

HSBC Global Investment Funds - Turkey Equity

Share Class AC

31 Jan 2019

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 ¹	5Y ¹	Since Inception ¹
AC EUR	15.20	15.20	22.25	-22.92	-1.21	3.70	5.31
AC EUR (Net) ²	9.15	9.15	15.83	-26.97	-2.97	2.59	4.91
Reference Benchmark EUR	16.73	16.73	23.40	-31.30	-7.57	-1.14	3.13

Calendar Year Performance (%)	2014	2015	2016	2017	2018
AC EUR	39.48	-22.44	-5.36	31.40	-31.92
AC EUR (Net) ²	32.16	-26.51	-10.33	24.51	-35.50
Reference Benchmark EUR	35.59	-22.99	-7.54	24.81	-40.50

3-Year Risk Measures	AC	Reference Benchmark	Characteristics	Fund	Reference Benchmark
Volatility	29.25%	31.07%	Number of Holdings ex Cash	35	20
Information Ratio	1.79	-	Avg Market Cap (EUR mil)	4,177	4,603
Beta	0.94	-			

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 20.18
Fund Size	EUR 70,126,944
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 31 January 2019

¹Result is annualised when calculation period is over one year.

²Net of relevant prevailing sales charge

Risk Disclosure

- The Fund's unit value can go up as well as down, and any capital invested in the Fund may be at 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.
- 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.
- 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 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.
- Further information on the Fund's potential risks can be found in the Key Investor Information Document and Prospectus.

Monthly Performance Commentary

Review

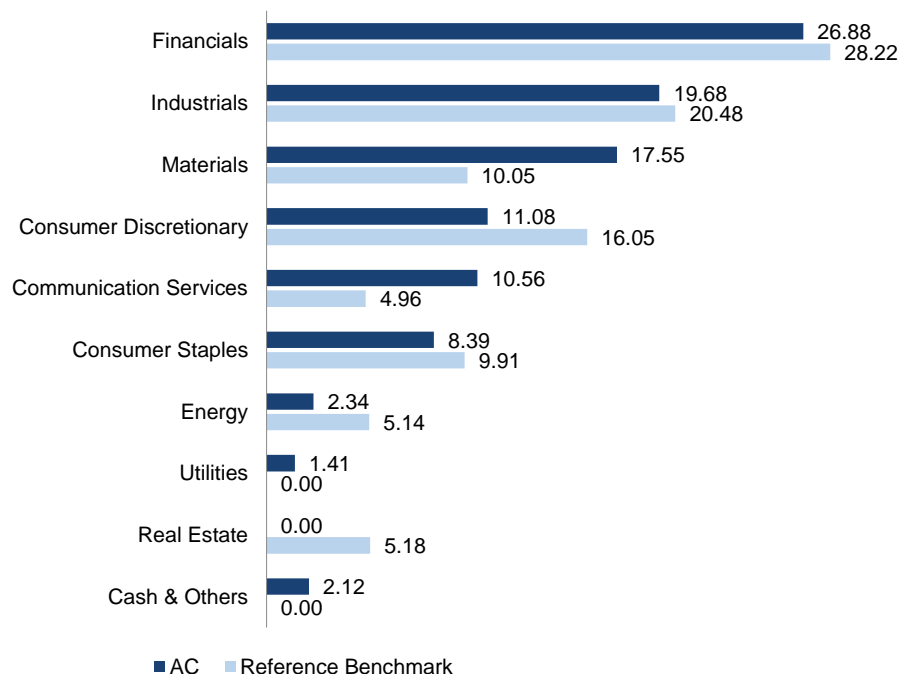
In January, MSCI Turkey Index underperformed the MSCI EM Index by 8.3%. The Lira gained 2.1% against the basket (0.5 EUR + 0.5 USD). We saw short end bond yields coming off by 1.2pp to 17.6%, while long end came down by 2.0pp to 13.8%.

HSBC GIF Turkey Equity Fund gained but underperformed its benchmark MSCI Turkey 10/40 Index. From the sector perspective, Consumer Discretionary and Telecoms outperformed while Real Estate and Consumer Staples lagged. Our overweight positions in Soda and Koza Gold and underweight in Is Bank and Ulker were the worst detractors from returns. Some of the underperformance was offset by our overweight positions in Turkcell and Tekfen Holding and the underweights in BIM and Emlak Konut.

Outlook

The expectation that the Central Bank of Turkey (CBT) will keep tight monetary policy until January and dovish stance of the US Federal Reserve (Fed) triggered a rally in Turkish equities in January. The concerns related to economic growth, particularly in the first half of this year, weak earnings outlook for 2019 still remain valid. We continue to focus on 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 cash-rich companies with long FX positions.

Sector Allocation (%)



Top 10 Holdings (%)	Sector	Weight (%)
AKBANK	Financials	9.21
GARANTI BANKASI	Financials	9.16
TURKCELL ILETISM HIZMET	Communication Services	8.74
ASELSAN ELEKTRONIK SANAYI	Industrials	6.19
EREGLI DEMIR CELIK FABRIK	Materials	4.70
TURK HAVA YOLLARI	Industrials	4.64
FORD OTOMOTIV SANAYI	Consumer Discretionary	4.62
ANADOLU EFES BIRACILIK	Consumer Staples	4.62
BIM BIRLESIK MAGAZALAR	Consumer Staples	4.13
TURKIYE HALK BANKASI	Financials	4.03

Source: HSBC Global Asset Management, data as at 31 January 2019

Index Disclaimer

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Company Registration No. 198602036R

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

31 Jan 2019

Performance (%)	Return Currency	YTD	1M	3M	6M	1Y	3Y ¹	5Y ¹	Since Inception ¹
AC EUR	EUR	15.20	15.20	22.25	6.18	-22.92	-1.21	3.70	5.31
AC EUR (Net) ²	EUR	9.15	9.15	15.83	0.60	-26.97	-2.97	2.59	4.91
AC SGD	SGD	14.08	14.08	20.21	2.85	-27.08	-1.15	1.43	2.88
AC SGD (Net) ²	SGD	8.09	8.09	13.90	-2.55	-30.91	-2.91	0.34	2.48
AC USD	USD	15.63	15.63	23.80	4.13	-29.00	0.74	0.41	4.42
AC USD (Net) ²	USD	9.56	9.56	17.30	-1.34	-32.73	-1.05	-0.67	4.01
AD EUR	EUR	15.20	15.20	22.25	6.18	-22.82	-1.17	3.73	5.44
AD EUR (Net) ²	EUR	9.15	9.15	15.83	0.61	-26.87	-2.93	2.62	5.03
AD SGD	SGD	14.08	14.08	20.21	2.86	-26.98	-1.11	1.46	2.93
AD SGD (Net) ²	SGD	8.09	8.09	13.90	-2.54	-30.82	-2.87	0.37	2.52
AD USD	USD	15.63	15.63	23.80	4.13	-28.91	0.78	0.43	4.47
AD USD (Net) ²	USD	9.56	9.56	17.30	-1.34	-32.64	-1.01	-0.64	4.06

Calendar Year Performance (%)	Return Currency	2014	2015	2016	2017	2018
AC EUR	EUR	39.48	-22.44	-5.36	31.40	-31.92
AC EUR (Net) ²	EUR	32.16	-26.51	-10.33	24.51	-35.50
AC SGD	SGD	28.55	-25.45	-6.42	38.38	-33.90
AC SGD (Net) ²	SGD	21.81	-29.37	-11.33	31.12	-37.37
AC USD	USD	22.49	-30.37	-8.11	49.60	-35.19
AC USD (Net) ²	USD	16.06	-34.03	-12.93	41.75	-38.59
AD EUR	EUR	39.50	-22.44	-5.37	31.41	-31.83
AD EUR (Net) ²	EUR	32.18	-26.51	-10.34	24.51	-35.41
AD SGD	SGD	28.57	-25.45	-6.43	38.39	-33.81
AD SGD (Net) ²	SGD	21.82	-29.37	-11.35	31.12	-37.29
AD USD	USD	22.51	-30.37	-8.12	49.60	-35.10
AD USD (Net) ²	USD	16.07	-34.02	-12.94	41.75	-38.51

¹ Result is annualised when calculation period is over one year.

² 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.

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Supplement Information Sheet

31 Jan 2019

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	20.18	1.75%	Accumulating
AD	19 Apr 2005	LU0213961765	EUR	EUR 1,000	14.69	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 31 January 2019