | -4.48           | 4.76                         |
| AC EUR (Net) <sup>2</sup> | EUR             | -31.46 | 6.84  | 23.88 | -16.26 | -22.18 | -7.54           | -5.50           | 4.35                         |
| AC SGD                    | SGD             | -29.98 | 11.63 | 27.42 | -12.06 | -20.56 | -4.51           | -6.26           | 2.36                         |
| AC SGD (Net) <sup>2</sup> | SGD             | -33.65 | 5.77  | 20.73 | -16.68 | -24.73 | -6.21           | -7.27           | 1.96                         |
| AC USD                    | USD             | -31.80 | 12.68 | 27.24 | -14.28 | -22.01 | -3.66           | -7.94           | 3.76                         |
| AC USD (Net) <sup>2</sup> | USD             | -35.38 | 6.76  | 20.56 | -18.78 | -26.10 | -5.37           | -8.92           | 3.35                         |
| AD EUR                    | EUR             | -27.57 | 12.75 | 30.75 | -11.50 | -17.76 | -5.83           | -4.45           | 4.89                         |
| AD EUR (Net) <sup>2</sup> | EUR             | -31.37 | 6.83  | 23.89 | -16.15 | -22.08 | -7.50           | -5.48           | 4.47                         |
| AD SGD                    | SGD             | -29.88 | 11.63 | 27.42 | -11.94 | -20.46 | -4.47           | -6.24           | 2.40                         |
| AD SGD (Net) <sup>2</sup> | SGD             | -33.57 | 5.77  | 20.73 | -16.56 | -24.63 | -6.17           | -7.24           | 2.00                         |
| AD USD                    | USD             | -31.70 | 12.67 | 27.24 | -14.16 | -21.90 | -3.62           | -7.91           | 3.81                         |
| AD USD (Net) <sup>2</sup> | USD             | -35.29 | 6.76  | 20.56 | -18.67 | -26.00 | -5.33           | -8.90           | 3.40                         |

| Calendar Year Performance (%) | Return Currency | 2013   | 2014  | 2015   | 2016   | 2017  |
|-------------------------------|-----------------|--------|-------|--------|--------|-------|
| AC EUR                        | EUR             | -33.10 | 39.48 | -22.44 | -5.36  | 31.40 |
| AC EUR (Net) <sup>2</sup>     | EUR             | -36.62 | 32.16 | -26.51 | -10.33 | 24.51 |
| AC SGD                        | SGD             | -27.73 | 28.55 | -25.45 | -6.42  | 38.38 |
| AC SGD (Net) <sup>2</sup>     | SGD             | -31.53 | 21.81 | -29.37 | -11.33 | 31.12 |
| AC USD                        | USD             | -30.09 | 22.49 | -30.37 | -8.11  | 49.60 |
| AC USD (Net) <sup>2</sup>     | USD             | -33.76 | 16.06 | -34.03 | -12.93 | 41.75 |
| AD EUR                        | EUR             | -33.11 | 39.50 | -22.44 | -5.37  | 31.41 |
| AD EUR (Net) <sup>2</sup>     | EUR             | -36.62 | 32.18 | -26.51 | -10.34 | 24.51 |
| AD SGD                        | SGD             | -27.74 | 28.57 | -25.45 | -6.43  | 38.39 |
| AD SGD (Net) <sup>2</sup>     | SGD             | -31.53 | 21.82 | -29.37 | -11.35 | 31.12 |
| AD USD                        | USD             | -30.09 | 22.51 | -30.37 | -8.12  | 49.60 |
| AD USD (Net) <sup>2</sup>     | USD             | -33.76 | 16.07 | -34.02 | -12.94 | 41.75 |

<sup>1</sup> Result is annualised when calculation period is over one year.

<sup>2</sup> Net of relevant prevailing sales charge

**Past performance is not an indicator of future returns. The figures are calculated in the share class base currency, dividend reinvested.**

| Share Class | Base Currency | Distribution Frequency | Dividend ex-date | Last Paid Dividend | Annualised Yield |
|-------------|---------------|------------------------|------------------|--------------------|------------------|
| AC          | EUR           | -                      | -                | -                  | -                |
| AD          | EUR           | Annually               | 11 Jul 2018      | 0.275604           | 2.07%            |

The above table cites the last dividend paid within the last 12 months only.

Dividend is not guaranteed and may be paid out of distributable income, capital or both, which could result in capital erosion and reduction in net asset value. A positive distribution yield does not imply a positive return. Past payout yields and payments do not represent future payout yields and payments. The calculation method of annualised yield: (dividend value / NAV per share or unit as of ex-dividend date) x n, n depends on the distributing frequency. Annually distribution is 1; semi-annually distribution is 2; quarterly distribution is 4; monthly distribution is 12. The annualised dividend yield is calculated based on the dividend distribution on the relevant date with dividend reinvested, and may be higher or lower than the actual annual dividend yield.

Investors and potential investors should refer to the details on dividend distributions of the Fund, which are available on HSBC Global Asset Management (Singapore) Limited website.

| Share Class | Inception Date | ISIN         | Base Currency | Min. Initial Investment | NAV per Share | Annual Management Fee | Distribution Type |
|-------------|----------------|--------------|---------------|-------------------------|---------------|-----------------------|-------------------|
| AC          | 29 Mar 2005    | LU0213961682 | EUR           | EUR 1,000               | 18.61         | 1.75%                 | Accumulating      |
| AD          | 19 Apr 2005    | LU0213961765 | EUR           | EUR 1,000               | 13.55         | 1.75%                 | Distributing      |

Different classes may have different performances, dividend yields and expense ratios. For hedged classes, the effects of hedging will be reflected in the net asset values of such classes. Expenses arising from hedging transactions may be significant and will be borne by the relevant hedged classes. Hedged class performs the required hedging on a best efforts basis.

Source: HSBC Global Asset Management, data as at 30 November 2018