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HSBC GLOBAL ASSET MANAGEMENT (JAPAN) LAUNCHES ITS FIRST MANDATE THAT TRADES THROUGH BOND CONNECT

HSBC Global Asset Management (Japan) K.K. has launched its first mandate that trades through Bond Connect in mainland China's Interbank Bond Market (CIBM). After the HSBC Group started trading through Bond Connect in July 2017, its asset management arm has now become one of the first asset managers in Japan to help an institutional investor access the asset class following the scheme's launch.

While the Chinese bond market is the third largest globally at around USD12 trillion (JPY1,275 trillion*), foreign ownership is currently less than two percent. Bond Connect allows offshore investors, including those from Japan, to purchase onshore Chinese bonds and is a positive development in the further opening up of the Chinese bond market. Furthermore, announcements that CNY-denominated bonds will be included in major foreign bond indices from April 2019 is increasing interest in the Chinese local bond market.

Commenting on the mandate, Patrice Conxicoeur, CEO, HSBC Global Asset Management Japan said: "As one of the strongest international financial institutions in China, HSBC is ideally placed to support Japanese institutional investors access China's bond market via Bond Connect. We look forward to providing a wide range of services to support more Japanese investors access different markets with ease in the future, leveraging our global network. For example, working closely with our colleagues in Hong Kong as was the case with this deal."

*Based on the exchange rate of USD1 = JPY106.28 as of end March 2018

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Note to editors:

HSBC Global Asset Management

HSBC Global Asset Management, the investment management business of the HSBC Group, invests on behalf of HSBC's worldwide customer base of retail and private clients, intermediaries, corporates and institutions through both segregated accounts and pooled funds. HSBC Global Asset Management connects HSBC's clients with investment opportunities around the world through an international network of offices in around 26 countries, delivering global capabilities with local market insight. As at 30 September 2018, HSBC Global Asset Management managed assets totalling US\$456bn on behalf of its clients.

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